UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended June 30, 2024

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:

Title of each class	**Trading Symbols**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	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

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

5.50% Series A1 Preferred Stock, par value $0.001
5.50% Series AA1 Preferred Stock, par value $0.001
5.50% Series MM1 Preferred Stock, par value $0.001
5.50% Series M1 Preferred Stock, par value $0.001
5.50% Series M2 Preferred Stock, par value $0.001
5.50% Series A2 Preferred Stock, par value $0.001
6.50% Series A3 Preferred Stock, par value $0.001
6.50% Series M3 Preferred Stock, par value $0.001
6.50% Series AA2 Preferred Stock, par value $0.001
6.50% Series MM2 Preferred Stock, par value $0.001

Floating Rate Series A4 Preferred Stock, par value $0.001
Floating Rate Series M4 Preferred Stock, par value $0.001

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☐

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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the common equity held by non-affiliates of the Registrant as of December 29, 2023 was $1.809 billion (based on the closing price on that date of $5.99 on the NASDAQ Global Select Market). For the purposes of calculating this amount only, all executive officers and Directors are "affiliates" of the Registrant.

As of August 27, 2024, there were 428,988,217 shares of the Registrant's common stock outstanding.

Documents Incorporated by Reference

Portions of the Registrant's definitive Proxy Statement relating to the 2024 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission, are incorporated by reference in Part III of this Annual Report on Form 10-K to the extent described therein.

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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 I, "Item 1A. Risk Factors" and elsewhere in this report 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 events outside of our control, including the consequences of the ongoing conflict between Russia and Ukraine and the Israel-Hamas war, on our and our portfolio companies' business 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 impact of alternative reference rates on our business and certain of our investments;
- 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 in this Annual Report.

PART I

Item 1. Business

In this Annual Report, the terms "Prospect," "the Company", "we," "us" and "our" mean Prospect Capital Corporation and all entities included in our consolidated financial statements, unless the context specifically requires otherwise.

General

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, as amended (the "Code"). We were organized on April 13, 2004, and were funded in an initial public offering completed on July 27, 2004. We are one of the largest BDCs with approximately $7.86 billion of total assets as of June 30, 2024.

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 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.

- 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 closing 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.

- 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, student housing and senior living. 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.

- Investing in Structured Credit - We make investments in structured credit, often taking a significant position in subordinated structured notes (equity). 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.

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

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

Our Investment Objective and Policies

Our investment objective is to generate both current income and long-term capital appreciation through debt and equity investments. We focus on making investments in private companies. We are a non-diversified company within the meaning of the 1940 Act.

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 may also acquire controlling interests in companies in conjunction with making secured debt investments in such companies. These may be in several industries, including industrial, service, aircraft leasing, real estate and financial businesses.

We seek to maximize returns and minimize risk for our investors by applying rigorous analysis to make and monitor our investments. While the structure of our investments varies, we can invest in senior secured debt, senior unsecured debt, subordinated secured debt, subordinated unsecured debt, convertible debt, convertible preferred equity, preferred equity, common equity, warrants and other instruments, many of which generate current yield. While our primary focus is to seek current income through investment in the debt and/or dividend-paying equity securities of eligible privately-held, thinly-traded or distressed companies and long-term capital appreciation by acquiring accompanying warrants, options or other equity securities of such companies, we may invest up to 30% of the portfolio in opportunistic investments in order to seek enhanced returns for stockholders. Such investments may include investments in the debt and equity instruments of broadly-traded public companies. We expect that these public companies generally will have debt securities that are non-investment grade. Such investments may also include purchases (either in the primary or secondary markets) of the equity and junior debt tranches of a type of pools such as CLOs. Structurally, CLOs are entities that are formed to hold a portfolio of senior secured loans made to companies whose debt is rated below investment grade or, in limited circumstances, unrated. The senior secured loans within a CLO are limited to senior secured loans which meet specified credit and diversity criteria and are subject to concentration limitations in order to create an investment portfolio that is diverse by senior secured loan, borrower, and industry, with limitations on non-U.S. borrowers. Within this 30% basket, we have and may make additional investments in debt and equity securities of financial companies and companies located outside of the United States.

Our investments may include other equity investments, such as warrants, options to buy a minority interest in a portfolio company, or contractual payment rights or rights to receive a proportional interest in the operating cash flow or net income of such company. When determined by the Investment Adviser to be in our best interest, we may acquire a controlling interest in a portfolio company. Any warrants we receive with our debt securities may require only a nominal cost to exercise, and thus, as a portfolio company appreciates in value, we may achieve additional investment return from this equity interest. We have structured, and will continue to structure, some warrants to include provisions protecting our rights as a minority-interest or, if applicable, controlling-interest holder, as well as puts, or rights to sell such securities back to the company, upon the occurrence of specified events. In many cases, we obtain registration rights in connection with these equity interests, which may include demand and "piggyback" registration rights.

We plan to hold many of our debt investments to maturity or repayment, but will sell a debt investment earlier if a liquidity event takes place, such as the sale or recapitalization of a portfolio company, or if we determine a sale of such debt investment to be in our best interest.

We have qualified and elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. As a RIC, we generally do not have to pay corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute to our stockholders as dividends. To continue to qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, to qualify for RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses. See "Material U.S. Federal Income Tax Considerations."

For a discussion of the risks inherent in our portfolio investments, see "Risk Factors – Risks Relating to Our Investments."

Industry Sectors

Our portfolio is invested across 35 industry categories. Excluding our CLO investments, which do not have industry concentrations, no individual industry comprises more than 19.1% of the portfolio on either a cost or fair value basis.

Ongoing Relationships with Portfolio Companies

Monitoring

Prospect Capital Management monitors our portfolio companies on an ongoing basis. Prospect Capital Management will continue to monitor the financial trends of each portfolio company to determine if it is meeting its business plan and to assess the appropriate course of action for each company.

Prospect Capital Management employs several methods of evaluating and monitoring the performance and value of our investments, which may include, but are not limited to, the following:

- Assessment of success in adhering to the portfolio company's business plan and compliance with covenants;
- Regular contact with portfolio company management and, if appropriate, the financial or strategic sponsor to discuss financial position, requirements and accomplishments;
- Comparisons to other portfolio companies in the industry, if any;
- Attendance at and participation in board meetings of the portfolio company; and
- Review of monthly and quarterly financial statements and financial projections for the portfolio company.

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. For further discussion of ASC 820 and our process for determining the fair value of investment portfolio, see *Critical Accounting Estimates.*

For a discussion of the risks inherent in determining the value of securities for which readily available market values do not exist, see "Risk Factors – Risks Relating to Our Business – Most of our portfolio investments are recorded at fair value as determined in good faith under the direction of the Board of Directors of the Company (the "Board of Directors") and, as a result, there is uncertainty as to the value of our portfolio investments."

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, when executing a managerial assistance arrangement with each portfolio company to which we provide managerial assistance, 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, invoice portfolio companies receiving and paying for contractual 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.

Investment Adviser

Prospect Capital Management, a Delaware limited partnership that is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") manages our investments. Prospect Capital Management is led by John F. Barry III and M. Grier Eliasek, two senior executives with significant investment advisory and business experience. Both Messrs. Barry and Eliasek spend a significant amount of their time in their roles at Prospect Capital Management working on our behalf. The principal executive offices of Prospect Capital Management are 700 S Rosemary Ave, Suite 204, West Palm Beach, FL 33401. We depend on the due diligence, skill and network of business contacts of the senior management of the Investment Adviser. We also depend, to a significant extent, on the Investment Adviser's investment professionals and the information and deal flow generated by those investment professionals in the course of their investment and portfolio management activities. The Investment Adviser's senior management team evaluates, negotiates, structures, closes, monitors and services our investments. Our future success depends to a significant extent on the continued service of the senior management team, particularly John F. Barry III and M. Grier Eliasek. The departure of any of the senior managers of the Investment Adviser could have a materially adverse effect on our ability to achieve our investment objective. In addition, we can offer no assurance that Prospect Capital Management will remain the Investment Adviser or that we will continue to have access to its investment professionals or its information and deal flow. Under the Investment Advisory Agreement (as defined below), we pay Prospect Capital Management investment advisory fees, which consist of an annual base management fee based on our gross assets as well as a two-part incentive fee based on our performance. Mr. Barry currently controls Prospect Capital Management.

Investment Advisory Agreement

Terms

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 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;

- 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.

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 amounts, less the aggregate amount of any capital gains incentive fees paid since inception.

Examples of Quarterly Incentive Fee Calculation

Example 1: Income Incentive Fee*

*The hypothetical amount of pre-incentive fee net investment income shown is based on a percentage of total net assets.

Alternative 1

Assumptions

- Investment income (including interest, dividends, fees, etc.) = 1.25%
- Hurdle rate(1) = 1.75%
- Base management fee(2) = 0.50%
- Other expenses (legal, accounting, custodian, transfer agent, etc.)(3) = 0.20%
- Pre-incentive fee net investment income (investment income – (base management fee + other expenses)) = 0.55%

Pre-incentive net investment income does not exceed hurdle rate, therefore there is no income incentive fee.

Alternative 2

Assumptions

- Investment income (including interest, dividends, fees, etc.) = 2.70%
- Hurdle rate(1) = 1.75%
- Base management fee(2) = 0.50%
- Other expenses (legal, accounting, custodian, transfer agent, etc.)(3) = 0.20%
- Pre-incentive fee net investment income (investment income – (base management fee + other expenses)) = 2.00%

Pre-incentive net investment income exceeds hurdle rate, therefore there is an income incentive fee payable by us to the Investment Adviser. The Income Incentive Fee would be calculated as follows:

= 100% × "Catch Up" + the greater of 0% AND (20% × (pre-incentive fee net investment income – 2.1875%))

= (100% × (2.00% - 1.75%)) + 0%

= 100% × 0.25% + 0%

= 0.25%

Alternative 3

Assumptions

- Investment income (including interest, dividends, fees, etc.) = 3.00%
- Hurdle rate(1) = 1.75%
- Base management fee(2) = 0.50%
- Other expenses (legal, accounting, custodian, transfer agent, etc.)(3) = 0.20%
- Pre-incentive fee net investment income (investment income – (base management fee + other expenses)) = 2.30%

Pre-incentive net investment income exceeds hurdle rate, therefore there is an income incentive fee payable by us to the Investment Adviser. The Income Incentive Fee would be calculated as follows:

= 100% × "Catch Up" + the greater of 0% AND (20% × (pre-incentive fee net investment income – 2.1875%))

= (100% × (2.1875% – 1.75%)) + the greater of 0% AND (20% × (2.30% – 2.1875%))

= (100% × 0.4375%) + (20% × 0.1125%)

= 0.4375% + 0.0225%

= 0.46%

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(1) Represents 7% annualized hurdle rate.

(2) Represents 2% annualized base management fee.

(3) Excludes organizational and offering expenses.

Example 2: Capital Gains Incentive Fee

Alternative 1

Assumptions

- Year 1: $20 million investment made
- Year 2: Fair market value ("FMV") of investment determined to be $22 million
- Year 3: FMV of investment determined to be $17 million
- Year 4: Investment sold for $21 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- Year 1: No impact
- Year 2: No impact
- Year 3: Decrease base amount on which the second part of the incentive fee is calculated by $3 million (unrealized capital depreciation)
- Year 4: Increase base amount on which the second part of the incentive fee is calculated by $4 million ($1 million of realized capital gain and $3 million *reversal* in unrealized capital depreciation)

Alternative 2

Assumptions

- Year 1: $20 million investment made
- Year 2: FMV of investment determined to be $17 million
- Year 3: FMV of investment determined to be $17 million
- Year 4: FMV of investment determined to be $21 million
- Year 5: FMV of investment determined to be $18 million
- Year 6: Investment sold for $15 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- Year 1: No impact
- Year 2: Decrease base amount on which the second part of the incentive fee is calculated by $3 million (unrealized capital depreciation)
- Year 3: No impact
- Year 4: Increase base amount on which the second part of the incentive fee is calculated by $3 million (*reversal* in unrealized capital depreciation)
- Year 5: Decrease base amount on which the second part of the incentive fee is calculated by $2 million (unrealized capital depreciation)
- Year 6: Decrease base amount on which the second part of the incentive fee is calculated by $3 million ($5 million of realized capital loss offset by a $2 million *reversal* in unrealized capital depreciation)

Alternative 3

Assumptions

- Year 1: $20 million investment made in company A ("Investment A") and $20 million investment made in company B ("Investment B")
- Year 2: FMV of Investment A is determined to be $21 million and Investment B is sold for $18 million
- Year 3: Investment A is sold for $23 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- Year 1: No impact
- Year 2: Decrease base amount on which the second part of the incentive fee is calculated by $2 million (realized capital loss on Investment B)
- Year 3: Increase base amount on which the second part of the incentive fee is calculated by $3 million (realized capital gain on Investment A)

Alternative 4

Assumptions

- Year 1: $20 million investment made in company A ("Investment A") and $20 million investment made in company B ("Investment B")
- Year 2: FMV of Investment A is determined to be $21 million and FMV of Investment B is determined to be $17 million
- Year 3: FMV of Investment A is determined to be $18 million and FMV of Investment B is determined to be $18 million
- Year 4: FMV of Investment A is determined to be $19 million and FMV of Investment B is determined to be $21 million
- Year 5: Investment A is sold for $17 million and Investment B is sold for $23 million

The impact, if any, on the capital gains portion of the incentive fee would be:

- Year 1: No impact
- Year 2: Decrease base amount on which the second part of the incentive fee is calculated by $3 million (unrealized capital depreciation on Investment B)
- Year 3: Decrease base amount on which the second part of the incentive fee is calculated by $1 million ($2 million in unrealized capital depreciation on Investment A and $1 million recovery in unrealized capital depreciation on Investment B)
- Year 4: Increase base amount on which the second part of the incentive fee is calculated by $3 million ($1 million recovery in unrealized capital depreciation on Investment A and $2 million recovery in unrealized capital depreciation on Investment B)
- Year 5: Increase base amount on which the second part of the incentive fee is calculated by $1 million ($3 million realized capital gain on Investment B offset by $3 million realized capital loss on Investment A plus a $1 million reversal in unrealized capital depreciation on Investment A from Year 4)

Duration and Termination

The Investment Advisory Agreement was originally approved by our Board of Directors on June 23, 2004 and was recently re-approved by the Board of Directors on June 14, 2024 for an additional one-year term expiring June 21, 2025, as discussed below. Unless terminated earlier as described below, it will remain in effect from year to year thereafter if approved annually by our Board of Directors or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not interested persons. The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may be terminated by either party without penalty upon not more than 60 days' written notice to the other. See "Risk Factors – Risks Relating to Our Business – We are dependent upon Prospect Capital Management's key management personnel for our future success."

Indemnification

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, Prospect Capital Management and its officers, managers, 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 Capital Management's services under the Investment Advisory Agreement or otherwise as the Investment Adviser.

Board of Directors Approval of the Investment Advisory Agreement

On June 14, 2024 our Board of Directors voted unanimously to renew the Investment Advisory Agreement for the 12-month period ending June 21, 2025. In its consideration of the Investment Advisory Agreement, the Board of Directors focused on information it had received relating to, among other things: (a) the nature, quality and extent of the advisory and other services to be provided to us by Prospect Capital Management; (b) comparative data with respect to advisory fees or expense ratios paid by other business development companies with similar investment objectives; (c) our operating expenses; (d) the profitability of Prospect Capital Management and any existing and potential sources of indirect income to Prospect Capital Management or Prospect Administration from their relationships with us and the profitability of those relationships; (e) information about the services performed and the personnel performing such services under the Investment Advisory Agreement; (f) the organizational capability and financial condition of Prospect Capital Management and its affiliates and (g) the possibility of obtaining similar services from other third party service providers or through an internally managed structure. In approving the renewal of the Investment Advisory Agreement, the Board of Directors, including all of the directors who are not "interested persons," considered the following:

- Nature, Quality and Extent of Services. The Board of Directors considered the nature, extent and quality of the investment selection process employed by Prospect Capital Management. The Board of Directors also considered Prospect Capital Management's personnel and their prior experience in connection with the types of investments made by us. The Board of Directors concluded that the services to be provided under the Investment Advisory Agreement are generally the same as those of comparable business development companies described in the available market data.

- Investment Performance. The Board of Directors reviewed our investment performance over various periods, as well as comparative data with respect to the investment performance of a group of other, comparable externally managed business development companies. The Board of Directors concluded that Prospect Capital Management was delivering results consistent with our investment objective and that our investment performance was satisfactory when compared to comparable business development companies.

- The reasonableness of the fees paid to Prospect Capital Management. The Board of Directors considered comparative data based on publicly available information on a group of other, comparable business development companies selected by the Investment Adviser and the Company's Board of Directors (the "BDC Expense Peers") with respect to services rendered and the advisory fees (including the management fees and incentive fees), as well as our operating expenses, efficiency ratio and expense ratio compared to the BDC Expense Peers. The Board of Directors reviewed information concerning Prospect Capital Management's costs in serving as the Company's investment adviser, including costs associated with technology, infrastructure and compliance necessary to manage the Company, as well as compensation costs, Prospect Capital Management's compensation program, and the relationship of such compensation to Prospect Capital Management's ability to attract and retain investment advisory personnel. Finally, on behalf of the Company, the Board of Directors also considered the profitability of Prospect Capital Management. Based upon its review, the Board of Directors concluded that the fees to be paid under the Investment Advisory Agreement are reasonable.

- Economies of Scale. The Board of Directors considered information about the potential of Prospect Capital Management to realize economies of scale in managing our assets, and determined that at this time there were not economies of scale to be realized by Prospect Capital Management.

Based on the information reviewed and the discussions detailed above, the Board of Directors (including all of the directors who are not "interested persons" as defined in the 1940 Act) concluded that the investment advisory fee rates and terms are fair and reasonable in relation to the services provided and approved the renewal of the Investment Advisory Agreement with Prospect Capital Management as being in the best interests of the Company and its stockholders.

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 to Portfolio Companies* 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.

Human Capital

We do not currently have any employees and do not expect to have any employees. The services necessary for the operation of our business are provided by investment professionals and personnel of Prospect Capital Management and by the officers and the employees of Prospect Administration pursuant to the terms of the Investment Advisory Agreement and the Administration Agreement, respectively, each as described herein and in "*Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Each of our executive officers is an employee or affiliate of Prospect Capital Management or Prospect Administration. Our day-to-day investment activities are managed by Prospect Capital Management, the investment professionals of which focus on origination, transaction development, investment and the ongoing monitoring of our investments. We reimburse both Prospect Capital Management and Prospect Administration for a certain portion of expenses incurred in connection with such staffing. Because we have no employees, we do not have a formal employee relations policy.

Portfolio Managers

The following individuals function as portfolio managers primarily responsible for the day-to-day management of our portfolio. Our portfolio managers are not responsible for day-to-day management of any other accounts. For a description of their principal occupations for the past five years, please refer to our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders, which will be filed with the SEC not later than 120 days after the end of our fiscal year.

Name	Position	Length of Service with Company (Years)
John F. Barry III	Chairman and Chief Executive Officer	20
M. Grier Eliasek	President and Chief Operating Officer	20

Mr. Eliasek received no compensation from the Company. Mr. Eliasek received a salary and bonus from Prospect Capital Management that takes into account his role as a senior officer of the Company and of Prospect Capital Management, his performance and the performance of each of Prospect Capital Management and the Company. Mr. Barry receives no compensation from the Company. Mr. Barry, as the sole member of Prospect Capital Management, receives a salary and/or bonus from Prospect Capital Management and is entitled to equity distributions after all other obligations of Prospect Capital Management are met.

The following table sets forth the dollar range of our common stock beneficially owned by each of the portfolio managers described above as of June 30, 2024:

Name	Aggregate Dollar Range of Common Stock Beneficially Owned by Portfolio Managers(1)(2)(3)
John F. Barry III	Over $1,000,000
M. Grier Eliasek	Over $1,000,000

(1) Beneficial ownership is calculated in accordance with Rule 13d-3(d)(1) of the Securities Exchange Act of 1934 ("Exchange Act"). In computing the aggregate dollar of common stock beneficially owned by a person who also owns shares of 5.50% Preferred Stock or 6.50% Preferred Stock (as defined herein), we have included the aggregate dollar value of shares of common stock issuable upon the conversion of the person's outstanding shares of 5.50% Preferred Stock and 6.50% Preferred Stock.
(2) The dollar ranges are: none, $1-$10,000, $10,001-$50,000, $50,001-$100,000; $100,001 - $500,000; $500,001 - $1,000,000; or over $1,000,000.
(3) The dollar range of our equity securities beneficially owned is based on the closing price of $5.53 on June 28, 2024 on The Nasdaq Stock Market LLC (the "Nasdaq").

Payment of Our Expenses

All investment professionals of the Investment Adviser and its respective staff, when and to the extent engaged in providing investment advisory and management services, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Investment Adviser. We bear all other costs and expenses of our operations and transactions, including those relating to: organization and offering; calculation of our net asset value (including the cost and expenses of any independent valuation firm); expenses incurred by Prospect Capital Management payable to third parties, including agents, consultants or other advisers (such as independent valuation firms, accountants and legal counsel), in monitoring our financial and legal affairs and in monitoring our investments and performing due diligence on our prospective portfolio companies; interest payable on debt, if any, and dividends payable on preferred stock, if any, incurred to finance our investments; offerings of our debt, our preferred shares, our common stock and other securities; investment advisory fees; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; registration fees; listing fees; taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents with the SEC; the costs of any reports, proxy statements or other notices to stockholders, including printing costs; our allocable portion of the fidelity bond, directors and officers/errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including auditor and legal costs; and all other expenses incurred by us, by the Investment Adviser or by Prospect Administration in connection with administering our business, such as our allocable portion of overhead 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.

License Agreement

We entered into a license agreement with Prospect Capital Management pursuant to which Prospect Capital Management agreed to grant us a non-exclusive, royalty free license to use the name "Prospect Capital." Under this agreement, we have a right to use the Prospect Capital name, for so long as Prospect Capital Management or one of its affiliates remains the Investment Adviser. Other than with respect to this limited license, we have no legal right to the Prospect Capital name. This license agreement will remain in effect for so long as the Investment Advisory Agreement with the Investment Adviser is in effect.

Determination of Net Asset Value Applicable to Common Stockholders

The net asset value per share of our outstanding shares of common stock will be determined quarterly by dividing the value of total assets minus liabilities minus carrying value of our then outstanding preferred stock by the total number of common shares outstanding.

In calculating the value of our total assets, we will value investments for which market quotations are readily available at such market quotations. Short-term investments which mature in 60 days or less, such as U.S. Treasury bills, are valued at amortized cost, which approximates market value. The amortized cost method involves recording a security at its cost (i.e., principal amount plus any premium and less any discount) on the date of purchase and thereafter amortizing/accreting that difference between the principal amount due at maturity and cost assuming a constant yield to maturity as determined at the time of purchase. Short-term securities which mature in more than 60 days are valued at current market quotations by an independent pricing service or at the mean between the bid and ask prices obtained from at least two brokers or dealers (if available, or otherwise by a principal market maker or a primary market dealer). Investments in money market mutual funds are valued at their net asset value as of the close of business on the day of valuation.

Most of the investments in our portfolio do not have market quotations which are readily available, meaning the investments do not have actively traded markets. Debt and equity securities for which market quotations are not readily available are valued with the assistance of an independent valuation service using a documented valuation policy and a valuation process that is consistently applied under the direction of our Board of Directors. For a discussion of the risks inherent in determining the value of securities for which readily available market values do not exist, see "Risk Factors – Risks Relating to Our Business – Most of our portfolio investments are recorded at fair value as determined in good faith under the direction of our Board of Directors and, as a result, there is uncertainty as to the value of our portfolio investments."

The factors that may be taken into account in valuing such investments include, as relevant, the portfolio company's ability to make payments, its estimated earnings and projected discounted cash flows, the nature and realizable value of any collateral, the financial environment in which the portfolio company operates, comparisons to securities of similar publicly traded companies, changes in interest rates for similar debt instruments and other relevant factors. Due to the inherent uncertainty of determining the fair value of investments that do not have readily available market quotations, the fair value of these investments may differ significantly from the values that would have been used had such market quotations existed for such investments, and any such differences could be material.

As part of the fair valuation process, the independent valuation firms engaged by the Board of Directors perform a review of each debt and equity investment requiring fair valuation and provide a range of values for each investment, which, along with management's valuation recommendations, is reviewed by our Audit Committee. Management and the independent valuation firms may adjust their preliminary evaluations to reflect comments provided by our Audit Committee. The Audit Committee reviews the final valuation reports and management's valuation recommendations and makes a recommendation to the Board of Directors based on its analysis of the methodologies employed and the various weights that should be accorded to each portion of the valuation as well as factors that the independent valuation firms and management may not have included in their evaluation processes. The Board of Directors then evaluates the Audit Committee recommendations and undertakes a similar analysis to determine the fair value of each investment in the portfolio in good faith.

Determination of fair values involves subjective judgments and estimates. Accordingly, under current accounting standards, the notes to our financial statements will refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on our financial statements.

Common Stock Dividend Reinvestment and Direct Stock Purchase Plan

We have adopted a common stock dividend reinvestment and direct stock purchase plan (the "Plan" or the "DRIP") that provides for reinvestment of our common stock dividends or distributions on behalf of our common stockholders, unless a common stockholder elects to receive cash as provided below, and the ability to purchase additional shares of common stock by making optional cash investments. On April 17, 2020, our Board of Directors approved amendments to our DRIP, effective on May 21, 2020. These amendments principally provide for the number of newly-issued shares of common stock to be credited to a stockholder's account to be determined by dividing (i) the total dollar amount of the dividend payable to such stockholder by (ii) 95% of the closing market price per share of our common stock on the date fixed by our Board of Directors for such distribution (thereby providing a 5% discount to the market price of our common stock on such date). As a result, when our Board of Directors authorizes, and we declare, a cash dividend or distribution, then our common stockholders who have not (or whose broker through which they hold shares of our common stock have not) "opted out" of our DRIP will have their cash dividends or distributions automatically reinvested in additional shares of our common stock, rather than receiving the cash dividends or distributions.

Common stockholders who purchased shares of our common stock through or hold shares in the name of a broker or financial institution should consult with a representative of their broker or financial institution with respect to their participation in our DRIP. Even if such stockholders have elected to automatically reinvest their shares with their broker, the broker may have "opted out" of our DRIP (which utilizes DTC's dividend reinvestment service), and such stockholders may therefore not be receiving the 5% pricing discount. Many common stockholders have been "opted out" of our DRIP by their brokers who instead implement a "synthetic" dividend reinvestment plan in which such broker purchases shares in the open market with no discount, using the funds from cash dividends. Common stockholders interested in participating in our DRIP should contact their brokers to make sure each such DRIP participation election has been made for the benefit of such stockholder. In making such DRIP election, each such common stockholder should specify to his or her broker the desire to participate in the "Prospect Capital Corporation DRIP through DTC" that issues shares of our common stock based on 95% of the market price (a 5% discount to the market price) and not the broker's own "synthetic" dividend reinvestment plan (if any) that offers no such discount. Common stockholders may need to make such election proactively with their broker.

If you are not a current common stockholder and want to enroll or have "opted out" and wish to rejoin, you may also purchase shares directly through the Plan or opt in by enrolling online or submitting to the Plan administrator a completed enrollment form and, if you are not a current stockholder, making an initial investment of at least $250.

No action is required on the part of a directly registered common stockholder to have their cash dividend or distribution reinvested in shares of our common stock. A directly registered common stockholder may elect to receive an entire dividend or distribution in cash by notifying the Plan administrator and our transfer agent and registrar, in writing so that such notice is received by the Plan administrator no later than the record date for dividends to stockholders. The Plan administrator will set up a dividend reinvestment account for shares acquired pursuant to the Plan for each stockholder who has not so elected to receive dividends and distributions in cash or who has enrolled in the Plan as described herein (each, a "Participant"). The Plan administrator will hold each Participant's shares, together with the shares of other Participants, in non-certificated form in the Plan administrator's name or that of its nominee. Upon request by a Participant to terminate their participation in the Plan and liquidate their Plan account, received in writing, via the Internet or the Plan administrator's toll free number no later than 3 business days prior to a dividend or distribution payment date, such dividend or distribution will be paid out in cash and not be reinvested. If such request is received fewer than 3 business days prior to a dividend or distribution payment date, such dividend or distribution will be reinvested but all subsequent dividends and distributions will be paid to the stockholder in cash on all balances. Upon such termination of the Participant's participation in the Plan and liquidation of their plain account, all whole shares owned by the Participant will be issued to the Participant in certificated form and a check will be issued to the Participant for the proceeds of fractional shares less a transaction fee of $15. Those stockholders whose shares are held by a broker or other financial intermediary may receive dividends or distributions in cash by notifying their broker or other financial intermediary of their election.

We primarily use newly-issued shares of our common stock to implement reinvestment of dividends and distributions under the DRIP, whether our shares are trading at a premium or at a discount to net asset value. However, we reserve the right to purchase shares of our common stock in the open market in connection with the implementation of reinvestment of dividends or distributions under the DRIP. The number of newly-issued shares of common stock to be credited to a stockholder's account will be determined by dividing the total dollar amount of the dividend or distribution payable to such 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). Market price per share on that date will be the closing price for such shares on the NASDAQ Global Select Market or, if no sale is reported for such day, at the average of their reported bid and asked prices. The number of shares of our common stock to be outstanding after giving effect to payment of the dividend or distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of our stockholders have been tabulated. Common stockholders who do not elect to receive dividends and distributions in shares of common stock may experience accretion to the net asset value of their shares if our shares are trading at a premium at the time we issue new shares under the Plan and dilution if our shares are trading at a discount. The level of accretion or discount would depend on various factors, including the proportion of our common stockholders who participate in the Plan, the level of premium or discount at which our shares are trading and the amount of the dividend or distribution payable to a common stockholder.

There are no brokerage charges or other charges to common stockholders who participate in reinvestment of dividends or distributions under the Plan. The Plan administrator's fees under the Plan are paid by us. If a participant elects by written notice to the Plan administrator to have the Plan administrator sell part or all of the shares held by the Plan administrator in the participant's account and remit the proceeds to the participant, the Plan administrator is authorized to deduct a $15 transaction fee plus a $0.10 per share brokerage commissions from the proceeds.

Common stockholders who receive dividends or distributions in the form of stock are subject to the same U.S. federal, state and local tax consequences as are common stockholders who elect to receive their dividends or distributions in cash. A common stockholder's basis for determining gain or loss upon the sale of stock received in a dividend or distribution from us will be equal to the total dollar amount of the dividend or distribution payable to the stockholder. Any stock received in a dividend or distribution will have a new holding period for tax purposes commencing on the day following the day on which the shares of common stock are credited to the U.S. Stockholder's account (as defined below).

Participants in the Plan have the option of making additional cash payments to the Plan administrator for investment in the shares at the then current market price. Such payments may be made in any amount from $25 to $10,000 per transaction. Participants in the Plan may also elect to have funds electronically withdrawn from their checking or savings account each month. Direct debit of cash will be performed on the 10th of each month. Participants may elect this option by submitting a written authorization form or by enrolling online at the Plan administrator's website. The Plan administrator will use all funds received from participants since the prior investment of funds to purchase shares of our common stock in the open market. We will not use newly-issued shares of our common stock to implement such purchases. Purchase orders will be submitted daily. The Plan administrator may, at its discretion, submit purchase orders less frequently but no later than 30 days after receipt. The Plan administrator will charge each stockholder who makes such additional cash payments $2.50, plus a $0.10 per share brokerage commission. Cash dividends and distributions payable on all shares credited to your Plan account will be automatically reinvested in additional shares pursuant to the terms of the Plan. Brokerage charges for some purchases are expected to be less than the usual brokerage charge for such transactions. Instructions sent by a participant to the Plan administrator in connection with such participant's cash payment may not be rescinded.

Participants may terminate their participation in and liquidate their accounts under the Plan by notifying the Plan administrator in writing prior to a dividend or distribution payment date via its website at www.equiniti.com or by filling out the transaction request form located at the bottom of their statement and sending it to the Plan administrator at Equiniti Trust Company, LLC, P.O. Box 10027, Newark, NJ 07101 or by calling the Plan administrator's Interactive Voice Response System at (888) 888-0313. Upon termination and liquidation, the stockholder will receive certificates for the full shares credited to your Plan account. If you elect to receive cash, the Plan administrator sells such shares and delivers a check for the proceeds, less the $0.10 per share brokerage commission and the Plan administrator's transaction fee of $15. In every case of termination, fractional shares credited to a terminating Plan account are paid in cash at the then-current market price, less any commission and transaction fee.

The Plan may be terminated by us upon notice in writing mailed to each participant at least 30 days prior to any payable date for the payment of any dividend by us or distribution pursuant to any additional cash payment made. All correspondence concerning the Plan should be directed to the Plan administrator by mail at Equiniti Trust Company, LLC, P.O. Box 10027, Newark, NJ 07101, or by telephone at 888-888-0313.

Preferred Stock Dividend Reinvestment Plan

We have adopted a preferred stock dividend reinvestment plan (the "Preferred Stock Plan" or the "Preferred Stock DRIP") that provides for reinvestment of our dividends declared by our Board of Directors on shares of our 5.50% Series A1 Preferred Stock (the "Series A1 Preferred Stock"), 5.50% Series M1 Preferred Stock (the "Series M1 Preferred Stock"), the 5.50% Series M2 Preferred Stock (the "Series M2 Preferred Stock," and together with the Series M1 Preferred Stock, the "Series M Preferred Stock"), 5.50% Series AA1 Preferred Stock (the "Series AA1 Preferred Stock"), the 5.50% Series MM1 Preferred Stock (the "Series MM1 Preferred Stock") and 5.50% Series A2 Preferred Stock (the "Series A2 Preferred Stock", and all such series of preferred stock referred to collectively as "5.50% 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", and all such series of preferred stock referred collectively as "6.50% Preferred Stock") and the Floating Rate Series A4 Preferred Stock ("Series A4 Preferred Stock") and the Floating Rate Series M4 Preferred Stock ("Series M4 Preferred Stock", and together with the Series A4 Preferred Stock, the "Floating Rate Preferred Stock") on behalf of our preferred stockholders.

Eligibility of Existing Holders of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock

If you are a current holder of record of shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock, you may participate in the Preferred Stock Plan. Eligible holders of shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock may enroll in the Preferred Stock Plan online through www.computershare.com/investor. Alternatively, you may enroll by completing an enrollment form and delivering it to Computershare Trust Company, N.A. ("Computershare"), the administrator for the Preferred Stock Plan.

If you own shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock that are registered in someone else's name (for example, a bank, broker, or trustee) and you want to participate in the Preferred Stock Plan, you may

be able to arrange for that person to handle the reinvestment of your dividends. If not, your shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock should be withdrawn from "street name" or other form of registration and should be registered in your own name. Alternatively, your broker or bank may offer a program that allows you to participate in a plan without having to withdraw your shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock from "street name."

If you are already a participant in the Preferred Stock Plan, you need not take any further action in order to maintain your present participation.

Administration

Computershare Trust Company, N.A. administers the Preferred Stock Plan. Certain administrative support will be provided to Computershare by its designated affiliates. If you have questions regarding the Preferred Stock Plan, please write to Computershare at the following address: Computershare Trust Company, N.A., P.O. Box 43007, Providence, RI 02940-3007 or call Computershare at 1-877-373-6374. An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 8:00 a.m. to 8:00 p.m., Eastern Time, Monday through Friday (except holidays). In addition, you may visit Computershare's website at www.computershare.com/investor. At this website, you can enroll in the Preferred Stock Plan, obtain information, and perform certain transactions on your Preferred Stock Plan account.

Purchases and Pricing of Shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock

With respect to reinvested dividends, the price for purchases of shares of 5.50% Preferred Stock, 6.50% Preferred Stock, and Floating Rate Preferred Stock directly from us, (i) is $23.75 per share for the 5.50% Preferred Stock and 6.50% Preferred Stock (95% of the Stated Value of $25.00 per share of 5.50% Preferred Stock and 6.50% Preferred Stock) and (ii) is $25.00 per share for the Floating Rate Preferred Stock, and the investment date will be the dividend payment date for the month. Dividend payment dates generally occur on the first business day of each month. Your account will be credited with a full and fractional number of shares of 5.50% Preferred Stock, 6.50% Preferred Stock, or Floating Rate Preferred Stock, subject to operating procedures of the Depository Trust Company, equal to the total amount to be invested by you, divided by the applicable purchase price per share.

There are no fees or other charges on shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock purchased through the Preferred Stock Plan.

Participation

Any eligible holder of shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock may enroll in the Preferred Stock Plan online through www.computershare.com/investor. Alternatively, you may enroll in the Preferred Stock Plan by completing an enrollment form and returning it to Computershare at the address set forth above.

If Computershare receives your enrollment form by the record date for the payment of the next dividend (approximately 10 days in advance of the dividend payment date), that dividend will be invested in additional shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock for your Preferred Stock Plan account; provided, however, that the first dividend payable with respect to newly-issued shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock pursuant to our primary offering will be paid in cash, with subsequent dividends reinvested pursuant to the Preferred Stock Plan. If the enrollment form is received in the period after any dividend record date, that dividend will be paid by check or automatic deposit to a U.S. bank account that you designate and your initial dividend reinvestment will commence with the following dividend.

By enrolling in the Preferred Stock Plan, you direct Computershare to apply all, but not less than all, dividends to the purchase of additional shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock in accordance with the Preferred Stock Plan's terms and conditions. Unless otherwise instructed, Computershare will thereafter automatically reinvest all, but not less than all, dividends declared on shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock held under the Preferred Stock Plan. If you want to discontinue the reinvestment of all dividends paid on your shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock, you must provide notice to Computershare.

Cost

We will pay all fees, the annual cost of administration and, unless provided otherwise in the Preferred Stock Plan, all other charges incurred in connection with the purchase of shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock acquired under the Preferred Stock Plan, if any.

Number of Shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock to be Purchased for the Participant

The number of shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock purchased under the Preferred Stock Plan will depend on the amount of your dividend. Shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock purchased under the Preferred Stock Plan will be credited to your account. Both full and fractional shares will be purchased.

Shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock received through the Preferred Stock Plan will be of the same series and have the same original issue date for purposes of the Holder Optional Conversion Fee, if applicable, and for other terms of the 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock based on issuance date as the 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock for which the dividend was declared.

The aggregate number of shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock, including shares issued under the Preferred Stock Plan, shall not exceed 647,900,000. We cannot assure you there will be enough shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock to meet the requirements under the Preferred Stock Plan. If we do not have a sufficient number of shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock to meet the Preferred Stock Plan requirements during any month, the portion of any reinvested dividends received by Computershare but not invested in shares of 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock under the Preferred Stock Plan will be returned to participants without interest.

Source of Shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock Purchased Under the Preferred Stock Plan

Shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock purchased under the Preferred Stock Plan will come from our authorized but unissued shares of preferred stock.

Method for Changing Preferred Stock Plan Election

You may change your Preferred Stock Plan election at any time online through www.computershare.com/investor, by telephone or by notifying Computershare in writing. To be effective with respect to a particular dividend, any such change must be received by Computershare prior to the record date for such dividend.

Withdrawal by Participant

You may discontinue the reinvestment of your dividends at any time by providing written or telephone notice to Computershare. Alternatively, you may change your dividend election online through www.computershare.com/investor. If Computershare receives your notice of withdrawal prior to the record date for the payment of the next dividend, Computershare, in its sole discretion, will distribute such dividends in cash. If the request is received after the record date for the payment of the next dividend, then that dividend will be reinvested. However, all subsequent dividends will be paid out in cash on all balances. Computershare will continue to hold your shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock in your Preferred Stock Plan account.

Generally, an eligible holder of shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock may again become a participant in the Preferred Stock Plan. However, we reserve the right to reject the enrollment of a previous participant in the Preferred Stock Plan on grounds of excessive joining and termination. This reservation is intended to minimize administrative expense and to encourage use of the Preferred Stock Plan as a long-term investment service.

Share Certificates and Safekeeping

Shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock that you acquire under the Preferred Stock Plan will be maintained in your Preferred Stock Plan account in non-certificated form. This protects your shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock against loss, theft or accidental destruction and also provides a convenient way for you to keep track of your shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock.

Reports to Participants

Statements of your account activity will be sent to you after each transaction, which will simplify your record keeping. Each Preferred Stock Plan account statement will show the amount invested, the purchase price and the number of shares of 5.50%

Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock purchased. The statement will include specific cost basis information in accordance with applicable law. Please notify Computershare promptly either in writing, by telephone or through the Internet if your address changes. In addition, you will receive copies of the same communications sent to all other holders of shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock, if any. You also will receive any U.S. Internal Revenue Service, or the "IRS," information returns, if required. Please retain all account statements for your records. The statements contain important tax and other information.

Suspension, Modification or Termination of the Preferred Stock Plan

We reserve the right to suspend, modify or terminate the Preferred Stock Plan at any time. Participants will be notified of any suspension, modification or termination of the Preferred Stock Plan. Upon our termination of the Preferred Stock Plan any whole book-entry shares owned will continue to be credited to a participant's account unless specifically requested otherwise.

U.S. Federal Income Tax Consequences of Participating in the Preferred Stock Plan

Preferred stockholders who receive dividends or distributions in the form of stock are subject to the same U.S. federal, state and local tax consequences as are preferred stockholders who elect to receive their dividends or distributions in cash. A preferred stockholder's basis for determining gain or loss upon the sale of stock received in a dividend or distribution from us will be equal to the fair market value of the stock received by the stockholder. Any stock received in a dividend or distribution will have a new holding period for tax purposes commencing on the day following the day on which the shares of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock are credited to the U.S. Stockholder's account.

Material U.S. Federal Income Tax Considerations

The following discussion is a general summary of the material U.S. federal income tax considerations applicable to us and to an investment in our common shares. This summary does not purport to be a complete description of the income tax considerations applicable to us or our investors on such an investment. For example, we have not described tax consequences that we assume to be generally known by investors or certain considerations that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts, financial institutions, U.S. Stockholders (as defined below) whose functional currency is not the U.S. dollar, persons who mark-to-market our shares, persons who hold our shares as part of a "straddle," "hedge" or "conversion" transaction, and persons that own or have owned, actually or constructively, 5% or more of any class or series of our stock. This summary assumes that investors hold our common stock as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of this Annual Report and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

A "U.S. Stockholder" is a beneficial owner of shares of our common stock that is for U.S. federal income tax purposes:

- A citizen or individual resident of the United States;
- A corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- An estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- A trust if (1) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person.

A "Non-U.S. Stockholder" is a beneficial owner of shares of our common stock that is not a partnership and is not a U.S. Stockholder.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds shares of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective stockholder that is a partner of a partnership holding shares of our common stock should consult its tax advisor with respect to the purchase, ownership and disposition of shares of our common stock.

Tax consequences to an investor of an investment in our shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws.

Election to be Taxed as a RIC

As a business development company, we have elected and intend to continue to qualify to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally are not subject to corporate-level U.S. federal income taxes on any ordinary income or capital gains that we distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, to obtain RIC tax treatment, we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement").

Taxation as a RIC

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

1. Qualify to be treated as a business development company or be registered as a management investment company under the 1940 Act at all times during each taxable year;

2. Derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock or other securities or currencies or other income derived with respect to our business of investing in such stock, securities or currencies and net income derived from an interest in a "qualified publicly traded partnership" (as defined in the Code) (the "90% Income Test"); and

3. Diversify our holdings so that at the end of each quarter of the taxable year:

    a. At least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer (which for these purposes includes the equity securities of a "qualified publicly traded partnership"); and

    b. No more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, (i) of one issuer (ii) of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (iii) of one or more "qualified publicly traded partnerships," (the "Diversification Tests").

To the extent that we invest in entities treated as partnerships for U.S. federal income tax purposes (other than a "qualified publicly traded partnership"), we generally must include the items of gross income derived by the partnerships for purposes of the 90% Income Test, and the income that is derived from a partnership (other than a "qualified publicly traded partnership") will be treated as qualifying income for purposes of the 90% Income Test only to the extent that such income is attributable to items of income of the partnership which would be qualifying income if realized by us directly. If the partnership is a "qualified publicly traded partnership," the net income derived from such partnership will be qualifying income for purposes of the 90% Income Test, and interests in the partnership will be "securities" for purposes of the Diversification Tests. We monitor our investments in equity securities of entities that are treated as partnerships for U.S. federal income tax purposes to prevent our disqualification as a RIC.

In order to meet the 90% Income Test, we may establish one or more special purpose corporations to hold assets from which we do not anticipate earning dividend, interest or other qualifying income under the 90% Income Test. Any such special purpose corporation would generally be subject to U.S. federal income tax, and could result in a reduced after-tax yield on the portion of our assets held by such corporation.

Provided that we qualify as a RIC and satisfy the Annual Distribution Requirement, we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain (which we define as net long-term capital gains in excess of net short-term capital losses) we timely distribute to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders.

We will be subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income of RICs unless we distribute in a timely manner an amount at least equal to the sum of (i) 98% of our ordinary income recognized during the calendar year,

(ii) 98.2% of our capital gain net income, as defined by the Code, recognized for the one year period ending October 31 in that calendar year and (iii) any income recognized, but not distributed, in preceding years.

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount, we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any original issue discount accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount.

Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long we held a particular warrant. As a RIC, we are not allowed to carry forward or carry back a net operating loss for purposes of computing our investment company taxable income in other taxable years.

Guidance from the IRS generally permits publicly offered RICs to pay cash/stock dividends consisting of up to 80% stock if certain requirements are met. Any dividends paid in stock in accordance with such guidance will be taxable to the shareholder as if the dividend had been paid in cash and we will receive a dividend paid deduction for such distribution.

Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. See "Regulation as a Business Development Company – Senior Securities." Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or to avoid the excise tax, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

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 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 or accumulated earnings and profits, provided certain holding period and other requirements are met. Subject to certain limitations under the Code, corporate distributees 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 elect to recognize and pay tax on any net built-in gain (the excess of aggregate gain, including items of income, over aggregate 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. The remainder of this discussion assumes we will qualify for taxation as a RIC.

Certain of our investment practices may be subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert lower taxed long-term capital gain and qualified dividend income into higher taxed short-term capital gain or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause us to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the characterization of certain complex financial transactions, and (vii) produce income that will not be qualifying income for purposes of the 90% Income Test. We will monitor our transactions and may make certain tax elections in order to mitigate the effect of these provisions.

We may invest in preferred securities or other securities the U.S. federal income tax treatment of which may be unclear or may be subject to recharacterization by the IRS. To the extent the tax treatment of such securities or the income from such securities differs from the expected tax treatment, it could affect the timing or character of income recognized, requiring us to purchase or sell securities, or otherwise change our portfolio, in order to comply with the tax rules applicable to RICs under the Code.

Taxation of U.S. Stockholders

Distributions by us generally are taxable to U.S. Stockholders as ordinary income or capital gains. Distributions of our "investment company taxable income" (which is, generally, our ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses) will be taxable as ordinary income to U.S. Stockholders to the extent of our current or accumulated earnings and profits, whether paid in cash or reinvested in additional common stock. Provided that

certain holding period and other requirements are met, such distributions (if properly reported by us) may qualify (i) for the dividends received deduction available to corporations, but only to the extent that our income consists of dividend income from U.S. corporations and (ii) in the case of individual stockholders, as qualified dividend income eligible to be taxed at long-term capital gain rates to the extent that we receive qualified dividend income (generally, dividend income from taxable domestic corporations and certain qualified foreign corporations). There can be no assurance as to what portion, if any, of our distributions will qualify for favorable treatment as qualified dividend income. See "—Important Tax Information" below for certain historic information regarding the portion of our distributions eligible for the dividends received deduction.

Certain U.S. Stockholders are limited in their ability to deduct interest expense described in Section 163(j) of the Code. If Section 163(j) applies, the business interest expense deduction allowed for the tax year is generally limited to the sum of: (1) business interest income, (2) 30% of the taxpayer's adjusted taxable income, and (3) the taxpayer's "floor plan financing interest expense." Properly reported dividends paid by us that are attributable to our net business interest income may be treated as Section 163(j) interest dividends, provided that certain holding period and other requirements are satisfied and subject to certain limitations. There can be no assurance as to what portion, if any, of our distributions will qualify for such interest income. See "—Important Tax Information" below for certain historic information regarding the portion of our distributions eligible for treatment as Section 163(j) distributions.

Distributions of our net capital gain (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly reported by us as "capital gain dividends" will be taxable to a U.S. Stockholder as long-term capital gains, regardless of the U.S. Stockholder's holding period for its common stock and regardless of whether paid in cash or reinvested in additional common stock. Distributions in excess of our current and accumulated earnings and profits first will reduce a U.S. Stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted basis is reduced to zero, will constitute capital gains to such U.S. Stockholder. In determining the extent to which a distribution will be treated as being made from our earnings and profits, our earnings and profits will be allocated, on a pro rata basis, first to distributions with respect to our preferred stock, and then to our common stock. In addition, the IRS currently requires a RIC that has two or more classes of shares outstanding to designate to each such class proportionate amounts of each type of its income (e.g., ordinary income, capital gain dividends, qualified dividend income, dividends eligible for the dividends received deduction) for each tax year based upon the percentage of total dividends distributed to each class for such year.

Properly reported dividends paid by us that are attributable to our "qualified REIT dividends" (generally, ordinary income dividends paid by a REIT, not including capital gain dividends or dividends treated as qualified dividend income) may be eligible for the 20% deduction described in Section 199A of the Code in the case of non-corporate U.S. Stockholders, provided that certain holding period and other requirements are met by us and by such stockholder. There can be no assurance as to what portion, if any, of our distributions will qualify for such deduction. Subject to any future regulatory guidance to the contrary, any distribution of income attributable to income from our investment in a master limited partnership ("MLP") will not qualify for the 20% deduction for "qualified PTP income" that would generally be available to a non-corporate U.S. Stockholder were the stockholder to own such MLP directly. As a result, it is possible that a non-corporate U.S. Stockholder will be subject to a higher effective tax rate on any such distributions received from us compared to the effective rate applicable to any income the U.S. Stockholder would receive if the stockholder invested directly in an MLP.

Although we currently intend to distribute any long-term capital gains at least annually, we may in the future decide to retain some or all of our long-term capital gains, and designate the retained amount as a "deemed distribution." In that case, among other consequences, we will pay tax on the retained amount, and we may elect for each U.S. Stockholder to include his, her or its proportionate share of the deemed distribution in income as if it had been actually distributed to the U.S. Stockholder, in which case the U.S. Stockholder would be entitled to claim a credit equal to its allocable share of the tax paid thereon by us. The amount of the deemed distribution net of such tax will be added to the U.S. Stockholder's tax basis for his, her or its common stock. The amount of tax that individual stockholders would be treated as having paid and for which they will receive a credit may exceed the tax they owe on the retained net capital gain. Such excess generally may be claimed as a credit against the U.S. Stockholder's other U.S. federal income tax obligations or may be refunded to the extent it exceeds a stockholder's liability for U.S. federal income tax. A stockholder that is not subject to U.S. federal income tax or otherwise required to file a U.S. federal income tax return would be required to file a U.S. federal income tax return on the appropriate form in order to claim a refund for the taxes we paid. In order to utilize the deemed distribution approach, we must provide written notice to our stockholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution."

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any year and (2) the amount of capital gain dividends paid for that year, we may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If we make such an election, the U.S. Stockholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any

dividend declared by us in October, November or December of any calendar year, payable to stockholders of record on a specified date in any such month and actually paid during January of the following year, will be treated as if it had been received by our U.S. Stockholders on December 31 of the year in which the dividend was declared.

If a U.S. Stockholder purchases shares of our common stock shortly before the record date of a distribution, the price of the shares will include the value of the distribution and the investor will be subject to tax on the distribution even though it represents a return of its investment.

A U.S. Stockholder generally will recognize taxable gain or loss if such U.S. Stockholder sells or otherwise disposes of its shares of our common stock. Any gain or loss arising from such sale or taxable disposition generally will be treated as long-term capital gain or loss if the U.S. Stockholder has held his, her or its shares for more than one year. Otherwise, it would be classified as short-term capital gain or loss. However, any capital loss arising from the sale or taxable disposition of shares of our common stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a taxable disposition of shares of our common stock may be disallowed if other substantially identical shares are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. Capital losses are deductible only to the extent of capital gains (subject to an exception for individuals under which a limited amount of capital losses may be offset against ordinary income).

In general, individual U.S. Stockholders currently are subject to a preferential rate on their net capital gain, or the excess of realized net long-term capital gain over realized net short-term capital loss for a taxable year, including long-term capital gain derived from an investment in our shares. Such rate is lower than the maximum rate on ordinary income currently payable by individuals. Corporate U.S. Stockholders currently are subject to U.S. federal income tax on net capital gain at ordinary income rates.

Certain U.S. Stockholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare tax on all or a portion of their "net investment income," which includes dividends received from us and capital gains from the sale or other disposition of our stock.

We will make available to each of our U.S. Stockholders, as promptly as possible after the end of each calendar year, a notice detailing, on a per share basis, the amounts includible in such U.S. Stockholder's taxable income for such year as ordinary income and as long-term capital gain on form 1099-DIV. In addition, the amount and the U.S. federal tax status of each year's distributions generally will be reported to the IRS. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. Stockholder's particular situation.

Payments of dividends, including deemed payments of constructive dividends, or the proceeds of the sale or other taxable disposition of our common stock generally are subject to information reporting unless the U.S. Stockholder is an exempt recipient. Such payments may also be subject to U.S. federal backup withholding at the applicable rate if the recipient of such payment fails to supply a taxpayer identification number or otherwise comply with the rules for establishing an exemption from backup withholding. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that certain information is provided timely to the IRS.

Taxation of Non-U.S. Stockholders

Whether an investment in our common stock is appropriate for a Non-U.S. Stockholder will depend upon that person's particular circumstances. An investment in our common stock by a Non-U.S. Stockholder may have adverse tax consequences. Non-U.S. Stockholders should consult their tax advisers before investing in our common stock.

Distributions of our "investment company taxable income" to Non-U.S. Stockholders that are not "effectively connected" with a U.S. trade or business conducted by the Non-U.S. Stockholder, will generally be subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate) to the extent of our current or accumulated earnings and profits.

Under Section 871(k) of the Code, properly reported distributions to Non-U.S. Stockholders are generally exempt from U.S. federal withholding tax where they (i) are paid in respect of our "qualified net interest income" (generally, our U.S.-source interest income, other than certain contingent interest and interest from obligations of a corporation or partnership in which we are at least a 10% stockholder, reduced by expenses that are allocable to such income) or (ii) are paid in respect of our "qualified short-term capital gains" (generally, the excess of our net short-term capital gain over our long-term capital loss for such taxable year). However, depending on our circumstances, we may report all, some or none of our potentially eligible dividends as such qualified net interest income or as qualified short-term capital gains, and/or treat such dividends, in whole or

in part, as ineligible for this exemption from withholding. In order to qualify for this exemption from withholding, a Non-U.S. Stockholder needs to comply with applicable certification requirements relating to its non-U.S. status (including, in general, furnishing an IRS Form W-8BEN, W-8BEN-E or substitute form). In the case of shares held through an intermediary, the intermediary may withhold even if we report the payment as qualified net interest income or qualified short-term capital gain. Non-U.S. Stockholders should contact their intermediaries with respect to the application of these rules to their accounts. There can be no assurance as to what portion of our distributions will qualify for favorable treatment as qualified net interest income or qualified short-term capital gains. See "—Important Tax Information" below for certain historic information regarding the portion of our distributions eligible for treatment as qualified net interest income or qualified short-term capital gains.

Actual or deemed distributions of our net capital gain to a Non-U.S. Stockholder, and gains recognized by a Non-U.S. Stockholder upon the sale of our common stock, that are not effectively connected with a U.S. trade or business conducted by the Non-U.S. Stockholder, will generally not be subject to U.S. federal withholding tax and generally will not be subject to U.S. federal income tax unless (i) the Non-U.S. Stockholder is a nonresident alien individual and is physically present in the United States for 183 or more days during the taxable year and meets certain other requirements, or (ii) subject to certain exceptions, we are or during prescribed testing periods have been a "United States real property holding corporation" or, in the case of certain distributions, a "qualified investment entity," each within the meaning of the Foreign Investment in Real Property Tax Act of 1980. Although we do not expect to be a "United States real property holding corporation" or "qualified investment entity," no assurances can be given in that regard.

Distributions of our "investment company taxable income" and net capital gain (including deemed distributions) to Non-U.S. Stockholders, and gains realized by Non-U.S. Stockholders upon the sale of our common stock that are effectively connected with a U.S. trade or business conducted by the Non-U.S. Stockholder, will be subject to U.S. federal income tax at the graduated rates applicable to U.S. citizens, residents and domestic corporations. In addition, if such Non-U.S. Stockholder is a foreign corporation, it may also be subject to a 30% (or lower applicable treaty rate) branch profits tax on its effectively connected earnings and profits for the taxable year, subject to adjustments, if its investment in our common stock is effectively connected with its conduct of a U.S. trade or business.

If we distribute our net capital gain in the form of deemed rather than actual distributions (which we may do in the future), a Non-U.S. Stockholder will be entitled to a U.S. federal income tax credit or tax refund equal to the stockholder's allocable share of the tax we pay on the capital gains deemed to have been distributed. In order to obtain the refund, the Non-U.S. Stockholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return even if the Non-U.S. Stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return.

In addition, withholding at a rate of 30% will be required on dividends in respect of our stock held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution to the extent such interests or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. Accordingly, the entity through which our shares are held will affect the determination of whether such withholding is required. Similarly, dividends in respect of our shares held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any "substantial United States owners" or (ii) provides certain information regarding the entity's "substantial United States owners," which we or the applicable withholding agent will in turn provide to the IRS. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements. We will not pay any additional amounts to stockholders in respect of any amounts withheld. Non-U.S. Stockholders are encouraged to consult their tax advisors regarding the possible implications of the legislation on their investment in our shares.

A Non-U.S. Stockholder generally will be required to comply with certain certification procedures to establish that such holder is not a U.S. person in order to avoid backup withholding with respect to payments of dividends, including deemed payments of constructive dividends, or the proceeds of a disposition of our common stock. In addition, we are required to annually report to the IRS and each Non-U.S. Stockholder the amount of any dividends or constructive dividends treated as paid to such Non-U.S. Stockholder, regardless of whether any tax was actually withheld. Copies of the information returns reporting such dividend or constructive dividend payments and the amount withheld may also be made available to the tax authorities in the country in which a Non-U.S. Stockholder resides under the provisions of an applicable income tax treaty. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against a Non-U.S. Stockholder's U.S. federal income tax liability, if any, provided that certain required information is provided timely to the IRS.

Non-U.S. persons should consult their tax advisors with respect to the U.S. federal income tax and withholding tax, and state, local and foreign tax consequences of an investment in our common stock.

Important Tax Information

We have generated certain types of income that may be exempt from U.S. withholding tax when distributed to non-U.S stockholders. As described above, 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 56.78% of our taxable ordinary dividends as of December 31, 2023 qualified as interest related dividends which are generally exempt from U.S. withholding tax applicable to non-U.S. stockholders.

We have generated income that may be beneficial to shareholders that face interest expense limitations. As described above, under IRC Section 163(j) and the regulations thereunder, a RIC is permitted to designate distributions attributable to net business interest income as section 163(j) interest dividends. For the 2023 calendar year 88.68% of our taxable ordinary dividends as of December 31, 2023 qualified as section 163(j) interest dividends.

We have generated dividend income that may be beneficial to certain U.S. corporate shareholders. As described above, under IRC Code 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 0.02% of our taxable ordinary dividends as of December 31, 2023 qualified for the deduction under sections 243 and 854.

No assurances can be given as to the portion of our future distributions that will qualify under Section 871(k), Section 163(j), or Sections 243 and 854.

The discussion set forth herein does not constitute tax advice, and potential investors should consult their own tax advisors concerning the tax considerations relevant to their particular situation.

Regulation as a Business Development Company

General

We are a closed-end, non-diversified investment company that has filed an election to be treated as a BDC under the 1940 Act and has elected to be treated as a RIC under Subchapter M of the Code. The 1940 Act contains prohibitions and restrictions relating to transactions between business development companies and their affiliates (including any investment advisers or sub-advisers), principal underwriters and affiliates of those affiliates or underwriters and requires that a majority of the directors be persons other than "interested persons," as that term is defined in the 1940 Act. In addition, the 1940 Act provides that we may not change the nature of our business so as to cease to be, or to withdraw our election as, a business development company unless approved by a majority of our outstanding voting securities.

We may invest up to 100% of our assets in securities acquired directly from issuers in privately negotiated transactions. With respect to such securities, we may, for the purpose of public resale, be deemed an "underwriter" as that term is defined in the Securities Act of 1933, as amended (the "Securities Act"). Our intention is to not write (sell) or buy put or call options to manage risks associated with the publicly traded securities of our portfolio companies, except that we may enter into hedging transactions to manage the risks associated with interest rate, foreign currency and other market fluctuations. However, in connection with an investment or acquisition financing of a portfolio company, we may purchase or otherwise receive warrants to purchase the common stock of the portfolio company. Similarly, in connection with an acquisition, we may acquire rights to require the issuers of acquired securities or their affiliates to repurchase them under certain circumstances. We also do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, except with respect to money market funds, we generally cannot acquire more than 3% of the voting stock of any regulated investment company, invest more than 5% of the value of our total assets in the securities of one investment company or invest more than 10% of the value of our total assets in the securities of more than one investment company. With regard to that portion of our portfolio invested in securities issued by investment companies, it should be noted that such investments subject our stockholders indirectly to additional expenses. None of these policies are fundamental and may be changed without stockholder approval.

Qualifying Assets

Under the 1940 Act, a business development company may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. The principal categories of qualifying assets relevant to our business are the following:

1. Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An "eligible portfolio company" is defined in the 1940 Act and rules adopted pursuant thereto as any issuer which:

    a. is organized under the laws of, and has its principal place of business in, the United States;

    b. is not an investment company (other than a small business investment company wholly owned by the business development company) or a company that would be an investment company but for certain exclusions under the 1940 Act for certain financial companies such as banks, brokers, commercial finance companies, mortgage companies and insurance companies; and

    c. satisfies any of the following:

        i. does not have any class of securities with respect to which a broker or dealer may extend margin credit;

        ii. is controlled by a business development company or a group of companies including a business development company and the business development company has an affiliated person who is a director of the eligible portfolio company;

        iii. is a small and solvent company having total assets of not more than $4 million and capital and surplus of not less than $2 million;

        iv. does not have any class of securities listed on a national securities exchange; or

        v. has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million.

2. Securities in companies that were eligible portfolio companies when we made our initial investment if certain other requirements are satisfied.

3. Securities of any eligible portfolio company which we control.

4. Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing agreements.

5. Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60% of the outstanding equity of the eligible portfolio company.

6. Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

7. Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2), (3) or (4) above.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70% test, a business development company must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where the business development company purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such 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 will vary according to the particular needs of each portfolio company. Examples of such activities include advice on marketing, operations, fulfillment and overall strategy, capital budgeting, managing relationships with financing sources, recruiting management personnel, evaluating acquisition and divestiture opportunities, participating in board and management meetings, consulting with and advising officers of portfolio companies, and providing other organizational and financial guidance. We provide significant managerial assistance to all portfolio companies that we control, either by ourselves or in conjunction with others. Prospect Administration provides such managerial assistance on our behalf to portfolio companies, including controlled companies, when we are required to provide this assistance, utilizing personnel from Prospect Capital Management.

Temporary Investments

Pending investment in other types of "qualifying assets," as described above, our investments may consist of cash, cash equivalents, including money market funds, U.S. government securities or high quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70% of our assets are qualifying assets. Typically, we will invest in money market funds, U.S. Treasury bills or in repurchase agreements that are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed upon future date and at a price which is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of our assets that may be invested in such repurchase agreements. However, if more than 25% of our total assets constitute repurchase agreements from a single counterparty, we would not meet the Diversification Tests in order to qualify as a RIC for U.S. federal income tax purposes. For a more detailed discussion of the tax requirements to qualify to be treated as a RIC for U.S. federal income tax purposes, see "Material U.S. Federal Income Tax Considerations." Thus, we do not intend to enter into repurchase agreements with a single counterparty in excess of this limit. The Investment Adviser will monitor the creditworthiness of the counterparties with which we enter into repurchase agreement transactions.

Senior Securities

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 March 30, 2020, our Board of Directors approved, and on May 5, 2020, at a special meeting of our stockholders, our stockholders approved, the application to us of the reduced asset coverage requirements in Section 61(a) of the 1940 Act. The application of the reduced asset coverage requirement, which became effective on May 6, 2020, permits us, provided certain requirements are satisfied, to double the maximum amount of leverage that it is permitted to incur by reducing the asset coverage requirement applicable to us from 200% to 150% (a 2:1 debt to equity ratio, as opposed to a 1:1 debt to equity ratio), as provided for in Section 61(a)(2) of the 1940 Act. 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 may incur additional indebtedness 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. As of June 30, 2024, our asset coverage ratio stood at 315.5% based on the outstanding principal amount of our senior securities representing indebtedness of $2.5 billion and our asset coverage ratio on our senior securities that are stock was 184.8%.

We may also borrow amounts up to 5% of the value of our total assets for temporary or emergency purposes without regard to asset coverage. For a discussion of the risks associated with leverage, see "Risk Factors - Risks Relating to Our Securities."

Code of Ethics

We, Prospect Capital Management and Prospect Administration have each adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to each code may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the code's requirements. For information on how to obtain a copy of each code of ethics, see "Available Information."

Compliance Policies and Procedures

We and the Investment Adviser have adopted and implemented written policies and procedures reasonably designed to prevent violation of the U.S. federal securities laws and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation and to designate a Chief Compliance Officer to be responsible for administering the policies and procedures. Kristin L. Van Dask serves as our Chief Compliance Officer.

Proxy Voting Policies and Procedures

We have delegated our proxy voting responsibility to Prospect Capital Management. The Proxy Voting Policies and Procedures of Prospect Capital Management are set forth below. The guidelines are reviewed periodically by Prospect Capital Management and our independent directors, and, accordingly, are subject to change.

As an investment adviser registered under the Advisers Act, Prospect Capital Management has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, Prospect Capital Management recognizes that it must vote client securities in a timely manner free of conflicts of interest and in the best interests of its clients.

These policies and procedures for voting proxies for Prospect Capital Management's Investment Advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy policies.

These policies are designed to be responsive to the wide range of subjects that may be the subject of a proxy vote. These policies are not exhaustive due to the variety of proxy voting issues that Prospect Capital Management may be required to consider. In general, Prospect Capital Management will vote proxies in accordance with these guidelines unless: (1) Prospect Capital Management has determined to consider the matter on a case-by-case basis (as is stated in these guidelines), (2) the subject matter of the vote is not covered by these guidelines, (3) a material conflict of interest is present, or (4) Prospect Capital Management might find it necessary to vote contrary to its general guidelines to maximize stockholder value and vote in its clients' best interests. In such cases, a decision on how to vote will be made by the Proxy Voting Committee (as described below). In reviewing proxy issues, Prospect Capital Management will apply the following general policies:

Elections of directors.

In general, Prospect Capital Management will vote in favor of the management-proposed slate of directors. If there is a proxy fight for seats on the Board of Directors or Prospect Capital Management determines that there are other compelling reasons for withholding votes for directors, the Proxy Voting Committee will determine the appropriate vote on the matter. Prospect Capital Management believes that directors have a duty to respond to stockholder actions that have received significant stockholder support. Prospect Capital Management may withhold votes for directors that fail to act on key issues such as failure to implement proposals to declassify boards, failure to implement a majority vote requirement, failure to submit a rights plan to a stockholder vote and failure to act on tender offers where a majority of stockholders have tendered their shares. Finally, Prospect Capital Management may withhold votes for directors of non-U.S. issuers where there is insufficient information about the nominees disclosed in the proxy statement.

Appointment of auditors.

Our Audit Committee and Board of Directors believe that the company remains in the best position to choose the auditors and will generally support management's recommendation.

Changes in capital structure.

Changes in a company's charter, articles of incorporation or by-laws may be required by state or U.S. federal regulation. In general, Prospect Capital Management will cast its votes in accordance with the company's management on such proposal. However, the Proxy Voting Committee will review and analyze on a case-by-case basis any proposals regarding changes in corporate structure that are not required by state or U.S. federal regulation.

Corporate restructurings, mergers and acquisitions.

Prospect Capital Management believes proxy votes dealing with corporate reorganizations are an extension of the investment decision. Accordingly, the Proxy Voting Committee will analyze such proposals on a case-by-case basis.

Proposals affecting the rights of stockholders.

Prospect Capital Management will generally vote in favor of proposals that give stockholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights. However, when analyzing such proposals, Prospect Capital Management will weigh the financial impact of the proposal against the impairment of the rights of stockholders.

Corporate governance.

Prospect Capital Management recognizes the importance of good corporate governance in ensuring that management and the Board of Directors fulfill their obligations to the stockholders. Prospect Capital Management favors proposals promoting transparency and accountability within a company.

Anti-takeover measures.

The Proxy Voting Committee will evaluate, on a case-by-case basis, proposals regarding anti-takeover measures to determine the measure's likely effect on stockholder value dilution.

Stock splits.

Prospect Capital Management will generally vote with the management of the company on stock split matters.

Limited liability of directors.

Prospect Capital Management will generally vote with management on matters that would affect the limited liability of directors.

Social and corporate responsibility.

The Proxy Voting Committee may review and analyze on a case-by-case basis proposals relating to social, political and environmental issues to determine whether they will have a financial impact on stockholder value. Prospect Capital Management may abstain from voting on social proposals that do not have a readily determinable financial impact on stockholder value.

Proxy voting procedures.

Prospect Capital Management will generally vote proxies in accordance with these guidelines. In circumstances in which (1) Prospect Capital Management has determined to consider the matter on a case-by-case basis (as is stated in these guidelines), (2) the subject matter of the vote is not covered by these guidelines, (3) a material conflict of interest is present, or (4) Prospect Capital Management might find it necessary to vote contrary to its general guidelines to maximize stockholder value and vote in its clients' best interests, the Proxy Voting Committee will vote the proxy.

Proxy voting committee.

Prospect Capital Management has formed a proxy voting committee to establish general proxy policies and consider specific proxy voting matters as necessary. In addition, members of the committee may contact the management of the company and interested stockholder groups as necessary to discuss proxy issues. Members of the committee will include relevant senior personnel. The committee may also evaluate proxies where we face a potential conflict of interest (as discussed below). Finally, the committee monitors adherence to guidelines, and reviews the policies contained in this statement from time to time.

Conflicts of interest.

Prospect Capital Management recognizes that there may be a potential conflict of interest when it votes a proxy solicited by an issuer that is its advisory client or a client or customer of one of our affiliates or with whom it has another business or personal relationship that may affect how it votes on the issuer's proxy. Prospect Capital Management believes that adherence to these policies and procedures ensures that proxies are voted with only its clients' best interests in mind. To ensure that its votes are not the product of a conflict of interests, Prospect Capital Management requires that: (i) anyone involved in the decision making process (including members of the Proxy Voting Committee) disclose to the chairman of the Proxy Voting Committee any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how Prospect Capital Management intends to vote on a proposal in order to reduce any attempted influence from interested parties.

Proxy voting.

Each account's custodian will forward all relevant proxy materials to Prospect Capital Management, either electronically or in physical form to the address of record that Prospect Capital Management has provided to the custodian.

Proxy recordkeeping.

Prospect Capital Management must retain the following documents pertaining to proxy voting:

- copies of its proxy voting policies and procedures;
- copies of all proxy statements;
- records of all votes cast by Prospect Capital Management;
- copies of all documents created by Prospect Capital Management that were material to making a decision how to vote proxies or that memorializes the basis for that decision; and
- copies of all written client requests for information with regard to how Prospect Capital Management voted proxies on behalf of the client as well as any written responses provided.

All of the above-referenced records will be maintained and preserved for a period of not less than five years from the end of the fiscal year during which the last entry was made. The first two years of records must be maintained at our office.

Proxy voting records.

Clients may obtain information about how Prospect Capital Management voted proxies on their behalf by making a written request for proxy voting information to: Compliance Officer, Prospect Capital Management LLC, 700 S Rosemary Ave, Suite 204, West Palm Beach, FL 33401.

Sarbanes-Oxley Act of 2002

The Sarbanes-Oxley Act of 2002 imposes a variety of regulatory requirements on publicly-held companies. In addition to our Chief Executive and Chief Financial Officers' required certifications as to the accuracy of our financial reporting, we are also required to disclose the effectiveness of our disclosure controls and procedures as well as report on our assessment of our internal controls over financial reporting, the latter of which must be audited by our independent registered public accounting firm.

The Sarbanes-Oxley Act of 2002 also requires us to continually review our policies and procedures to ensure that we remain in compliance with all rules promulgated thereunder.

Available Information

We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This information is available free of charge by contacting us at (212) 448-0702 or on our website at www.prospectstreet.com. Information contained on our website is not incorporated into this Annual Report or other documents we file with or furnish to the SEC, and you should not consider such information to be part of this Annual Report or other documents we file with or furnish to the SEC. You also may inspect and copy these reports, proxy statements and other information, as well as the Annual Report and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street NE, Washington, D.C. 20549. Such information is also available from the EDGAR database on the SEC's website at http://www.sec.gov. You also can obtain copies of such information, after paying a duplicating fee, by sending a request by e-mail to publicinfo@sec.gov or by writing the SEC's Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, D.C. 20549. You may obtain information on the operation of the SEC's Public Reference Room by calling the SEC at (202) 551-8090 or (800) SEC-0330.

We intend to use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Those disclosures will be included on our website in the "Investors" or "News" section. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts.

Item 1A. Risk Factors

You should carefully consider the risks described below, together with all of the other information included in this Annual Report, before you decide whether to make an investment in our securities. The risks set forth below are not the only risks we face. Additional risks and uncertainties not presently known to us, or not presently deemed material by us, may also impair our operations and performance. If any of the adverse events or conditions described below occurs, our business, financial condition and results of operations could be materially adversely affected. In such case, our NAV, and the trading price of our common stock could decline, or the value of our preferred stock, debt securities, and warrants, if any are outstanding, may decline, and you may lose all or part of your investment. The risk factors described below are the principal risk factors associated with an investment in our securities as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours.

Our $156.2 million of 6.375% convertible notes due 2025 are referred to as the "2025 Notes" or the "Convertible Notes". Our $400.0 million of 3.706% unsecured notes due 2026 are referred to as the "2026 Notes". Our $300.0 million of 3.364% unsecured notes due 2026 are referred to as the "3.364% 2026 Notes". Our $300.0 million of 3.437% unsecured notes due 2028 are referred to as the "3.437% 2028 Notes", and collectively with the 2026 Notes, and the 3.364% 2026 Notes are the "Public Notes". Any corporate notes issued pursuant to our medium term notes program with InspereX LLC are referred to as "Prospect Capital InterNotes®". The Convertible Notes, Public Notes, and Prospect Capital InterNotes® are collectively referred to as the "Unsecured Notes".

The summary below provides an overview of many of the risks we face that are described in this section. Additional risks, beyond those summarized below or discussed in this section, may also materially and adversely impact our business, financial conditions and results of operation. Consistent with the foregoing, the risks we face include, but are not limited to, the following:

Risks Relating to Our Business

- We are subject to risks related to corporate social responsibility.
- Inflation can adversely impact our cost of capital and the value of our portfolio investments.
- Capital markets may experience periods of disruption and instability, and we cannot predict when these conditions occur. Such market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.
- Global economic, political and market conditions, including uncertainty about the financial or political stability of the United States, could have a significant adverse effect on our business, financial condition and results of operations.
- Events outside of our control, including public health crises, may have a negative impact on our portfolio companies and our business and operations.
- Legislative or other actions relating to taxes could have a negative effect on us.
- Changes in interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations.
- Volatility in the global financial markets could have a material adverse effect on our business, financial condition and results of operations.

- Our financial condition and results of operations will depend on our ability to manage our future growth effectively.
- We fund a portion of our investments with borrowed money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us.
- We need to raise additional capital to grow because we must distribute most of our income.
- Our business model depends upon the development and maintenance of strong referral relationships with other asset managers and investment banking firms.

Risks Relating to Our Operation as a Business Development Company

- If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy.
- If we fail to qualify as a RIC, we will have to pay corporate-level taxes on our income, and our income available for distribution would be reduced.
- We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.
- Regulations governing our operation as a BDC affect our ability to raise, and the way in which we raise, additional capital. These constraints may hinder our Investment Adviser's ability to take advantage of attractive investment opportunities and to achieve our investment objective.
- Securitization of our assets subjects us to various risks.
- Our ability to invest in public companies may be limited in certain circumstances.

Risks Relating to Our Investments

- We may not realize gains or income from our investments.
- Most of our portfolio investments are recorded at fair value as determined in good faith under the direction of our Board of Directors and, as a result, there is uncertainty as to the value of our portfolio investments.
- Price declines and illiquidity in the corporate debt markets have adversely affected, and may in the future adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.
- Our investments in prospective portfolio companies may be risky and we could lose all or part of our investment.
- The lack of liquidity in our investments may adversely affect our business.
- Economic recessions or downturns could impair our portfolio companies and harm our operating results.
- Investments in equity securities, many of which are illiquid with no readily available market, involve a substantial degree of risk.
- Our portfolio contains a limited number of portfolio companies, some of which comprise a substantial percentage of our portfolio, which subjects us to a greater risk of significant loss if any of these companies defaults on its obligations under any of its debt securities.
- Our investments in CLOs may be riskier and less transparent to us and our stockholders than direct investments in the underlying companies.
- Investments in covenant-lite loans may expose us to different and increased risks.

Risks Relating to Our Securities

- Our credit ratings may not reflect all risks of an investment in our debt 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 have entered into dealer manager agreements and underwriting agreements pursuant to which we intend to sell shares of preferred stock, the terms of which could result in significant dilution to existing common stockholders.
- Holders of any preferred stock we might issue would have the right to elect members of the Board of Directors and class voting rights on certain matters.
- The trading market or market value of our publicly traded preferred stock may fluctuate.
- In addition to regulatory restrictions that restrict our ability to raise capital, our credit facility contains various covenants which, if not complied with, could accelerate repayment under the facility, thereby materially and adversely affecting our liquidity, financial condition and results of operations.
- Failure to refinance our existing Unsecured Notes could have a material adverse effect on our results of operations and financial position.
- The trading market or market value of our publicly issued debt securities may fluctuate.
- Our shares of common stock currently trade at a discount from net asset value and may continue to do so in the future, which could limit our ability to raise additional equity capital.
- Investing in our securities may involve a high degree of risk and is highly speculative.

- Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

General Risk Factors

- We may experience fluctuations in our quarterly results.

Risks Relating to Our Business

We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance, transparency and consideration of ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business, our portfolio companies and the value of your investment in our business.

Inflation can adversely impact our cost of capital and the value of our portfolio investments.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, inflation levels have been at their highest point in nearly 40 years and the Federal Reserve has been engaged in a campaign to raise certain benchmark interest rates in an effort to combat inflation. If inflation increases, the real value of our common stock and distributions therefore may decline. In addition, during any periods of rising inflation, the interest rates of debt securities we issue would likely increase, which would tend to further reduce returns to common stockholder; likewise, as interest rates increase, the value of our debt investments would decrease, though this effect can be less pronounced for floating rate instruments. This could also lead to decreased asset coverage for our outstanding debt and preferred stock. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and our investments may not keep pace with inflation, which may result in losses to our stockholders. This risk is greater for fixed-income instruments with longer maturities.

Capital markets may experience periods of disruption and instability, and we cannot predict when these conditions occur. Such market conditions may materially and adversely affect debt and equity capital markets in the United States and abroad, which may have a negative impact on our business and operations.

From time to time, capital markets may experience periods of disruption and instability, which may be evidenced by a lack of liquidity in debt capital markets, write-offs in the financial services sector, the re-pricing of credit risk, the failure of certain financial institutions, or worsening of general economic condition.

Equity capital may be difficult to raise during such periods of adverse or volatile market conditions because subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than net asset value without general approval by our stockholders, which we currently have until June 10, 2025, and approval of the specific issuance by our Board of Directors. In addition, our ability to incur indebtedness or issue preferred stock is limited by applicable regulations such that our asset coverage, as defined in the 1940 Act, must equal at least 150% immediately after each time we incur indebtedness or issue preferred stock. The debt capital that may be available, if at all, may be at a higher cost and on less favorable terms and conditions in the future. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

Market conditions may in the future make it difficult to extend the maturity of or refinance our existing indebtedness, including the final maturity of our revolving credit facility in June 2029, and any failure to do so could have a material adverse effect on our business. The re-appearance of market conditions similar to those experienced during portions of 2020 and from 2007 through 2009 for any substantial length of time or worsened market conditions, including as a result of U.S. government shutdowns or the perceived creditworthiness or stability of the United States, could make it difficult to extend the maturity of, or refinance, our existing indebtedness, or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience. Further, if we are unable to raise or refinance debt, then our equity investors may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

The illiquidity of our investments may make it difficult for us to sell such investments, if required. As a result, we may realize significantly less than the value at which we have recorded our investments if forced to liquidate quickly.

Given the extreme volatility and dislocation that the capital markets have historically experienced, many BDCs have faced, and may in the future face, a challenging environment in which to raise capital. We may in the future have difficulty accessing debt and equity capital, and a severe disruption in the global financial markets or deterioration in credit and financing conditions could have a material adverse effect on our business, financial condition and results of operations. In addition, significant changes in the capital markets, including extreme volatility and disruption, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations.

The Investment Adviser does not know how long uncertainty and volatility in the financial markets will continue to and cannot predict the effects of events in the future on the United States economy and securities markets or on our investments. The Investment Adviser monitors developments and seeks to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that it will be successful in doing so; and the Investment Adviser may not timely anticipate or manage existing, new or additional risks, contingencies or developments, including regulatory developments in the current or future market environment.

We record certain of our assets at fair value, as determined in good faith by our Board of Directors in accordance with our valuation policy. As a result, volatility in the capital markets may have a material adverse effect on our investment valuations and our net asset value, even if we plan to hold investments to maturity.

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 results in increased costs and require significant attention from our Investment Adviser.

Global economic, political and market conditions, including uncertainty about the financial or political stability of the United States, could have a significant adverse effect on our business, financial condition and results of operations.

Concerns over the United States' debt ceiling and budget-deficit have driven downgrades by rating agencies to the U.S. government's credit rating. Downgrades by rating agencies to the U.S. government's credit rating or concerns about its credit and deficit levels in general could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating, any default by the U.S. government on its obligations, or any prolonged U.S. government shutdown, could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock.

Deterioration in the economic conditions in the Eurozone and globally, including instability in financial markets, may pose a risk to our business. In recent years, financial markets have been affected at times by a number of global macroeconomic and political events, including the following: large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non-performing loans on the balance sheets of European banks, the effect of the United Kingdom leaving the European Union (the "EU"), and market volatility and loss of investor confidence driven by political events. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. We cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

The Chinese capital markets have also experienced periods of instability over the past several years. The current political climate has also intensified concerns about a potential trade war between the U.S. and China in connection with each country's recent or proposed tariffs on the other country's products. These market and economic disruptions and the potential trade war with China have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations.

The current global financial market situation, as well as various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics and pandemics), may contribute to increased market volatility and economic uncertainties or deterioration in the U.S. and worldwide, which could adversely affect our business, financial condition or results of operations. For example, in response to the conflict between Russia and Ukraine, the U.S. and other countries have imposed sanctions or other restrictive actions against Russia. In addition, the recent outbreak of hostilities in the Middle East and escalating tensions in the region may create volatility and disruption of global markets. The occurrence of events similar to those in recent years, such as localized wars, instability, new and ongoing pandemics, epidemics or outbreaks of infectious diseases in certain parts of the world, natural/environmental disasters, terrorist attacks in the U.S. and around the world, social and political discord, debt crises, sovereign debt downgrades, increasingly strained relations between the U.S. and a number of foreign countries, new and continued political unrest in various countries, continued changes in the balance of political power among and within the branches of the U.S. government, and government shutdowns, among others, may have a material adverse impact on the ability of our portfolio companies to fulfill their end customers' orders due to supply chain delays, limited access to key commodities or technologies or other events that impact their manufacturers or their suppliers. Such events have affected, and may in the future affect, the global and U.S. capital markets, and our business, financial condition or results of operations.

Additionally, the U.S. government's credit and deficit concerns, and the potential trade war with China could cause further volatility in interest rates, which may negatively impact our and our portfolio companies' ability to access the debt markets on favorable terms.

Legislative or other actions relating to taxes could have a negative effect on us.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department. For example, the Tax Cuts and Jobs Act made substantial changes to the Code. Among those changes were a significant permanent reduction in the generally applicable corporate tax rate, changes in the taxation of individuals and other non-corporate taxpayers that generally but not universally reduce their taxes on a temporary basis subject to "sunset" provisions, the elimination or modification of various previously allowed deductions (including substantial limitations on the deductibility of interest and, in the case of individuals, the deduction for personal state and local taxes), certain additional limitations on the deduction of net operating losses, certain preferential rates of taxation on certain dividends and certain business income derived by non-corporate taxpayers in comparison to other ordinary income recognized by such taxpayers, and significant changes to the international tax rules. Changes to the U.S. federal tax laws and interpretations thereof could adversely affect an investment in our common stock.

Changes in interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations.

Our debt investments are generally based on floating rates, such as EURIBOR, Secured Overnight Financing Rate ("SOFR"), the Federal Funds Rate or the Prime Rate. General interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. An increase in interest rates generally will increase the cost of borrowing for the companies in which we invest and may make them less profitable, which generally would decrease the value of our investments in them. In addition, although we generally expect to invest a limited percentage of our assets in instruments with a fixed interest rate, including subordinated loans, senior and junior secured and unsecured debt securities and loans in high yield bonds, an increase in interest rates could decrease the value of those fixed rate investments. Rising interest rates may also increase the cost of debt for our underlying portfolio companies, which could adversely impact their financial performance and ability to meet ongoing obligations to the Company. Also, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock.

Because we have borrowed money, and continue to issue preferred stock to finance investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds or pay dividends on preferred stock and the rate that our investments yield. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of high interest rates, our cost of funds would increase except to the extent we have issued fixed rate debt or preferred stock, which could reduce our net investment income.

You should also be aware that a change in the general level of interest rates can be expected to lead to a change in the interest rate we receive on many of our debt investments. Accordingly, a change in the interest rate could make it easier for us to meet or exceed the performance threshold and may result in a substantial increase in the amount of Incentive Fees payable to our Investment Adviser with respect to the portion of the incentive fee based on income.

The senior secured loans underlying the CLOs in which we invest typically have floating interest rates. A rising interest rate environment may increase loan defaults, resulting in losses for the CLOs in which we invest. In addition, increasing interest rates may lead to higher prepayment rates, as corporate borrowers look to avoid escalating interest payments or refinance floating rate loans. Further, a general rise in interest rates will increase the financing costs of the CLOs. However, since many of the senior secured loans within CLOs have SOFR floors, if SOFR is below the average SOFR floor, there may not be corresponding increases in investment income resulting in smaller distributions to equity investors in these CLOs.

Central banks such as the Federal Reserve Bank have been increasing interest rates, though this trend has tempered recently as the rate of inflation slows.

As of the date hereof, certain legacy CLOs and senior secured loans have already transitioned to utilizing SOFR-based interest rates, but not all CLO debt securities have transitioned to such replacement rate. The ongoing risks associated with transitioning from LIBOR to term SOFR or an alternative benchmark rate may be difficult to assess or predict. To the extent that the rate utilized for senior secured loans held by a CLO differs from the rate utilized in calculating interest on the debt securities issued by the CLO, there is a basis risk between the two rates (e.g., SOFR or another benchmark rate or the 1-month term SOFR rate and the 3-month term SOFR rate). This means the CLO could experience an interest rate mismatch between its assets and liabilities, which could have an adverse impact on the cash flows distributed to CLO equity investors as well as our net investment income and portfolio returns until such mismatch is corrected or minimized, if at all, which would be expected to occur when both the underlying senior secured loans and the CLO securities utilize the same benchmark index rate. At this time, it is not possible to predict the full effects of the phasing out of LIBOR on U.S. senior secured loans, on CLO debt securities, and on the underlying assets of the specific CLOs in which we intend to invest.

*Benchmark Rate Mismatch.*Many underlying corporate borrowers can elect to pay interest based on 1-month term SOFR, 3-month term SOFR and/or other term SOFR or benchmark rates in respect of the loans held by CLOs in which we are invested, in each case plus an applicable spread, whereas CLOs generally pay interest to holders of the CLO's debt tranches based on 3-month term SOFR plus a spread. The 3-month term SOFR rate may fluctuate in excess of other potential term SOFR or other benchmark rates, which may result in many underlying corporate borrowers electing to pay interest based on a shorter or different, but in any event, lower term SOFR or other benchmark rate. This mismatch in the rate at which CLOs earn interest and the rate at which they pay interest on their debt tranches negatively impacts the cash flows on a CLO's equity tranche, which may in turn adversely affect our cash flows and results of operations. Unless spreads are adjusted to account for such increases, these negative impacts may worsen as the amount by which the 3-month term rate exceeds such other chosen term SOFR or other benchmark rate.

Volatility in the global financial markets could have a material adverse effect on our business, financial condition and results of operations.

Volatility in the global financial markets could have an adverse effect on the economic recovery in the United States and could result from a number of causes, including a relapse in the Eurozone crisis, geopolitical developments in Eastern Europe and the Middle East, turbulence in the Chinese stock markets and global commodity markets or otherwise. In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. While the financial stability of many of such countries has improved significantly, risks resulting from any future debt crisis in Europe or any similar crisis could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence of and default on consumer debt and home prices, among other factors. We cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available or, if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

In the second quarter of 2015, stock prices in China experienced a significant drop, resulting primarily from continued sell-off of shares trading in Chinese markets. In addition, in August 2015, Chinese authorities sharply devalued China's currency. Since then, the Chinese capital markets have continued to experience periods of instability. The current political climate has also intensified concerns about a potential trade war between the United States and China. These market and economic disruptions and the potential trade war with China have affected, and may in the future affect, the U.S. capital markets, which could adversely affect our business, financial condition or results of operations.

The EU and the United Kingdom's Trade and Cooperation Agreement ("UK/EU Trade Agreement") was implemented on May 1, 2021 and set out the economic and legal framework for trade between the United Kingdom and the EU after the United Kingdom's 2020 withdrawal from the EU. As the UK/EU Trade Agreement is still a fairly new legal framework, the continuing implementation of the UK/EU Trade Agreement may result in uncertainty in its application and periods of volatility in both the United Kingdom and wider European markets. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the United Kingdom diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect our ability, and the ability of our portfolio companies, to execute our respective strategies and to receive attractive returns.

The occurrence of global events similar to those in recent years, such as the Russia-Ukraine war and more recently the Israel-Hamas war, instability in Iraq, Afghanistan, Pakistan, Egypt, Libya, Syria, North Korea and the Middle East, new and ongoing pandemics, epidemics or outbreaks of infectious diseases in certain parts of the world, natural/environmental disasters in certain parts of the world, terrorist attacks in the U.S. and around the world, trade or tariff arrangements, social and political discord, debt crises (such as the Greek crisis), sovereign debt downgrades, increasingly strained relations between the United States and a number of foreign countries including traditional allies, such as certain European countries, and historical adversaries, such as North Korea, Iran, China and Russia, and the international community generally, new and continued political unrest in various countries, such as Venezuela and Spain, continued changes in the balance of political power among and within the branches of the U.S. government, and government shutdowns, among others, may result in market volatility, may have long-term effects on the United States and worldwide financial markets, and may cause further economic uncertainties in the United States and worldwide.

Periods of volatility still remain, and risks to a robust resumption of growth persist. Federal Reserve policy, including with respect to certain interest rates, may adversely affect the value, volatility and liquidity of dividend and interest paying securities.

Market volatility, dramatic changes to interest rates and/or a return to unfavorable economic conditions may lower the Company's performance or impair the Company's ability to achieve its investment objective.

The occurrence of any of these above events could have a significant adverse impact on the value and risk profile of our portfolio. We do not know how long the securities markets may be affected by similar events and cannot predict the effects of similar events in the future on the U.S. economy and securities markets. Non-investment grade and equity securities tend to be more volatile than investment-grade fixed income securities; therefore, these events and other market disruptions may have a greater impact on the prices and volatility of non-investment grade and equity securities than on investment-grade fixed income securities. There can be no assurances that similar events and other market disruptions will not have other material and adverse implications.

Economic sanction laws in the United States and other jurisdictions may prohibit us and our affiliates from transacting with certain countries, individuals and companies.

Economic sanction laws in the United States and other jurisdictions may prohibit us or our affiliates from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals. These types of sanctions may significantly restrict or completely prohibit investment activities in certain jurisdictions, and if we, our portfolio companies or other issuers in which we invest were to violate any such laws or regulations, we may face significant legal and monetary penalties.

The U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict our activities, our portfolio companies and other issuers of our investments. If an issuer or we were to violate any such laws or regulations, such issuer or we may face significant legal and monetary penalties. The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that an issuer or us becomes the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that private investment firms and the funds that they manage may face increased scrutiny and/or liability with respect to the activities of their underlying portfolio companies. As such, a violation of the FCPA or other applicable regulations by us or an issuer of our portfolio investments could have a material adverse effect on us. We are committed to complying with the FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which we are subject. As a result, we may be adversely affected because of our unwillingness to enter into transactions that violate any such laws or regulations.

Our financial condition and results of operations will depend on our ability to manage our future growth effectively.

Prospect Capital Management has been registered as an investment adviser since March 31, 2004, and we have been organized as a closed-end investment company since April 13, 2004. Our ability to achieve our investment objective depends on our ability to grow, which depends, in turn, on the Investment Adviser's ability to continue to identify, analyze, invest in and monitor companies that meet our investment criteria. Accomplishing this result on a cost-effective basis is largely a function of the Investment Adviser's structuring of investments, its ability to provide competent, attentive and efficient services to us and our access to financing on acceptable terms. As we continue to grow, Prospect Capital Management will need to continue to hire, train, supervise and manage new employees. Failure to manage our future growth effectively could have a materially adverse effect on our business, financial condition and results of operations.

We are dependent upon Prospect Capital Management's key management personnel for our future success.

We depend on the diligence, skill and network of business contacts of the senior management of the Investment Adviser. We also depend, to a significant extent, on the Investment Adviser's access to the investment professionals and the information and deal flow generated by these investment professionals in the course of their investment and portfolio management activities. The senior management team of the Investment Adviser evaluates, negotiates, structures, closes, monitors and services our investments. Our success depends to a significant extent on the continued service of the senior management team, particularly John F. Barry III and M. Grier Eliasek. The departure of any of the senior management team could have a materially adverse effect on our ability to achieve our investment objective. In addition, we can offer no assurance that Prospect Capital Management will remain the Investment Adviser or that we will continue to have access to its investment professionals or its information and deal flow.

We operate in a highly competitive market for investment opportunities.

A number of entities compete with us to make the types of investments that we make in middle-market companies. We compete with other BDCs, public and private funds, commercial and investment banks, commercial financing companies, insurance companies, hedge funds, and, to the extent they provide an alternative form of financing, private equity funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC and that the Code imposes on us as a RIC. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to pursue attractive investment opportunities from time to time.

We do not seek to compete primarily based on the interest rates we offer and we believe that some of our competitors may make loans with interest rates that are comparable to or lower than the rates we offer. Rather, we compete with our competitors based on our existing investment platform, seasoned investment professionals, experience and focus on middle-market companies, disciplined investment philosophy, extensive industry focus and flexible transaction structuring.

We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. If we match our competitors' pricing, terms and structure, we may experience decreased net interest income and increased risk of credit loss. As a result of operating in such a competitive environment, we may make investments that are on less favorable terms than what we may have originally anticipated, which may impact our return on these investments.

We fund a portion of our investments with borrowed money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us.

Borrowings and other types of financing, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. Our lenders have fixed dollar claims on our assets that are superior to the claims of our common stockholders or any preferred stockholders. If the value of our assets increases, then leveraging would cause the net asset value to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of consolidated interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to make common stock dividend payments. Leverage is generally considered a speculative investment technique.

We need to raise additional capital to grow because we must distribute most of our income.

We need additional capital to fund growth in our investments. A reduction in the availability of new capital could limit our ability to grow. We must distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, to our stockholders to maintain our status as a RIC for U.S. federal income tax purposes. As a result, such earnings are not available to fund investment originations. We have sought additional capital by borrowing from financial institutions and may issue debt securities or additional equity securities. If we fail to obtain funds from such sources or from other sources to fund our investments, we could be limited in our ability to grow, which may have an adverse effect on the value of our common stock. In addition, as a BDC, we generally may not borrow money or issue debt securities or issue preferred stock unless immediately thereafter our ratio of total assets to total borrowings and other senior securities is at least 150%. This may restrict our ability to obtain additional leverage in certain circumstances.

Our most recent NAV was calculated on June 30, 2024 and our NAV when calculated effective September 30, 2024 and thereafter may be higher or lower.

Our NAV per common share is $8.74 as of June 30, 2024. NAV per common share as of September 30, 2024 may be higher or lower than $8.74 based on potential changes in valuations, issuances of securities, repurchases of securities, dividends paid and earnings for the quarter then ended. Our Board of Directors has not yet determined the fair value of portfolio investments at any date subsequent to June 30, 2024. Our Board of Directors determines the fair value of our portfolio investments on a quarterly basis in connection with the preparation of quarterly financial statements and based on input from independent valuation firms, the Investment Adviser, the Administrator and the Audit Committee of our Board of Directors.

Our business model depends upon the development and maintenance of strong referral relationships with other asset managers and investment banking firms.

We are substantially dependent on our informal relationships, which we use to help identify and gain access to investment opportunities. If we fail to maintain our relationships with key firms, or if we fail to establish strong referral relationships with other firms or other sources of investment opportunities, we will not be able to grow our portfolio of equity investments and achieve our investment objective. In addition, persons with whom we have informal relationships are not obligated to inform us of investment opportunities, and therefore such relationships may not lead to the origination of equity or other investments. Any loss or diminishment of such relationships could effectively reduce our ability to identify attractive portfolio companies that meet our investment criteria, either for direct equity investments or for investments through private secondary market transactions or other secondary transactions.

The Investment Adviser's liability is limited under the Investment Advisory Agreement, and we are required to indemnify the Investment Adviser against certain liabilities, which may lead the Investment Adviser to act in a riskier manner on our behalf than it would when acting for its own account.

The Investment Adviser has not assumed any responsibility to us other than to render the services described in the Investment Advisory Agreement, and it will not be responsible for any action of our Board of Directors in declining to follow the Investment Adviser's advice or recommendations. Pursuant to the Investment Advisory Agreement, the Investment Adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it will not be liable to us for their acts under the Investment Advisory Agreement, absent willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties. We have agreed to indemnify, defend and protect the Investment Adviser and its members and their respective officers, managers, partners, agents, employees, controlling persons and members and any other person or entity affiliated with it with respect to all damages, liabilities, costs and expenses resulting from acts of the Investment Adviser not arising out of willful misfeasance, bad faith, gross negligence or reckless disregard in the performance of their duties under the Investment Advisory Agreement. These protections may lead the Investment Adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account.

Potential conflicts of interest could impact our investment returns.

Our executive officers and directors, and the executive officers of the Investment Adviser, may serve as officers, directors or principals of entities that operate in the same or related lines of business as we do or of investment funds managed by our affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in our best interests or those of our stockholders. Nevertheless, it is possible that new investment opportunities that meet our investment objective may come to the attention of one of these entities in connection with another investment advisory client or program, and, if so, such opportunity might not be offered, or otherwise made available, to us. However, as an investment adviser, Prospect Capital Management has a fiduciary obligation to act in the best interests of its clients, including us. To that end, if Prospect Capital Management or its affiliates manage any additional investment vehicles or client accounts in the future, Prospect Capital Management will endeavor to allocate investment opportunities in a fair and equitable manner over time so as not to discriminate unfairly against any client. If Prospect Capital Management chooses to establish another investment fund in the future, when the investment professionals of Prospect Capital Management identify an investment, they will have to choose which investment fund should make the investment.

In the course of our investing activities, under the Investment Advisory Agreement we pay base management and incentive fees to Prospect Capital Management and reimburse Prospect Capital Management for certain expenses it incurs. As a result of the Investment Advisory Agreement, there may be times when the senior management team of Prospect Capital Management has interests that differ from those of our stockholders, giving rise to a conflict.

The Investment Adviser receives a quarterly income incentive fee based, in part, on our pre-incentive fee net investment income, if any, for the immediately preceding calendar quarter. This income incentive fee is subject to a fixed quarterly hurdle rate before providing an income incentive fee return to Prospect Capital Management. This fixed hurdle rate was determined when then current interest rates were relatively low on a historical basis. Thus, as interest rates rise, it could become easier for our investment income to exceed the hurdle rate and, as a result, more likely that Prospect Capital Management will receive an income incentive fee than if interest rates on our investments remained constant or decreased. Subject to the receipt of any requisite stockholder approval under the 1940 Act, our Board of Directors may adjust the hurdle rate by amending the Investment Advisory Agreement.

The income incentive fee payable by us is computed and paid on income that may include interest that has been accrued but not yet received in cash. If a portfolio company defaults on a loan that has a deferred interest feature, it is possible that interest accrued under such loan that has previously been included in the calculation of the income incentive fee will become uncollectible. If this happens, we will reverse the interest that was recorded but Prospect Capital Management is not required to reimburse us for any such income incentive fee payments that were received in the past but would reduce the current period incentive fee for the effects of the reversal, if any. If we do not have sufficient liquid assets to pay this incentive fee or distributions to stockholders on such accrued income, we may be required to liquidate assets in order to do so. This fee structure could give rise to a conflict of interest for Prospect Capital Management to the extent that it may encourage Prospect Capital Management to favor debt financings that provide for deferred interest, rather than current cash payments of interest.

We have entered into a royalty-free license agreement with Prospect Capital Management. Under this agreement, Prospect Capital Management agrees to grant us a non-exclusive license to use the name "Prospect Capital." Under the license agreement, we have the right to use the "Prospect Capital" name for so long as Prospect Capital Management or one of its affiliates remains our investment adviser. In addition, we rent office space from Prospect Administration, an affiliate of Prospect Capital Management, and pay Prospect Administration our allocable portion of overhead and other expenses incurred by Prospect Administration in performing its obligations as Administrator under the Administration Agreement, including rent and our allocable portion of the costs of our Chief Financial Officer and Chief Compliance Officer and their respective staffs. This may create conflicts of interest that our Board of Directors monitors.

Our incentive fee could induce Prospect Capital Management to make speculative investments.

The incentive fee payable by us to Prospect Capital Management may create an incentive for the Investment Adviser to make investments on our behalf that are more speculative or involve more risk than would be the case in the absence of such compensation arrangement. The way in which the incentive fee payable is determined (calculated as a percentage of the return on invested capital) may encourage the Investment Adviser to use leverage to increase the return on our investments. Increased use of leverage and this increased risk of replacement of that leverage at maturity would increase the likelihood of default, which would disfavor holders of our common stock. Similarly, because the Investment Adviser will receive an incentive fee based, in part, upon net capital gains realized on our investments, the Investment Adviser may invest more than would otherwise be appropriate in companies whose securities are likely to yield capital gains, as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during economic downturns.

The incentive fee payable by us to Prospect Capital Management could create an incentive for the Investment Adviser to invest on our behalf in instruments, such as zero coupon bonds, that have a deferred interest feature. Under these investments, we would accrue interest income over the life of the investment but would not receive payments in cash on the investment until the end of the term. Our net investment income used to calculate the income incentive fee, however, includes accrued interest. For example, accrued interest, if any, on our investments in zero coupon bonds will be included in the calculation of our incentive fee, even though we will not receive any cash interest payments in respect of payment on the bond until its maturity date. Thus, a portion of this incentive fee would be based on income that we may not have yet received in cash in the event of default may never receive.

We may be obligated to pay our Investment Adviser incentive compensation even if we incur a loss.

The Investment Adviser is entitled to incentive compensation for each fiscal quarter based, in part, on our pre-incentive fee net investment income if any, for the immediately preceding calendar quarter above a performance threshold for that quarter. Accordingly, since the performance threshold is based on a percentage of our net asset value, decreases in our net asset value make it easier to achieve the performance threshold. Our pre-incentive fee net investment income for incentive compensation purposes excludes realized and unrealized capital losses or depreciation that we may incur in the fiscal quarter, even if such capital losses or depreciation result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay the Investment Adviser incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or we incur a net loss for that quarter. In addition, increases in interest rates may increase the amount of incentive fees we pay to our Investment Adviser even though our performance relative to the market has not increased.

The Investment Adviser and the Administrator have the right to resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our business, financial condition and results of operations.

The Investment Adviser and the Administrator have the right, under the Investment Advisory Agreement and the Administration Agreement, respectively, to resign at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If the Investment Adviser or the Administrator resigns, we may not be able to find a replacement or

hire internal management or administration with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our business, financial condition and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment activities or our internal administration activities, as applicable, is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Investment Adviser and its affiliates or the Administrator and its affiliates. Even if we are able to retain comparable management or administration, whether internal or external, the integration of such management or administration and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition and results of operations.

Changes in the laws or regulations governing our business or the businesses of our portfolio companies and any failure by us or our portfolio companies to comply with these laws or regulations could negatively affect the profitability of our operations or the profitability of our portfolio companies.

We are subject to changing rules and regulations of federal and state governments, as well as the stock exchange on which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC, the NASDAQ Global Select Market and the New York Stock Exchange LLC ("NYSE"), have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations. In particular, changes in the laws or regulations or the interpretations of the laws and regulations that govern BDCs, RICs or non-depository commercial lenders could significantly affect our operations and our cost of doing business. We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including our loan originations, maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, cybersecurity preparedness, collection and foreclosure procedures and other trade practices. If these laws, regulations or decisions change, or if we expand our business into jurisdictions that have adopted more stringent requirements than those in which we currently conduct business, we may have to incur significant expenses in order to comply, or we might have to restrict our operations. In addition, if we do not comply with applicable laws, regulations and decisions, we may lose licenses needed for the conduct of our business and be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, financial condition and results of operations.

Foreign and domestic political risk may adversely affect our business.

We are exposed to political risk to the extent that Prospect Capital Management, on its behalf and subject to its investment guidelines, transacts in securities in the U.S. and foreign markets. The governments in any of these jurisdictions could impose restrictions, regulations or other measures, which may have a material adverse impact on our strategy.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, or the subsequent testing by our independent registered public accounting firm (when undertaken, as noted below), may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors and lenders to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We may experience cybersecurity incidents and are subject to cybersecurity risks. The failure in cybersecurity systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively.

Our business operations rely upon secure information technology systems for data processing, storage and reporting. We are dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities maintained by our Investment Adviser and other service providers to protect their computer and telecommunications systems and the data that reside on or are transmitted through them. Our portfolio companies similarly are dependent on the effectiveness of the information and cybersecurity policies that they and their service providers maintain. Despite careful security and controls design, implementation and updating, our information technology systems could become subject to cyber-attacks and

unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could have a material adverse effect on our business, results of operations and financial condition. Like other companies, we may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. Moreover, the increased use of mobile and cloud technologies could heighten these and other operational risks as certain aspects of the security of such technologies may be complex and unpredictable. Reliance on mobile or cloud technology or any failure by mobile technology and cloud service providers to adequately safeguard their systems and prevent cyber-attacks could disrupt our operations, the operations of a portfolio company or the operations of our or their service providers and result in misappropriation, corruption or loss of personal, confidential or proprietary information or the inability to conduct ordinary business operations. In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. There have been a number of recent highly publicized cases of companies reporting the unauthorized disclosure of client or customer information, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties, including actions by terrorist organizations and hostile foreign governments. If one or more of these cyber-attacks occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our operations, which could result in damage to our reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

The occurrence of a disaster, such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data. If a significant number of our management personnel were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

Cybersecurity failures or breaches of the Investment Adviser, the Administrator and other service providers (including, but not limited to, accountants, custodians, transfer agents and administrators), and the issuers of securities in which we invest, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with our ability to calculate our net asset value, impediments to trading, the inability of our stockholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. We and our Investment Adviser's employees have been and expect to continue to be the target of fraudulent calls, emails and other forms of activities. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. While we have established a business continuity plan in the event of, and risk management systems to prevent, such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, we cannot control the cybersecurity plans and systems put in place by our service providers and issuers in which we invest. We and our stockholders could be negatively impacted as a result. Cybersecurity has become a top priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. In addition, state and federal laws and regulations related to BDC and RIC cybersecurity compliance continue to evolve and change. These changes may require substantial investments in new technology, software and personnel, which could affect our profitability. These changes may also result in enhanced and unforeseen consequences for cyber-related breaches and incidents, which may further adversely affect our profitability. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.

We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay dividends.

Our business is dependent on our and third parties' communications and information systems. Further, in the ordinary course of our business we or our Investment Adviser may engage certain third party service providers to provide us with services necessary for our business. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third-party service providers, could cause delays or other problems in our business activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate

properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- disease epidemics or pandemics;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks.

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our stockholders.

Risks Relating to Our Operation as a Business Development Company

If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy.

As a BDC, we may not acquire any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could be found to be in violation of the 1940 Act provisions applicable to BDCs, which would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If we fail to qualify as a RIC, we will have to pay corporate-level taxes on our income, and our income available for distribution would be reduced.

To maintain our qualification for U.S. federal income tax purposes as a RIC under Subchapter M of the Code and obtain RIC tax treatment, we must meet certain source of income, annual distribution and asset diversification requirements.

The source of income requirement is satisfied if we derive at least 90% of our annual gross income from interest, dividends, payments with respect to certain securities loans, gains from the sale or other disposition of securities or options thereon or foreign currencies, or other income derived with respect to our business of investing in such securities or currencies, and net income from interests in "qualified publicly traded partnerships," as defined in the Code.

The annual distribution requirement for a RIC will generally be satisfied if we distribute at least 90% of our ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to our stockholders on an annual basis. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants that could, under certain circumstances, restrict us from making distributions necessary to qualify for RIC tax treatment. If we are unable to obtain cash from other sources, we may fail to qualify for RIC tax treatment and, thus, may be subject to corporate-level income tax on all of our taxable income.

To maintain our qualification as a RIC, we must also meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments are in private companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses.

If we fail to qualify as a RIC for any reason or become subject to corporate income tax, the resulting corporate taxes would substantially reduce our net assets, the amount of income available for distribution, and the actual amount of our distributions. Such a failure could have a materially adverse effect on us and our stockholders. For additional information regarding asset coverage ratio and RIC requirements, see "Business—Material U.S. Federal Income Tax Considerations" and "Business—Regulation as a Business Development Company."

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we include in income certain amounts that we have not yet received in cash, such as original issue discount or payment-in-kind interest, which represents contractual interest added to the loan balance and due at the end of the loan term. Such amounts could be significant relative to our overall investment activities. We also may be required to include in taxable income certain other amounts that we do not receive in cash. While we focus primarily on investments that will generate a current cash return, our investment portfolio currently includes, and we may continue to invest in, securities that do not pay some or all of their return in periodic current cash distributions.

Since in some cases we may recognize taxable income before or without receiving cash representing such income, we may have difficulty distributing at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, as required to maintain RIC tax treatment. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain cash from other sources, we may fail to qualify for RIC treatment and thus become subject to corporate-level income tax. See "Business—Material U.S. Federal Income Tax Considerations" and "Business—Regulation as a Business Development Company."

Regulations governing our operation as a BDC affect our ability to raise, and the way in which we raise, additional capital. These constraints may hinder our Investment Adviser's ability to take advantage of attractive investment opportunities and to achieve our investment objective.

We have incurred indebtedness under our revolving credit facility and through the issuance of the Unsecured Notes, have issued and are continuing to issue preferred stock and, in the future, may issue additional preferred stock or debt securities and/or borrow additional money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a BDC, to incur indebtedness or issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150% after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test, which would prohibit us from paying dividends in cash or other property and could prohibit us from qualifying as a RIC. If we cannot satisfy this test, we may be required to sell a portion of our investments or sell additional shares of common stock at a time when such sales may be disadvantageous in order to repay a portion of our indebtedness or otherwise increase our net assets. Sales of common stock at prices below net asset value per share dilute the interests of existing stockholders, have the effect of reducing our net asset value per share and may reduce our market price per share. In addition, continuous sales of common stock below net asset value may have a negative impact on total returns and could have a negative impact on the market price of our shares of common stock. If we raise additional funds by issuing common stock or senior securities convertible into, or exchangeable for, our common stock, then the percentage ownership of our stockholders at that time will decrease, and you may experience dilution.

As a BDC regulated under provisions of the 1940 Act, we are not generally able to issue and sell our common stock at a price below the current net asset value per share without stockholder approval. If our common stock trades at a discount to net asset value, this restriction could adversely affect our ability to raise capital. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current net asset value of our common stock in certain circumstances, one of which is if (i)(1) the holders of a majority of our shares (or, if less, at least 67% of a quorum consisting of a majority of our shares) and a similar majority of the holders of our shares who are not affiliated persons of us approve the sale of our common stock at a price that is less than the current net asset value (which has currently occurred and is effective through June 10, 2025), and (2) a majority of our Directors who have no financial interest in the transaction and a majority of our independent Directors (a) determine that such sale is in our and our stockholders' best interests and (b) in consultation with any underwriter or underwriters of the offering, make a good faith determination as of a time either immediately prior to the first solicitation by us or on our behalf of firm commitments to purchase such shares, or immediately prior to the issuance of such shares, that the price at which such shares are to be sold is not less than a price which closely approximates the market value of such shares, less any distributing commission or discount or (ii) a majority of the number of the beneficial holders of our common stock entitled to vote at our annual meeting, without regard to whether a majority of such shares are voted in favor of the proposal, approve the sale of our common stock at a price that is less than the current net asset value per share.

To generate cash for funding new investments, we pledged a substantial portion of our portfolio investments under our revolving credit facility. These assets are not available to secure other sources of funding or for securitization. Our ability to obtain additional secured or unsecured financing on attractive terms in the future is uncertain.

Alternatively, we may securitize our future loans to generate cash for funding new investments. See "Securitization of our assets subjects us to various risks."

Securitization of our assets subjects us to various risks.

We may securitize assets to generate cash for funding new investments. We refer to the term securitize to describe a form of leverage under which a company such as us (sometimes referred to as an "originator" or "sponsor") transfers income producing assets to a single-purpose, bankruptcy-remote subsidiary (also referred to as a "special purpose entity" or "SPE"), which is established solely for the purpose of holding such assets and entering into a structured finance transaction. The SPE then issues notes secured by such assets. The special purpose entity may issue the notes in the capital markets either publicly or privately to a variety of investors, including banks, non-bank financial institutions and other investors. There may be a single class of notes or multiple classes of notes, the most senior of which carries less credit risk and the most junior of which may carry substantially the same credit risk as the equity of the SPE.

An important aspect of most debt securitization transactions is that the sale and/or contribution of assets into the SPE be considered a true sale and/or contribution for accounting purposes and that a reviewing court would not consolidate the SPE with the operations of the originator in the event of the originator's bankruptcy based on equitable principles. Viewed as a whole, a debt securitization seeks to lower risk to the note purchasers by isolating the assets collateralizing the securitization in an SPE that is not subject to the credit and bankruptcy risks of the originator. As a result of this perceived reduction of risk, debt securitization transactions frequently achieve lower overall leverage costs for originators as compared to traditional secured lending transactions.

In accordance with the above description, to securitize loans, we may create a wholly-owned subsidiary and contribute a pool of our assets to such subsidiary. The SPE may be funded with, among other things, whole loans or interests from other pools and such loans may or may not be rated. The SPE would then sell its notes to purchasers who we would expect to be willing to accept a lower interest rate and the absence of any recourse against us to invest in a pool of income producing assets to which none of our creditors would have access. We would retain all or a portion of the equity in the SPE. An inability to successfully securitize portions of our portfolio or otherwise leverage our portfolio through secured and unsecured borrowings could limit our ability to grow our business and fully execute our business strategy, and could decrease our earnings. However, the successful securitization of portions of our portfolio exposes us to a risk of loss for the equity we retain in the SPE and might expose us to greater risk on our remaining portfolio because the assets we retain may tend to be those that are riskier and more likely to generate losses. A successful securitization may also impose financial and operating covenants that restrict our business activities and may include limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC under Subchapter M of the Code. The 1940 Act may also impose restrictions on the structure of any securitizations.

Interests we hold in the SPE, if any, will be subordinated to the other interests issued by the SPE. As such, we will only receive cash distributions on such interests if the SPE has made all cash interest and other required payments on all other interests it has issued. In addition, our subordinated interests will likely be unsecured and rank behind all of the secured creditors, known or unknown, of the SPE, including the holders of the senior interests it has issued. Consequently, to the extent that the value of the SPE's portfolio of assets has been reduced as a result of conditions in the credit markets, or as a result of defaults, the value of the subordinated interests we retain would be reduced. Securitization imposes on us the same risks as borrowing except that our risk in a securitization is limited to the amount of subordinated interests we retain, whereas in a borrowing or debt issuance by us directly we would be at risk for the entire amount of the borrowing or debt issuance.

If the SPE is not consolidated with us, our only interest will be the value of our retained subordinated interest and the income allocated to us, which may be more or less than the cash we receive from the SPE, and none of the SPE's liabilities will be reflected as our liabilities. If the assets of the SPE are not consolidated with our assets and liabilities, then our interest in the SPE may be deemed not to be a qualifying asset for purposes of determining whether 70% of our assets are qualifying assets and the leverage incurred by such SPE may or may not be treated as borrowings by us for purposes of the requirement that we not issue senior securities in an amount in excess of our net assets.

We may also engage in transactions utilizing SPEs and securitization techniques where the assets sold or contributed to the SPE remain on our balance sheet for accounting purposes. If, for example, we sell the assets to the SPE with recourse or provide a guarantee or other credit support to the SPE, its assets will remain on our balance sheet. Consolidation would also generally result if we, in consultation with the SEC, determine that consolidation would result in a more accurate reflection of our assets, liabilities and results of operations. In these structures, the risks will be essentially the same as in other securitization transactions but the assets will remain our assets for purposes of the limitations described above on investing in assets that are not qualifying assets and the leverage incurred by the SPE will be treated as borrowings incurred by us for purposes of our limitation on the issuance of senior securities.

The Investment Adviser may have conflicts of interest with respect to potential securitizations in as much as securitizations that are not consolidated may reduce our assets for purposes of determining its investment advisory fee although in some

circumstances the Investment Adviser may be paid certain fees for managing the assets of the SPE so as to reduce or eliminate any potential bias against securitizations.

Our ability to invest in public companies may be limited in certain circumstances.

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). Subject to certain exceptions for follow-on investments and distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as qualifying assets only if such issuer has a market capitalization that is less than $250 million at the time of such investment.

Risks Relating to Our Investments

We may not realize gains or income from our investments.

We seek to generate both current income and capital appreciation. However, the securities we invest in may not appreciate and, in fact, may decline in value, and the issuers of debt securities we invest in may default on interest and/or principal payments. Accordingly, we may not be able to realize gains from our investments, and any gains that we do realize may not be sufficient to offset any losses we experience. See "Business—Our Investment Objective and Policies."

Most of our portfolio investments are recorded at fair value as determined in good faith under the direction of our Board of Directors and, as a result, there is uncertainty as to the value of our portfolio investments.

A large percentage of our portfolio investments consist of securities of privately held companies. Hence, market quotations are generally not readily available for determining the fair values of such investments. The determination of fair value, and thus the amount of unrealized losses we may incur in any year, is to a degree subjective, and the Investment Adviser has a conflict of interest in making the determination. We value these securities quarterly at fair value as determined in good faith by our Board of Directors based on input from the Investment Adviser, our Administrator, a third party independent valuation firm and our Audit Committee. Our Board of Directors utilizes the services of an independent valuation firm to aid it in determining the fair value of any securities. The types of factors that may be considered in determining the fair values of our investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings, the markets in which the portfolio company does business, comparison to publicly traded companies, discounted cash flow, current market interest rates and other relevant factors.

Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, the valuations may fluctuate significantly over short periods of time due to changes in current market conditions. The determinations of fair value by our Board of Directors may differ materially from the values that would have been used if an active market and market quotations existed for these investments. Our net asset value could be adversely affected if the determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such securities.

In addition, decreases in the market values or fair values of our investments are recorded as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets experienced during a financial crisis will result in significant net unrealized depreciation in our portfolio. The effect of all of these factors increases the net unrealized depreciation in our portfolio and reduces our NAV. Depending on market conditions, we could incur substantial realized losses which could have a material adverse impact on our business, financial condition and results of operations. We have no policy regarding holding a minimum level of liquid assets. As such, a high percentage of our portfolio generally is not liquid at any given point in time. See "—The lack of liquidity in our investments may adversely affect our business."

Price declines and illiquidity in the corporate debt markets have adversely affected, and may in the future adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation.

As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by or under the direction of our Board of Directors. As part of the valuation process, the types of factors that we may take into account in determining the fair value of our investments include, as relevant and among other factors: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows, the markets in which the portfolio company does business, comparisons of financial ratios of peer companies that are public, merger and acquisition comparables, our principal market (as the reporting entity) and enterprise values of our portfolio companies. Decreases in the

market values or fair values of our investments are recorded as unrealized depreciation. The effect of all of these factors on our portfolio can reduce our net asset value by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse impact on our business, financial condition and results of operations.

Our investments in prospective portfolio companies may be risky and we could lose all or part of our investment.

Some of our portfolio companies have relatively short or no operating histories. These companies are, and will be, subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that these companies may not reach their objectives, and the value of our investment in them may decline substantially or fall to zero. In addition, investment in the middle-market companies that we are targeting involves a number of other significant risks, including:

- These companies may have limited financial resources and may be unable to meet their obligations under their securities that we hold, which may be accompanied by a deterioration in the value of their securities or of any collateral with respect to any securities, and a reduction in the likelihood of our realizing on any guarantees we may have obtained in connection with our investment.
- They may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions as well as general economic downturns.
- Because many of these companies are privately held companies, public information is generally not available about these companies. As a result, we will depend on the ability of the Investment Adviser to obtain adequate information to evaluate these companies in making investment decisions. If the Investment Adviser is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and we may lose money on our investments.
- They are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a materially adverse impact on our portfolio company and, in turn, on us.
- They may have less predictable operating results, may from time to time be parties to litigation, may be engaged in changing businesses with products subject to a risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.
- They may have difficulty accessing the capital markets to meet future capital needs.
- Changes in laws and regulations, as well as their interpretations, may adversely affect their business, financial structure or prospects.
- Increased taxes, regulatory expense or the costs of changes to the way they conduct business due to the effects of climate change may adversely affect their business, financial structure or prospects.

We acquire majority interests in operating companies engaged in a variety of industries. When we acquire interests in these companies we generally seek to apply financial leverage to them in the form of debt. In most cases all or a portion of this debt is held by us, with the obligor being either the operating company itself, a holding company through which we own our majority interest or both. The level of debt leverage utilized by these companies makes them susceptible to the risks identified above.

In addition, our executive officers, directors and the Investment Adviser could, in the ordinary course of business, be named as defendants in litigation arising from proposed investments or from our investments in the portfolio companies and may, as a result, incur significant costs and expenses in connection with such litigation.

The lack of liquidity in our investments may adversely affect our business.

We make investments in private companies. A portion of these investments may be subject to legal and other restrictions on resale, transfer, pledge or other disposition or will otherwise be less liquid than publicly traded securities. The illiquidity of our investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. In addition, we face other restrictions on our ability to liquidate an investment in a business entity to the extent that we or the Investment Adviser has or could be deemed to have material non-public information regarding such business entity.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non-performing assets may increase, and the value of our portfolio may decrease during these periods as we are required to record the values of our investments at fair value. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if one of our portfolio companies were to go bankrupt, even though we or one of our affiliates may have structured our interest in such portfolio company as senior debt, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might re-characterize our debt holding as equity and subordinate all or a portion of our claim to claims of other creditors.

Central banks such as the Federal Reserve Bank have been increasing interest rates, though this trend has tempered recently as the rate of inflation slows. There is a risk that increased interest rates may cause the economy to enter a recession.

Investments in equity securities, many of which are illiquid with no readily available market, involve a substantial degree of risk.

We may purchase common and other equity securities. Although common stock has historically generated higher average total returns than fixed income securities over the long-term, common stock has significantly more volatility in those returns and may significantly underperform relative to fixed income securities. The equity securities we acquire may fail to appreciate and may decline in value or become worthless and our ability to recover our investment will depend on our portfolio company's success. Investments in equity securities involve a number of significant risks, including:

- Any equity investment we make in a portfolio company could be subject to further dilution as a result of the issuance of additional equity interests and to serious risks as a junior security that will be subordinate to all indebtedness (including trade creditors) or senior securities in the event that the issuer is unable to meet its obligations or becomes subject to a bankruptcy process.
- To the extent that the portfolio company requires additional capital and is unable to obtain it, we may not recover our investment.
- In some cases, equity securities in which we invest will not pay current dividends, and our ability to realize a return on our investment, as well as to recover our investment, will be dependent on the success of the portfolio company. Even if the portfolio company is successful, our ability to realize the value of our investment may be dependent on the occurrence of a liquidity event, such as a public offering or the sale of the portfolio company. It is likely to take a significant amount of time before a liquidity event occurs or we can otherwise sell our investment. In addition, the equity securities we receive or invest in may be subject to restrictions on resale during periods in which it could be advantageous to sell them.

There are special risks associated with investing in preferred securities, including:

- Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If we own a preferred security that is deferring its distributions, we may be required to report income for tax purposes before we receive such distributions.
- Preferred securities are subordinated to debt in terms of priority to income and liquidation payments, and therefore will be subject to greater credit risk than debt.
- Preferred securities may be substantially less liquid than many other securities, such as common stock or U.S. government securities.
- Generally, preferred security holders have no voting rights with respect to the issuing company, subject to limited exceptions.

Additionally, when we invest in first lien senior secured loans (including unitranche loans), second lien senior secured loans or unsecured debt, we may acquire warrants or other equity securities as well. Our goal is ultimately to dispose of such equity interests and realize gains upon our disposition of such interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

We may invest, to the extent permitted by law, in the equity securities of investment funds that are operating pursuant to certain exceptions to the 1940 Act and in advisers to similar investment funds and, to the extent we so invest, will bear our ratable share of any such company's expenses, including management and performance fees. We will also remain obligated to pay management and incentive fees to Prospect Capital Management with respect to the assets invested in the securities and instruments of such companies. With respect to each of these investments, each of our common stockholders will bear his or her share of the management and incentive fee of Prospect Capital Management as well as indirectly bearing the management and performance fees and other expenses of any such investment funds or advisers.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims.

If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterize our debt holding as an equity investment and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower's business or exercise control over the borrower. For example, we could become subject to a lender's liability claim, if, among other things, we actually render significant managerial assistance.

Our portfolio companies may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies.

Our portfolio companies may have, or may be permitted to incur, other debt or issue other equity securities that rank equally with or senior to our investments. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of our investments. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company typically are entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such holders, the portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of securities ranking equally with our investments, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements (including agreements governing "first out" and "last out" structures) that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that senior obligations are outstanding, we may forfeit certain rights with respect to the collateral to the holders of the senior obligations. These rights may include the right to commence enforcement proceedings against the collateral, the right to control the conduct of such enforcement proceedings, the right to approve amendments to collateral documents, the right to release liens on the collateral and the right to waive past defaults under collateral documents. We may not have the ability to control or direct such actions, even if as a result our rights as junior lenders are adversely affected.

This risk is characteristic of many of the majority-owned operating companies in our portfolio in that any debt to us from a holding company and the holding company's substantial equity investments in the related operating company are subordinated to any creditors of the operating company.

When we are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other debt holders, other equity holders and/or portfolio company management may make decisions that could decrease the value of our portfolio holdings.

When we make debt or minority equity investments, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the other equity holders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of

our investment. In addition, when we hold a subordinate debt position, other more senior debt holders may make decisions that could decrease the value of our investment.

Our portfolio companies may be highly leveraged.

Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

Our portfolio contains a limited number of portfolio companies, some of which comprise a substantial percentage of our portfolio, which subjects us to a greater risk of significant loss if any of these companies defaults on its obligations under any of its debt securities.

A consequence of the limited number of investments in our portfolio is that the aggregate returns we realize may be significantly adversely affected if one or more of our significant portfolio company investments perform poorly or if we need to write down the value of any one significant investment. Beyond our income tax diversification requirements, we do not have fixed guidelines for diversification, and our portfolio could contain relatively few portfolio companies.

Our failure to make follow-on investments in our existing portfolio companies could impair the value of our portfolio.

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in order to: (1) increase or maintain in whole or in part our equity ownership percentage; (2) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing or (3) attempt to preserve or enhance the value of our investment.

We may elect not to make follow-on investments, may be constrained in our ability to employ available funds, or otherwise may lack sufficient funds to make those investments. We have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with BDC requirements or the desire to maintain our tax status.

We may be unable to invest the net proceeds raised from offerings and repayments from investments on acceptable terms, which would harm our financial condition and operating results.

Until we identify new investment opportunities, we intend to either invest the net proceeds of future offerings and repayments from investments in interest-bearing deposits or other short-term instruments or use the net proceeds from such offerings to reduce then-outstanding obligations under our revolving credit facility. We cannot assure you that we will be able to find enough appropriate investments that meet our investment criteria or that any investment we complete using the proceeds from an offering or repayments will produce a sufficient return.

We may have limited access to information about privately-held companies in which we invest.

We invest primarily in privately-held companies. Generally, little public information exists about these companies, and we are required to rely on the ability of the Investment Adviser's investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. These companies and their financial information are not subject to the Sarbanes-Oxley Act of 2002 and other rules that govern public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investment.

We may not be able to fully realize the value of the collateral securing our debt investments.

Although a substantial amount of our debt investments are protected by holding security interests in the assets or equity interests of the portfolio companies, we may not be able to fully realize the value of the collateral securing our investments due to one or more of the following factors:

- Our debt investments may be in the form of unsecured loans, therefore our liens on the collateral, if any, are subordinated to those of the senior secured debt of the portfolio companies, if any. As a result, we may not be able to control remedies with respect to the collateral.
- The collateral may not be valuable enough to satisfy all of the obligations under our secured loan, particularly after giving effect to the repayment of secured debt of the portfolio company that ranks senior to our loan.
- Bankruptcy laws may limit our ability to realize value from the collateral and may delay the realization process.
- Our rights in the collateral may be adversely affected by the failure to perfect security interests in the collateral.
- The need to obtain regulatory and contractual consents could impair or impede how effectively the collateral would be liquidated and could affect the value received.
- Some or all of the collateral may be illiquid and may have no readily ascertainable market value. The liquidity and value of the collateral could be impaired as a result of changing economic conditions, competition, and other factors, including the availability of suitable buyers.

Our investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

Our investment strategy contemplates potential investments in securities of foreign companies, including those located in emerging market countries. Investing in foreign companies may expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Such risks are more pronounced in emerging market countries.

Although currently substantially all of our investments are, and we expect that most of our investments will be, U.S. dollar-denominated, investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments.

We may expose ourselves to risks if we engage in hedging transactions.

We may employ hedging techniques to minimize certain investment risks, such as fluctuations in interest and currency exchange rates, but we can offer no assurance that such strategies will be effective. If we engage in hedging transactions, we may expose ourselves to risks associated with such transactions. We may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in currency exchange rates and market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the portfolio positions should increase. Moreover, it may not be possible to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price. Furthermore, our ability to engage in hedging transactions may also be adversely affected by rules adopted by the U.S. Commodity Futures Trading Commission, or the "CFTC". The Dodd-Frank Act has made broad changes to the OTC derivatives market, granted significant new authority to the CFTC and the SEC to regulate OTC derivatives (swaps and security-based swaps) and participants in these markets. The Dodd-Frank Act is intended to regulate the OTC derivatives market by requiring many derivative transactions to be cleared and traded on an exchange, expanding entity registration requirements, imposing business conduct requirements on dealers and requiring banks to move some derivatives trading units to a non-guaranteed affiliate separate from the deposit-taking bank or divest them altogether. The CFTC has implemented mandatory clearing and exchange-trading of certain OTC derivatives contracts including many standardized interest rate swaps and credit default index swaps. The CFTC continues to approve contracts for central clearing. Exchange-trading and central clearing are expected to reduce counterparty credit risk by substituting the clearinghouse as the counterparty to a swap and increase liquidity, but exchange-trading and central clearing do not make swap transactions risk-free. Uncleared swaps, such as non-deliverable foreign currency forwards, are subject to certain margin requirements that mandate the posting and collection of minimum margin amounts. This requirement may result in the portfolio and its counterparties posting higher margin amounts for uncleared swaps than would otherwise be the case. Certain rules require centralized reporting of detailed information about many types of cleared and uncleared swaps. Reporting of swap data may result in greater market transparency, but may subject a portfolio to additional administrative burdens, and the safeguards established to protect trader anonymity may not function as expected. Under Rule 18f-4 under the 1940 Act, we are required to implement and comply with the limits on the amount of derivatives we can enter into, eliminate the asset segregation framework we previously used to comply with Section 18 of the 1940 Act, treat derivatives as senior securities so that a failure to comply with the limits would result in a statutory violation and require us, if our use of derivatives is more than a limited specified exposure amount (10% of net assets), to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager. Future CFTC or SEC rulemakings could potentially limit or completely restrict our ability to use these instruments as a part of our investment strategy, increase the costs of using these instruments or make them less effective. Limits or restrictions applicable to the counterparties with which we engage in derivative transactions could also prevent us from using these instruments or affect the pricing or other factors relating to these instruments, or may change availability of certain investments.

The success of our hedging transactions depends on our ability to correctly predict movements, currencies and interest rates. Therefore, while we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it may not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies. We have no current intention of engaging in any of the hedging transaction described above, although we reserve the right to do so in the future.

Our Board of Directors may change our operating policies and strategies without prior notice or stockholder approval, the effects of which may be adverse to us and could impair the value of our stockholders' investment.

Our Board of Directors has the authority to modify or waive our current operating policies and our strategies without prior notice and without stockholder approval. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, financial condition, and value of our common stock. However, the effects might be adverse, which could negatively impact our ability to pay dividends and cause stockholders to lose all or part of their investment.

Investments in the energy sector are subject to many risks.

We have made certain investments in and relating to the energy sector. The operations of energy companies are subject to many risks inherent in the transporting, processing, storing, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities, including, without limitation: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism, inadvertent damage from construction and farm equipment, leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons, and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, and may result in the curtailment or suspension of their related operations, any and all of which could adversely affect our portfolio companies in the energy sector. In addition, the energy sector commodity prices have experienced significant volatility at times, which may occur in the future, and which could negatively affect the returns on any investment made by us in this sector. In addition, valuation of certain investments includes the probability weighting of future events which are outside of management's control. The final outcome of such events could increase or decrease the fair value of the investment in a future period.

Our investments in CLOs may be riskier and less transparent to us and our stockholders than direct investments in the underlying companies.

We invest in CLOs. Generally, there may be less information available to us regarding the underlying debt investments held by CLOs than if we had invested directly in the debt of the underlying companies. As a result, our stockholders will not know the details of the underlying securities of the CLOs in which we will invest. Our CLO investments are subject to the risk of leverage associated with the debt issued by such CLOs and the repayment priority of senior debt holders in such CLOs. Additionally, CLOs in which we invest are often governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher relative to other types of investments. For example, some documents governing the loans underlying our CLO investments may allow for "priming transactions," in connection with which majority lenders or debtors can amend loan documents to the detriment of other lenders, amend loan documents in order to move collateral, or amend documents in order to facilitate capital outflow to other parties/subsidiaries in a capital structure, any of which may adversely affect the rights and security priority of the CLOs in which we are invested.

The accounting and tax implications of such investments are complicated. In particular, reported earnings from the equity tranche investments of these CLO vehicles are recorded under GAAP based upon an effective yield calculation. Current taxable earnings on these investments, however, will generally not be determinable until after the end of the fiscal year of each individual CLO vehicle that ends within the Company's fiscal year, even though the investments are generating cash flow. In general, the tax treatment of these investments may result in higher distributable earnings in the early years and a capital loss at maturity, while for reporting purposes the totality of cash flows are reflected in a constant yield to maturity.

Some instruments issued by CLO vehicles may not be readily marketable and may be subject to restrictions on resale. Securities issued by CLO vehicles are generally not listed on any U.S. national securities exchange and no active trading market may exist for the securities of CLO vehicles in which we may invest. Although a secondary market may exist for our investments in CLO vehicles, the market for our investments in CLO vehicles may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, these types of investments may be more difficult to value.

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

Failure by a CLO vehicle in which we are invested to satisfy certain tests will harm our operating results.

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 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.

CLOs typically will have no significant assets other than their underlying senior secured loans; payments on CLO investments are and will be payable solely from the cash flows from such senior secured loans.

CLOs typically will have no significant assets other than their underlying senior secured loans. Accordingly, payments on CLO investments are and will be payable solely from the cash flows from such senior secured loans, net of all management fees and other expenses. Payments to us as a holder of CLO junior securities are and will be made only after payments due on the senior

secured notes, and, where appropriate, the junior secured notes, have been made in full. This means that relatively small numbers of defaults of senior secured loans may adversely impact our returns.

Our CLO investments are exposed to leveraged credit risk.

Generally, we are in a subordinated position with respect to realized losses on the senior secured loans underlying our investments in CLOs. The leveraged nature of CLOs, in particular, magnifies the adverse impact of senior secured loan defaults. CLO investments represent a leveraged investment with respect to the underlying senior secured loans. Therefore, changes in the market value of the CLO investments could be greater than the change in the market value of the underlying senior secured loans, which are subject to credit, liquidity and interest rate risk.

There is the potential for interruption and deferral of cash flow from CLO investments.

If certain minimum collateral value ratios and/or interest coverage ratios are not met by a CLO, primarily due to senior secured loan defaults, then cash flow that otherwise would have been available to pay distributions to us on our CLO investments may instead be used to redeem any senior notes or to purchase additional senior secured loans, until the ratios again exceed the minimum required levels or any senior notes are repaid in full. This could result in an elimination, reduction or deferral in the distribution and/or principal paid to the holders of the CLO investments, which would adversely impact our returns.

Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

Our CLO investment strategy allows investments in foreign CLOs. Investing in foreign entities may expose us to additional risks not typically associated with investing in U.S. issuers. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we, and the CLOs in which we invest, may have difficulty enforcing creditor's rights in foreign jurisdictions. In addition, the underlying companies of the CLOs in which we invest may be foreign, which may create greater exposure for us to foreign economic developments.

The payment of underlying portfolio manager fees and other charges on CLO investments could adversely impact our returns.

We may invest in CLO investments where the underlying portfolio securities may be subject to management, administration and incentive or performance fees, in addition to those payable by us. Payment of such additional fees could adversely impact the returns we achieve.

The inability of a CLO collateral manager to reinvest the proceeds of the prepayment of senior secured loans at equivalent rates may adversely affect us.

There can be no assurance that for any CLO investment, in the event that any of the senior secured loans of a CLO underlying such investment are prepaid, the CLO collateral manager will be able to reinvest such proceeds in new senior secured loans with equivalent investment returns. If the CLO collateral manager cannot reinvest in new senior secured loans with equivalent investment returns, the interest proceeds available to pay interest on the rated liabilities and investments may be adversely affected.

Our CLO investments are subject to prepayments and calls, increasing re-investment risk.

Our CLO investments and/or the underlying senior secured loans may prepay more quickly than expected, which could have an adverse impact on our value. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond our control and consequently cannot be predicted with certainty. In addition, for a CLO collateral manager there is often a strong incentive to refinance well performing portfolios once the senior tranches amortize. The yield to maturity of the investments will depend on the amount and timing of payments of principal on the loans and the price paid for the investments. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments of the debt.

Furthermore, our CLO investments generally do not contain optional call provisions, other than a call at the option of the holders of the equity tranches for the senior notes and the junior secured notes to be paid in full after the expiration of an initial period in the deal (referred to as the "non-call period").

The exercise of the call option is by the relevant percentage (usually a majority) of the holders of the equity tranches and, therefore, where we do not hold the relevant percentage we will not be able to control the timing of the exercise of the call

option. The equity tranches also generally have a call at any time based on certain tax event triggers. In any event, the call can only be exercised by the holders of equity tranches if they can demonstrate (in accordance with the detailed provisions in the transaction) that the senior notes and junior secured notes will be paid in full if the call is exercised.

Early prepayments and/or the exercise of a call option otherwise than at our request may also give rise to increased re-investment risk with respect to certain investments, as we may realize excess cash earlier than expected. If we are unable to reinvest such cash in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce our net income and, consequently, could have an adverse impact on our ability to pay dividends.

We have limited control of the administration and amendment of senior secured loans owned by the CLOs in which we invest.

We are not able to directly enforce any rights and remedies in the event of a default of a senior secured loan held by a CLO vehicle. In addition, the terms and conditions of the senior secured loans underlying our CLO investments may be amended, modified or waived only by the agreement of the underlying lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligations arising from senior secured loans could be modified, amended or waived in a manner contrary to our preferences.

We have limited control of the administration and amendment of any CLO in which we invest.

The terms and conditions of target securities may be amended, modified or waived only by the agreement of the underlying security holders. Generally, any such agreement must include a majority or a super majority (measured by outstanding amounts) or, in certain circumstances, a unanimous vote of the security holders. Consequently, the terms and conditions of the payment obligation arising from the CLOs in which we invest be modified, amended or waived in a manner contrary to our preferences.

Senior secured loans of CLOs may be sold and replaced resulting in a loss to us.

The senior secured loans underlying our CLO investments may be sold and replacement collateral purchased within the parameters set out in the relevant CLO indenture between the CLO and the CLO trustee and those parameters may typically only be amended, modified or waived by the agreement of a majority of the holders of the senior notes and/or the junior secured notes and/or the equity tranche once the CLO has been established. If these transactions result in a net loss, the magnitude of the loss from the perspective of the equity tranche would be increased by the leveraged nature of the investment.

Our financial results may be affected adversely if one or more of our significant equity or junior debt investments in a CLO vehicle defaults on its payment obligations or fails to perform as we expect.

We expect that a majority of our portfolio will consist of equity and junior debt investments in CLOs, which involve a number of significant risks. CLOs are typically highly levered up to approximately 10 times, and therefore the junior debt and equity tranches that we will invest in are subject to a higher risk of total loss. In particular, investors in CLOs indirectly bear risks of the underlying debt investments held by such CLOs. We will generally have the right to receive payments only from the CLOs, and will generally not have direct rights against the underlying borrowers or the entities that sponsored the CLOs. Although it is difficult to predict whether the prices of indices and securities underlying 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 investments we make in CLOs are thinly traded or have only a limited trading market. CLO investments are typically privately offered and sold, in the primary and secondary markets. As a result, investments in CLOs may be characterized as illiquid securities. In addition to the general risks associated with investing in debt securities, CLOs carry additional risks, including, but not limited to: (i) the possibility that distributions from the underlying senior secured loans will not be adequate to make interest or other payments; (ii) the quality of the underlying senior secured loans may decline in value or default; and (iii) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO or unexpected investment results. Further, our investments in equity and junior debt tranches of CLOs are subordinate to the senior debt tranches thereof.

Investments in structured vehicles, including equity and junior debt instruments issued by CLOs, involve risks, including credit risk and market risk. Changes in interest rates and credit quality may cause significant price fluctuations. Additionally, changes in the underlying senior secured loans held by a CLO may cause payments on the instruments we hold to be reduced, either temporarily or permanently. Structured investments, particularly the subordinated interests in which we invest, are less liquid than many other types of securities and may be more volatile than the senior secured loans underlying the CLOs in which we invest.

Non-investment grade debt involves a greater risk of default and higher price volatility than investment grade debt.

The senior secured loans underlying our CLO investments typically are BB or B rated (non-investment grade) and in limited circumstances, unrated, senior secured loans. Non-investment grade securities are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default and higher price volatility than investment grade debt.

We will have no influence on management of underlying investments managed by non-affiliated third party CLO collateral managers.

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. Similarly, we are not responsible for and have no influence over the day-to-day management, administration or any other aspect of the issuers of the individual securities. As a result, the values of the portfolios underlying our CLO investments could decrease as a result of decisions made by third party CLO collateral managers.

The application of the risk retention rules under Section 941 of the Dodd-Frank Act to CLOs may have broader effects on the CLO and loan markets in general, potentially resulting in fewer or less desirable investment opportunities for us.

Section 941 of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") added a provision to the Exchange Act, requiring the seller, sponsor or securitizer of a securitization vehicle to retain no less than five percent of the credit risk in assets it sells into a securitization and prohibiting such securitizer from directly or indirectly hedging or otherwise transferring the retained credit risk. The responsible federal agencies adopted final rules implementing these restrictions on October 22, 2014. The risk retention rules became effective with respect to CLOs two years after publication in the Federal Register. Under the final rules, the asset manager of a CLO is considered the sponsor of a securitization vehicle and is required to retain five percent of the credit risk in the CLO, which may be retained horizontally in the equity tranche of the CLO or vertically as a five percent interest in each tranche of the securities issued by the CLO. Although the final rules contain an exemption from such requirements for the asset manager of a CLO if, among other things, the originator or lead arranger of all of the loans acquired by the CLO retain such risk at the asset level and, at origination of such asset, takes a loan tranche of at least 20% of the aggregate principal balance, it is possible that the originators and lead arrangers of loans in this market will not agree to assume this risk or provide such retention at origination of the asset in a manner that would provide meaningful relief from the risk retention requirements for CLO managers.

We believe that the U.S. risk retention requirements imposed for CLO managers under Section 941 of the Dodd-Frank Act has created some uncertainty in the market in regard to future CLO issuance. Given that certain CLO managers may require capital provider partners to satisfy this requirement, we believe that this may create additional risks for us in the future.

On February 9, 2018, a panel of the United States Court of Appeals for the District of Columbia Circuit ruled (the "D.C. Circuit Ruling") that the federal agencies exceeded their authority under the Dodd-Frank Act in adopting the final rules as applied to asset managers of open-market CLOs. On April 5, 2018, the United States District Court for the District of Columbia entered an order implementing the D.C. Circuit Ruling and thereby vacated the U.S. Risk Retention Rules insofar as they apply to CLO managers of "open market CLOs".

As of the date of hereof, there has been no petition for writ of certiorari filed requesting the case to be heard by the United States Supreme Court. Since there hasn't been a successful challenge to the D.C. Circuit Ruling and the United States District Court for the District of Columbia has issued the above described order implementing the D.C. Circuit Ruling, collateral managers of open market CLOs are no longer required to comply with the U.S. Risk Retention Rules at this time. As such, it is possible that some collateral managers of open market CLOs will decide to dispose of the notes constituting the "eligible vertical interest" or "eligible horizontal interest" they were previously required to retain, or decide to take other action with respect to such notes that is not otherwise permitted by the U.S. risk retention rules. As a result of this decision, certain CLO managers of "open market CLOs" will no longer be required to comply with the U.S. risk retention rules solely because of their

roles as managers of "open market CLOs", and there may be no "sponsor" of such securitization transactions and no party may be required to acquire and retain an economic interest in the credit risk of the securitized assets of such transactions.

There can be no assurance or representation that any of the transactions, structures or arrangements currently under consideration by or currently used by CLO market participants will comply with the U.S. risk retention rules to the extent such rules are reinstated or otherwise become applicable to open market CLOs. The ultimate impact of the U.S. risk retention rules on the loan securitization market and the leveraged loan market generally remains uncertain, and any negative impact on secondary market liquidity for securities comprising a CLO may be experienced due to the effects of the U.S. risk retention rules on market expectations or uncertainty, the relative appeal of other investments not impacted by the U.S. risk retention rules and other factors.

Changes in credit spreads may adversely affect our profitability and result in realized and unrealized depreciation on our investments.

The performance of our CLO equity investments will depend, in a large part, upon the spread between the rate at which the CLO borrows funds and the rate at which it lends these funds. Any reduction of the spread between the rate at which the CLO invests and the rate at which it borrows may adversely affect the CLO equity investor's profitability. Additionally, changes in credit spreads could lead to refinancing (paying off the existing senior secured loan with the proceeds from a new loan) or repricing (reducing the interest rate on an existing senior secured loan) of the senior secured loans that make up a CLO's portfolio, which would result in a decline in the yield to the CLO's equity investors and a corresponding loss on investment.

Because CLO equity investors are paid the residual income after the CLO debt tranches receive contractual interest payments, a reduction in the weighted average spread of the senior secured loans underlying a CLO will reduce the income flowing to CLO equity investors. As a result, CLO investors will experience realized and unrealized depreciation in periods of prolonged spread compression. If these conditions continue, the CLO investors, such as us, may lose some or all of their investment.

With respect to our online consumer lending initiative, we are dependent on the business performance and competitiveness of marketplace lending platforms and our ability to assess loan underwriting performance and, if the marketplace lending platforms from which we currently purchase consumer loans are unable to maintain or increase consumer loan originations, or if such marketplace lending platforms do not continue to sell consumer loans to us, or we are unable to otherwise purchase additional loans, our business and results of operations will be adversely affected.

With respect to our online consumer 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 loans, and our ability to grow our portfolio of consumer loans, is directly influenced by the business performance and competitiveness of the marketplace loan origination business of the marketplace lending platforms from which we purchase consumer loans.

In addition, our ability to analyze the risk-return profile of consumer loans is significantly dependent on the marketplace platforms' ability to effectively evaluate a borrower's credit profile and likelihood of default. The platforms from which we purchase such loans utilize credit decisioning and scoring models that assign each such loan offered a corresponding interest rate and origination fee. Our returns are a function of the assigned interest rate for each such particular loan purchased less any defaults over the term of the applicable loan. We evaluate the credit decisioning and scoring models implemented by each platform on a regular basis and leverage the additional data on loan history experience, borrower behavior, economic factors and prepayment trends that we accumulate to continually improve our own decisioning model. 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. Further, if the interest rates for consumer loans available through marketplace lending platforms are set too high or too low, it may adversely impact our ability to receive returns on our investment that are commensurate with the risks we incur in purchasing the loans.

With respect to our online consumer lending initiative, we rely on the marketplace lending platforms to service loans including pursuing collections against borrowers. Personal loans facilitated through the marketplace lending platforms are not secured by any collateral, are not guaranteed or insured by any third-party and are not backed by any governmental authority in any way. Marketplace lending platforms are therefore limited in their ability to collect on the loans if a borrower is unwilling or unable to repay. A borrower's ability to repay can be negatively impacted by increases in their payment obligations to other lenders under mortgage, credit card and other loans, including student loans and home equity lines of credit. These changes can result from increases in base lending rates or structured increases in payment obligations and could reduce the ability of the borrowers to meet their payment obligations to other lenders and under the loans purchased by us. If a borrower defaults on a loan, the marketplace lending platforms may outsource subsequent servicing efforts to third-party collection agencies, which may be unsuccessful in their efforts to collect the amount of the loan. Marketplace lending platforms make payments ratably on an

investor's investment only if they receive the borrower's payments on the corresponding loan. If they do not receive payments on the corresponding loan related to an investment, we are not entitled to any payments under the terms of the investment.

As servicers of the loans we purchase as part of our online consumer lending initiative, the marketplace lending platforms have the authority to waive or modify the terms of a consumer loan without our consent or allow the postponement of strict compliance with any such term or in any manner grant any other indulgence to any borrower. If the marketplace lending platforms approve a modification to the terms of any consumer loan it may adversely impact our revenues.

To continue to grow our online consumer lending initiative business, we rely on marketplace lending platforms from which we purchase loans to maintain or increase their consumer loan originations and to agree to sell their consumer loans to us. However, we do not have any exclusive arrangements with any of the marketplace lending platforms and have no agreements with them to provide us with a guaranteed source of supply. There can be no assurance that such marketplace lending platforms will be able to maintain or increase consumer loan originations or will continue to sell their consumer loans to us, or that we will be able to otherwise purchase additional loans and, consequently, there can be no assurance that we will be able to grow our business through investment in additional loans. The consumer marketplace lending platforms could elect to become investors in their own marketplace loans which would limit the amount of supply available for our own investments. An inability to expand our business through investments in additional consumer loans would reduce the return on investment that we might otherwise be able to realize from an increased portfolio of such investments. If we are unable to expand our business relating to our online consumer lending initiative, this may have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, if marketplace lending platforms are unable to attract qualified borrowers and sufficient investor commitments or borrowers and investors do not continue to participate in marketplace lending at current rates, the growth of loan originations will slow or loan originations will decrease. As a result of any of these factors, we may be unable to increase our consumer loan investments and our revenue may grow more slowly than expected or decline, which could have a material adverse effect on our business, financial condition and results of operations.

Marketplace lending platforms on which we rely as part of the online consumer lending initiative by NPRC depend on issuing banks to originate all loans and to comply with various federal, state and other laws.

Typically, the contracts between marketplace lending platforms and their loan issuing banks are non-exclusive and do not prohibit the issuing banks from working with other marketplace lending platforms or from offering competing services. Issuing banks could decide that working with marketplace lending platforms is not in their interests, could make working with marketplace lending platforms cost prohibitive or could decide to enter into exclusive or more favorable relationships with other marketplace lending platforms that do not provide consumer loans to us. In addition, issuing banks may not perform as expected under their agreements. Marketplace lending platforms could in the future have disagreements or disputes with their issuing banks. Any of these factors could negatively impact or threaten our ability to obtain consumer loans and consequently could have a material adverse effect on our business, financial condition, results of operations and prospects.

Issuing banks are subject to oversight by the FDIC and the states where they are organized and operate and must comply with complex rules and regulations, as well as licensing and examination requirements, including requirements to maintain a certain amount of regulatory capital relative to their outstanding loans. If issuing banks were to suspend, limit or cease their operations or the relationship between the marketplace lending platforms and the issuing bank were to otherwise terminate, the marketplace lending platforms would need to implement a substantially similar arrangement with another issuing bank, obtain additional state licenses or curtail their operations. If the marketplace lending platforms are required to enter into alternative arrangements with a different issuing bank to replace their existing arrangements, they may not be able to negotiate a comparable alternative arrangement. This may result in their inability to facilitate loans through their platform and accordingly our inability to operate the business of our online consumer lending initiative. If the marketplace lending platforms were unable to enter into an alternative arrangement with a different issuing bank, they would need to obtain a state license in each state in which they operate in order to enable them to originate loans, as well as comply with other state and federal laws, which would be costly and time-consuming and could have a material adverse effect on our business, financial condition, results of operations and prospects. If the marketplace lending platforms are unsuccessful in maintaining their relationships with the issuing banks, their ability to provide loan products could be materially impaired and our operating results could suffer.

Credit and other information that is received about a borrower may be inaccurate or may not accurately reflect the borrower's creditworthiness, which may cause the loans to be inaccurately priced and affect the value of our portfolio.

The marketplace lending platforms obtain borrower credit information from consumer reporting agencies, such as TransUnion, Experian or Equifax, and assign loan grades to loan requests based on credit decisioning and scoring models that take into account reported credit scores and the requested loan amount, in addition to a variety of other factors. A credit score or loan

grade assigned to a borrower may not reflect that borrower's actual creditworthiness because the credit score may be based on incomplete or inaccurate consumer reporting data, and typically, the marketplace lending platforms do not verify the information obtained from the borrower's credit report. Additionally, there is a risk that, following the date of the credit report that the models are based on, a borrower may have:

- become delinquent in the payment of an outstanding obligation;
- defaulted on a pre-existing debt obligation;
- taken on additional debt; or
- sustained other adverse financial events.

Borrowers supply a variety of information to the marketplace lending platforms based on which the platforms price the loans. In a number of cases, marketplace lending platforms do not verify all of this information, and it may be inaccurate or incomplete. For example, marketplace lending platforms do not always verify a borrower's stated tenure, job title, home ownership status or intention for the use of loan proceeds. Moreover, we do not, and will not, have access to financial statements of borrowers or to other detailed financial information about the borrowers. If we invest in loans through the marketplace provided by the marketplace lending platforms based on information supplied by borrowers or third parties that is inaccurate, misleading or incomplete, we may not receive expected returns on our investments and this could have a material adverse impact on our business, financial condition, results of operations and prospects and our reputation may be harmed.

Marketplace lending is a relatively new lending method and the platforms of marketplace lending platforms have a limited operating history relative to established consumer banks. Borrowers may not view or treat their obligations under any such loans we purchase as having the same significance as loans from traditional lending sources, such as bank loans.

The return on our investment in consumer loans depends on borrowers fulfilling their payment obligations in a timely and complete manner under the corresponding consumer loan. Borrowers may not view their obligations originated on the lending platforms that the marketplace lending platforms provide as having the same significance as other credit obligations arising under more traditional circumstances, such as loans from banks or other commercial financial institutions. If a borrower neglects his or her payment obligations on a consumer loan or chooses not to repay his or her consumer loan entirely, we may not be able to recover any portion of our investment in the consumer loans. This will adversely impact our business, financial condition, results of operations and prospects.

Risks affecting investments in real estate.

NPRC invests in commercial multi-family residential and student-housing real estate. A number of factors may prevent each of NPRC's properties and assets from generating sufficient net cash flow or may adversely affect their value, or both, resulting in less cash available for distribution, or a loss, to us. These factors include, but are not limited to:

- national economic conditions;
- regional and local economic conditions (which may be adversely impacted by plant closings, business layoffs, industry slow-downs, weather conditions, natural disasters, and other factors);
- local real estate conditions (such as over-supply of or insufficient demand for office space);
- changing demographics;
- perceptions by prospective tenants of the convenience, services, safety, and attractiveness of a property;
- the ability of property managers to provide capable management and adequate maintenance;
- the quality of a property's construction and design;
- increases in costs of maintenance, insurance, and operations (including energy costs and real estate taxes);
- changes in applicable laws or regulations (including tax laws, zoning laws, or building codes);
- potential environmental and other legal liabilities;
- the level of financing used by NPRC in respect of its properties, increases in interest rate levels on such financings and the risk that NPRC will default on such financings, each of which increases the risk of loss to us;
- the availability and cost of refinancing;
- the ability to find suitable tenants for a property and to replace any departing tenants with new tenants;
- potential instability, default or bankruptcy of tenants in the properties owned by NPRC;
- potential limited number of prospective buyers interested in purchasing a property that NPRC wishes to sell; and

- the relative illiquidity of real estate investments in general, which may make it difficult to sell a property at an attractive price or within a reasonable time frame.

To the extent original issue discount ("OID") and payment in kind ("PIK") interest constitute a portion of our income, we will be exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash representing such income.

Our investments may include OID instruments and PIK interest arrangements, which represents contractual interest added to a loan balance and due at the end of such loan's term. To the extent OID or PIK interest constitute a portion of our income, we are exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following:

- The higher interest rates of OID and PIK instruments reflect the payment deferral and increased credit risk associated with these instruments, and OID and PIK instruments generally represent a significantly higher credit risk than coupon loans.
- Even if the accounting conditions for income accrual are met, the borrower could still default when our actual collection is supposed to occur at the maturity of the obligation.
- OID and PIK instruments may have unreliable valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. OID and PIK income may also create uncertainty about the source of our cash distributions.

For accounting purposes, any cash distributions to stockholders representing OID and PIK income are not treated as coming from paid-in capital, even if the cash to pay them comes from offering proceeds. As a result, despite the fact that a distribution representing OID and PIK income could be paid out of amounts invested by our stockholders, the 1940 Act does not require that stockholders be given notice of this fact by reporting it as a return of capital.

Capitalizing PIK interest to loan principal may increase our gross assets, thus increasing our Investment Adviser's future base management fees, and increases future investment income, thus increasing our Investment Adviser's future income incentive fees at a compounding rate.

Market prices of zero-coupon or PIK securities may be affected to a greater extent by interest rate changes and may be more volatile than securities that pay interest periodically and in cash.

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

Our credit ratings may not reflect all risks of an investment in our debt or preferred equity securities.

Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt and preferred equity securities. Our credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt or preferred equity 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 is able to incur additional indebtedness, 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 certain of the Preferred Stock (as defined herein)), may have rights, preferences and privileges more favorable than those of our common stock including, in 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) $8.3 billion in total assets, (ii) an average cost of funds of 5.76% (including preferred dividend payments), (iii) $2.5 billion in debt outstanding, (iv) $0.8 billion in liquidation preference of the 5.50% Preferred Stock outstanding, (v) $0.13 billion in 5.35% Preferred Stock outstanding, (vi) $0.8 billion in liquidation preference of 6.50% Preferred Stock outstanding, (vi) $0.6 billion in liquidation preference of Floating Rate Preferred outstanding and (vii) $3.7 billion of common stockholders' equity.

Assumed Return on Our Portfolio (net of expenses)	**(10)%**	**(5)%**	**0%**	**5%**	**10%**
Corresponding Return to Common Stockholder(1)	(30.6)%	(19.1)%	(7.5)%	4.0%	15.5%

The below calculation assumes (i) $8.3 billion in total assets, (ii) an average cost of funds of 5.64% (including preferred dividend payments), (iii) $2.5 billion in debt outstanding, (iv) $0.13 billion in 5.35% Preferred Stock outstanding, (v) $0.6 billion in liquidation preference of Floating Rate Preferred outstanding and (vi) $5.2 billion of common stockholders' equity.

Assumed Return on Our Portfolio (net of expenses)	**(10)%**	**(5)%**	**0%**	**5%**	**10%**
Corresponding Return to Common Stockholder(2)	(19.8)%	(11.7)%	(3.5)%	4.6%	12.7%

(1) Assumes no conversion of 5.50% Preferred Stock and 6.50% Preferred Stock to common stock.

(2) Assumes the conversion of $0.8 billion in 5.50% Preferred Stock and $0.8 billion in 6.50% Preferred Stock at a conversion rate based on the 5-day VWAP of our common stock on June 30, 2024, which was $5.53, 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 $5.53, 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 June 30, 2024. As a result, it has not been updated to take into account any changes in assets or leverage since June 30, 2024.

The Convertible Notes and the Public Notes present other risks to holders of our common stock, including the possibility that such notes could discourage an acquisition of us by a third party and accounting uncertainty.

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

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

The Convertible Notes and Public Notes present other risks to holders of our preferred stock.

Our obligations to pay dividends or make distributions and, upon liquidation of the Company, liquidation payments in respect of our preferred stock is subordinate to our obligations to make any principal and interest payments due and owing with respect to our outstanding Convertible Notes and Public Notes. Accordingly, our Convertible Notes and Public Notes have the effect of creating special risks for our preferred stockholders that would not be present in a capital structure that did not include such securities.

Floating rate securities, like the Floating Rate Preferred Stock, have risks that conventional fixed rate securities do not.

Because the interest rate of floating rate securities may be based upon the SOFR or term SOFR, there will be significant risks not associated with conventional fixed rate securities. These risks include fluctuation of the dividend rates and the possibility that you will receive a lower amount of dividends in the future as a result of such fluctuations. We have no control over various matters that are important in determining the existence, magnitude and longevity of these risks, including economic, financial and political events. We fund a portion of our investments with preferred stock, which magnifies the potential for gain or loss and the risks of investing in us in the same way as our borrowings.

Additionally, the dividend rate on the Floating Rate Preferred Stock only resets in connection with the Board of Director's declaration of dividends on such Preferred Stock. While the Board of Director's current practice is to declare dividends on such Preferred Stock once per quarter for the subsequent three months, which presently results in the dividend rate on the Floating Rate Preferred Stock resetting approximately every three months, the Board of Directors may change its practice in this respect in the future. This could result in more or less frequent resets of the Floating Rate Preferred Stock dividend rate, which would impact whether the dividend rate on such Preferred Stock, at any given point in time, reflects market interest rates. If the dividend rate on Floating Rate Preferred Stock does not reflect market interest rates, it could negatively impact the value of such Floating Rate Preferred Stock and investors' ability to sell such Floating Rate Preferred Stock in any secondary market that my develop.

We fund a portion of our investments with preferred stock, which magnifies the potential for gain or loss and the risks of investing in us in the same way as our borrowings.

Preferred stock, which is another form of leverage, has the same risks to our common stockholders as borrowings because the dividends on any preferred stock we issue must be cumulative. Payment of such dividends and repayment of the liquidation preference of such preferred stock must take preference over any dividends or other payments to our common stockholders, and preferred stockholders are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference.

We have entered into dealer manager agreements and underwriting agreements pursuant to which we intend to sell shares of 5.50% Preferred Stock and 6.50% Preferred Stock, the terms of which could result in significant dilution to existing common stockholders.

On August 3, 2020, we entered into a Dealer Manager Agreement with Preferred Capital Securities, LLC ("PCS") (the "Original Dealer Manager Agreement"), amended and restated on February 25, 2021 and further amended on June 9, 2022, October 7, 2022, February 10, 2023 and December 29, 2023 (as so amended, the "Amended and Restated Dealer Manager Agreement"), pursuant to which PCS has agreed to serve as the Company's agent, principal distributor and exclusive dealer manager for the Company's offering of up to 80,000,000 shares, par value $0.001 per share, of preferred stock, with a $2,000,000,000 aggregate liquidation preference. Under the Amended and Restated Dealer Manager Agreement, the preferred stock is being issued in multiple series, including the Series A1 Preferred Stock, the Series A3 Preferred Stock, the Series A4 Preferred Stock, the Series M1 Preferred Stock, the Series M2 Preferred Stock, the Series M3 Preferred Stock and the Series M4 Preferred Stock, and the Company may offer any future series of preferred stock, provided that the aggregate number of shares issued across all series of preferred stock under the Amended and Restated Dealer Manager Agreement shall not exceed 80,000,000 shares.

On October 30, 2020, and amended on February 18, 2022 and October 7, 2022, we entered into a Dealer Manager Agreement with InspereX LLC ("InspereX Dealer Manager Agreement"), 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 5.50% Series AA1 Preferred Stock, 5.50% Series MM1 Preferred Stock, 6.50% Series AA2 Preferred Stock and 6.50% Series MM2 Preferred Stock with a liquidation preference of $25.00 per share. The Company may offer any future series of preferred stock, provided that the aggregate number of shares issued across all series of preferred stock offered pursuant to the InspereX Dealer Manager Agreement shall not exceed 10,000,000 shares.

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 Series A2 Preferred Stock, with a liquidation preference of $25.00 per share.

At any time prior to the listing of the 5.50% Preferred Stock or 6.50% Preferred Stock on a national securities exchange, shares of the 5.50% Preferred Stock and 6.50% Preferred Stock will be convertible, at the option of the holder of the 5.50% Preferred Stock or 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 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. Shares of the Floating Rate Preferred Stock do not have an Holder Optional Conversion feature.

Holders of 5.50% Preferred Stock and 6.50% Preferred Stock may elect to convert their shares of 5.50% Preferred Stock and 6.50% Preferred Stock at any time by delivering a notice of conversion (the "Holder Conversion Notice"). A Holder Conversion Notice will be effective as of the 15th day of the month (or, if the 15th day of the month is not a business day, then on the business day immediately preceding the 15th day) or the last business day of the month, whichever occurs first after a Holder Conversion Notice is duly received (each such date, a "Holder Conversion Deadline"). Any Holder Conversion Notice received after 5:00 p.m. Eastern time on a Holder Conversion Deadline will be effective as of the next Holder Conversion Deadline. For all shares of 5.50% Preferred Stock or 6.50% Preferred Stock duly submitted to us for conversion on or before a Holder Conversion Deadline, we will determine the Settlement Amount on any business day after such Holder Conversion Deadline but before the next Holder Conversion Deadline (such date, the "Holder Conversion Exercise Date"). Within such period, we may select the Holder Conversion Exercise Date in our sole discretion. We may, in our sole discretion, permit a holder to revoke their Holder Conversion Notice at any time prior to 5:00 pm, Eastern time, on the business day immediately preceding the Holder Conversion Exercise Date.

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 the two year anniversary of the date on which a share of Floating Rate 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 and, for listed shares of Floating Rate Preferred Stock, two years from the earliest date on which any series that has been listed was first issued (the earlier of such dates as applicable to a series of Preferred Stock, the "Redemption Eligibility Date"), such share of Preferred Stock may be redeemed at any time or from time to time at our option (the "Issuer Optional Redemption") upon not less than 10 calendar days nor more than 90 calendar days written notice to the holder prior to the date fixed for redemption thereof, at a redemption price of 100% of the Stated Value of the shares 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 6.50% Preferred Stock will be convertible at our option, upon not less than 30 calendar days nor more than 90 calendar days written notice to the holder (the "Issuer Optional Conversion") prior to the date fixed for conversion thereof. 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, "IOC Settlement Amount" means (A) the Stated Value, plus (B) unpaid dividends accrued to, but not including, the date fixed for conversion. Subject to certain limited exceptions, we will not exercise an Issuer Optional

Conversion with respect to a share of 5.50% Preferred Stock or 6.50% Preferred Stock until after the date set forth in the applicable prospectus supplement with respect to the 5.50% Preferred Stock or 6.50% Preferred Stock. 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 (the "NAV-Based Conversion Rate"). 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. Shares of the Floating Rate Preferred Stock do not have an Issuer Optional Conversion feature.

On June 12, 2020, June 11, 2021, June 10, 2022 and June 9, 2023, we obtained stockholder approval under Section 63 of the 1940 Act to issue shares of common stock below net asset value until June 9, 2024. On June 10, 2024 at a special meeting of our stockholders, our stockholders again authorized us to issue shares of our common stock below net asset value during the next 12 months until June 10, 2025. We believe that pursuant to this approval any shares of 5.50% Preferred Stock or 6.50% Preferred Stock issued prior to June 10, 2025 may be converted into shares of common stock pursuant to the Issuer Optional Conversion using the 5-day VWAP to determine the conversion rate at any time, including after June 10, 2025. We believe any shares of 5.50% Preferred Stock or 6.50% Preferred Stock issued after June 10, 2025 may be converted into shares of common stock pursuant to the Issuer Optional Conversion using the 5-day VWAP to determine the conversion rate only if we have obtained stockholder approval for the period in which such shares of 5.50% Preferred Stock or 6.50% Preferred Stock were issued (assuming the 5-day VWAP results in a price below net asset value).

The application of Section 63 of the 1940 Act with respect to the conversion of the 5.50% Preferred Stock or 6.50% Preferred Stock under the Issuer Optional Conversion is unclear. It is possible the SEC will assert a position that stockholder approval to issue shares of common stock below net asset value must be obtained for the year in which the Issuer Optional Conversion is exercised, instead of the time at which the 5.50% Preferred Stock or 6.50% Preferred Stock is issued. If the SEC asserted this position and prevailed, we would be required to obtain stockholder approval under the 1940 Act for the years in which we exercise the Issuer Optional Conversion. Obtaining this approval may cause us to incur additional costs and there can be no assurance such stockholder approval will be obtained. If we cannot obtain stockholder approval required by the 1940 Act to issue shares of common stock below net asset value at the time of an Issuer Optional Conversion, then the Issuer Optional Conversion will be effected at the NAV-Based Conversion Rate.

An investment in shares of the 5.50% Preferred Stock and 6.50% Preferred Stock involves certain additional risks, including the risks discussed herein. For additional information on the 5.50% Preferred Stock and 6.50% Preferred Stock, including the risks involved in investing in the 5.50% Preferred Stock or 6.50% Preferred Stock, please refer to the applicable prospectus supplement pursuant to which such sale is made.

The price of our common stock may fluctuate significantly during the period used to calculate any 5-day VWAP with respect to the 5.50% Preferred Stock and 6.50% Preferred Stock, and this may make it difficult for holders of the 5.50% Preferred Stock and 6.50% Preferred Stock to resell the 5.50% Preferred Stock and 6.50% Preferred Stock or common stock issuable upon conversion of the 5.50% Preferred Stock and 6.50% Preferred Stock when such holder wants or at prices such holder finds attractive.

The price of our common stock on the Nasdaq Global Select Market constantly changes. We expect that the market price of our common stock will continue to fluctuate. Because the 5.50% Preferred Stock and 6.50% Preferred Stock are convertible into our common stock based on the 5-day VWAP, volatility or declining prices for our common stock during the period used to determine the 5-day VWAP or during the period between when a holder delivers a Holder Conversion Notice and the related Holder Conversion Exercise Date, could have a similar effect on the value of the 5.50% Preferred Stock and 6.50% Preferred Stock or the trading price thereof when and if the 5.50% Preferred Stock and 6.50% Preferred Stock are ever listed.

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

- quarterly variations in our investment results;
- operating results that vary from the expectations of management, securities analysts and investors;
- changes in expectations as to our future financial performance;
- the operating and securities price performance of other companies that investors believe are comparable to us;
- future sales of our equity or equity-related securities;
- the rate at which investors purchase, sell, short sell or otherwise transact in shares of our common stock;
- changes in general conditions in our industry and in the economy and the financial markets; and
- departures of key personnel.

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

With respect to the 5.50% Preferred Stock and 6.50% Preferred Stock, the consideration paid upon a Holder Optional Conversion and Issuer Optional Conversion is uncertain.

Under the terms of the 5.50% Preferred Stock and 6.50% Preferred Stock, we or holders of shares of the 5.50% Preferred Stock and 6.50% Preferred Stock may choose to convert shares of 5.50% Preferred Stock 6.50% Preferred Stock at a time when the market price of common stock has dropped significantly. If we elect to settle conversions in shares of our common stock, this may cause significant dilution to the net asset value per share of our outstanding shares of common stock, including shares of common stock owned by holders of 5.50% Preferred Stock and 6.50% Preferred Stock that had previously converted their 5.50% Preferred Stock and 6.50% Preferred Stock into common stock. With respect to any conversion of the 5.50% Preferred Stock and 6.50% Preferred Stock, we may elect, at our sole discretion and subject to certain restrictions and limitations, to pay any portion (or no portion) of the amount owed in cash and settle the remaining portion in shares of our common stock. We will not pay any portion of the conversion proceeds for a share of 5.50% Preferred Stock and 6.50% Preferred Stock from a Holder Optional Conversion in cash (other than cash in lieu of fractional shares of our common stock) until the five year anniversary of the date on which such share of 5.50% Preferred Stock and 6.50% Preferred Stock has been issued, unless our Board of Directors determines, in its sole discretion, that the issuance of common stock in satisfaction of a Holder Optional Conversion would be materially detrimental to, and not in the best interest of, existing common stockholders. Beginning on the five year anniversary of the date on which a share of 5.50% Preferred Stock and 6.50% Preferred Stock are issued, we may elect to settle all or a portion of any Holder Optional Conversion in cash without limitation or restriction.

The conversion rates for the Holder Optional Conversion and, assuming we have the necessary approval under the 1940 Act, the Issuer Optional Conversion are both based on the 5-day VWAP, which may represent a discount to the NAV per share of our common stock. If we do not have or obtain any required stockholder approval under the 1940 Act to sell our common stock below net asset value, 5.50% Preferred Stock and 6.50% Preferred Stock may be converted into common stock in connection with an Issuer Optional Conversion at a conversion rate based on our NAV per share of common stock if the 5-day VWAP represents a discount to the NAV per share of our common stock. In this circumstance, there may be fewer shares of common stock issued upon conversion of the shares of 5.50% Preferred Stock and 6.50% Preferred Stock; while this would reduce dilution to existing common stockholders, including former holders of 5.50% Preferred Stock and 6.50% Preferred Stock who had previously converted their holdings to common stock, it would also reduce the proportionate interest in the Company (and thus the economic benefit to the holder of 5.50% Preferred Stock and 6.50% Preferred Stock) for holders of 5.50% Preferred Stock and 6.50% Preferred Stock subject to such an Issuer Optional Conversion. Conversely, a conversion rate based on the 5-day VWAP, if it represents a discount to our net asset value per share of common stock, would result in greater dilution to existing common stockholders (including former holders of 5.50% Preferred Stock and 6.50% Preferred Stock who had previously converted their holdings to common stock), and this outcome may be more likely given that the notice period for a Holder Optional Conversion is shorter than the notice period for an Issuer Optional Conversion, so holders of 5.50% Preferred Stock and 6.50% Preferred Stock can supersede any Issuer Optional Conversion and obtain a conversion rate based on the 5-day VWAP (assuming the 5.50% Preferred Stock and 6.50% Preferred Stock is settled in shares of our common stock and not cash).

Unlike the 5.50% Preferred Stock and 6.50% Preferred Stock, the Floating Rate Preferred Stock do not have a Holder Optional Conversion feature.

At any time prior to the listing of the 5.50% Preferred Stock and 6.50% Preferred Stock on a national securities exchange, such shares of 5.50% Preferred Stock and 6.50% Preferred Stock will be convertible, at the option of the holder of such 5.50%

Preferred Stock and 6.50% Preferred Stock, as described herein. The Floating Rate Preferred Stock do not have a Holder Optional Conversion feature and as such, holders of such shares will have different, and in some respects more limited, liquidity options as compared to holders of 5.50% Preferred Stock and 6.50% Preferred Stock should they no longer wish to hold the shares.

Redemption of our Floating Rate Preferred Stock at the Holder's option is limited.

Shares of the Floating Rate Preferred Stock are redeemable, at the option of the holder of such Floating Rate Preferred Stock, on a monthly basis (the "Holder Optional Redemption"). For all shares of Floating Rate Preferred Stock duly submitted for redemption on or before a monthly Holder Redemption Deadline (defined in the prospectus supplement dated December 29, 2023), the HOR Settlement Amount (as defined below) is determined on any business day after such Holder Redemption Deadline but before the Holder Redemption Deadline occurring two months thereafter (such date, the "Holder Redemption Exercise Date"). Within such period, we may select the Holder Redemption Exercise Date in our sole discretion. We will settle any Holder Optional Redemption by paying the HOR Settlement Amount in cash.

The aggregate amount of Holder Optional Redemptions by the holder of Floating Rate Preferred Stock is subject to the following redemption limits: (i) no more than 2% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per calendar month; (ii) no more than 5% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per fiscal quarter and (iii) no more than 20% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per Annual Redemption Period. An "Annual Redemption Period" means our then current fiscal quarter and the three fiscal quarters immediately preceding our then current fiscal quarter. A share of Series A4 Preferred Stock is subject to an early redemption fee if it is redeemed by its holder within five years of issuance. Redemption capacity of the Floating Rate Preferred Stock will be allocated on a pro rata basis based on the number of shares of Floating Rate Preferred Stock, as applicable, submitted in the event that a monthly redemption is oversubscribed, based on any of the foregoing redemption limits. We may waive the foregoing redemption limits in our sole discretion at any time.

For the Series A4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, minus (C) the Series A4 Preferred Stock Holder Optional Redemption fee applicable on the respective Holder Redemption Deadline.

For the Series M4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, but if a holder of Series M4 Preferred Stock exercises a Holder Optional Redemption within the first twenty-four months of issuance of such Series M4 Preferred Stock, the HOR Settlement Amount payable to such holder will be reduced by (i) during the first twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the six-month period prior to the Holder Redemption Exercise Date, and (ii) during the second twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the three-month period prior to the Holder Redemption Exercise Date (such amount, the "Series M4 Shares Clawback"). We are permitted to waive the Series M4 Shares Clawback through public announcement of the terms and duration of such waiver. Any such waiver would apply to any holder of Preferred Stock qualifying for the waiver and exercising a Holder Optional Redemption during the pendency of the term of such waiver. Although we have retained the right to waive the Series M4 Shares Clawback in the manner described above, we are not required to establish any such waivers and we may never establish any such waivers.

Redemptions pursuant to an Issuer Optional Redemption will not count toward the 2% / 5% / 20% limits above applied to Holder Optional Redemptions by holders of the Floating Rate Preferred Stock. Optional redemptions following death of a holder will count toward the 2% / 5% / 20% limits above but will not be subject to such limits.

Moreover, redemptions can only be submitted once per month and we have the option to settle such redemptions up to the Holder Redemption Deadline occurring two months thereafter. Holders of Floating Rate Preferred Stock may thus experience a significant delay in receiving redemption proceeds.

There is no cap on the number of shares of common stock that can be issued upon the conversion of shares of 5.50% Preferred Stock and 6.50% Preferred Stock. The conversion of the 5.50% Preferred Stock and 6.50% Preferred Stock into shares of common stock could cause the price of common stock to decline significantly.

There is no cap on the number of shares of common stock that can be issued upon the conversion of shares of 5.50% Preferred Stock and 6.50% Preferred Stock. Because the number of shares of common stock issued upon conversion of the 5.50% Preferred Stock and 6.50% Preferred Stock will be based on the price of shares of common stock, the lower the price of our

common stock at the time of conversion, the more shares of our common stock into which the 5.50% Preferred Stock and 6.50% Preferred Stock are convertible and the greater the dilution that will be experienced by holders of our common stock. Accordingly, there is no limit on the amount of dilution that may be experienced by holders of our common stock.

The issuance of the 5.50% Preferred Stock and 6.50% Preferred Stock may be followed by a decline in the price of our common stock, creating additional dilution to the existing holders of the common stock. Such a price decline may allow holders of 5.50% Preferred Stock and 6.50% Preferred Stock to convert shares of 5.50% Preferred Stock and 6.50% Preferred Stock into large amounts of the Company's common stock. As these shares of common stock are issued upon conversion of the 5.50% Preferred Stock and 6.50% Preferred Stock, our common stock price may decline further.

Additionally, the issuance of the 5.50% Preferred Stock and 6.50% Preferred Stock could result in our failure to comply with the Nasdaq Global Select Market's listing standards. The Nasdaq Global Select Market's listing standards that may be affected by the issuance of the 5.50% Preferred Stock and 6.50% Preferred Stock include voting rights rules, bid price requirements, listing of additional shares rules, change in control rules and the Nasdaq Global Select Market's discretionary authority rules. Failure to comply with any of these rules could result in the delisting of the Company's common stock from the Nasdaq Global Select Market or impact the ability to list the 5.50% Preferred Stock and 6.50% Preferred Stock on a national securities exchange.

The potential decline in the price of our common stock described above may negatively affect the price of our common stock and our ability to obtain financing in the future. In addition, the issuance of the 5.50% Preferred Stock and 6.50% Preferred Stock may provide incentives for holders thereof that intend to convert their shares to seek to cause a decline in the price of our common stock (including through selling our common stock short) in order to receive an increased number of shares of our common stock upon such conversion of the 5.50% Preferred Stock and 6.50% Preferred Stock, and may encourage other investors to sell short or otherwise dispose of our common stock.

Our charter currently authorizes us to issue approximately 910.0 million shares of common stock, in addition to our shares of common stock currently outstanding or reserved for issuance upon conversion of the Convertible Notes, and after reflecting the reclassification of 647.9 million shares of common stock as Preferred Stock. Although the Board of Directors can increase the amount of our authorized common stock and reclassify unissued preferred stock as common stock without stockholder approval, if they did not do so for any reason and our 5-day VWAP fell below approximately $2.49 per share of common stock (assuming we issued all 90,187,000 shares of the 5.50% Preferred Stock and 6.50% Preferred Stock available pursuant to the respective offerings), we would be required to settle any conversion of 5.50% Preferred Stock and 6.50% Preferred Stock in cash (to the extent we had cash available) or list the 5.50% Preferred Stock and 6.50% Preferred Stock on a national securities exchange and the value of our shares of 5.50% Preferred Stock and 6.50% Preferred Stock would then equal their market price, which may be less than $25.00 per share.

Future sales of our common stock in the public market or the issuance of securities senior to our common stock could adversely affect the trading price of our common stock and our ability to raise funds in new stock offerings, and may affect the value of the 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock.

Future sales of substantial amounts of our common stock or equity-related securities in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and could impair our ability to raise capital through future offerings of equity or equity-related securities, and may affect the value of the 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock. No prediction can be made as to the effect, if any, that future sales of shares of common stock or the availability of shares of common stock for future sale, will have on the trading price of our common stock or the value of the 5.50% Preferred Stock, 6.50% Preferred Stock or Floating Rate Preferred Stock.

Shares of common stock, which shares of 5.50% Preferred Stock and 6.50% Preferred Stock may be converted into, rank junior to the 5.50% Preferred Stock and 6.50% Preferred Stock with respect to dividends and upon liquidation.

We may choose to convert the 5.50% Preferred Stock and 6.50% Preferred Stock to shares of our common stock. Holders of 5.50% Preferred Stock and 6.50% Preferred Stock may also choose to convert their 5.50% Preferred Stock and 6.50% Preferred Stock, subject to our election to settle conversions in cash or shares of our common stock or a combination thereof. The rights of the holders of shares of 5.50% Preferred Stock and 6.50% Preferred Stock rank senior to the rights of the holders of shares of our common stock as to dividends and payments upon liquidation. Unless full cumulative dividends on our shares of 5.50% Preferred Stock and 6.50% Preferred Stock for all past dividend periods have been declared and paid (or set apart for payment), we will not declare or pay dividends with respect to any shares of our common stock for any period. Upon liquidation, dissolution or winding up of the Company, the holders of shares of our 5.50% Preferred Stock and 6.50% Preferred Stock are entitled to receive the Stated Value of $25.00 per share, plus an amount equal to any accumulated, accrued and unpaid dividends at the applicable rate, after provision is made for our senior liabilities, but prior and in preference to any distribution

to the holders of shares of our common stock or any other class of our equity securities junior to any and all shares of our preferred stock outstanding ("Preferred Stock").

Holders of our Preferred Stock have the right to elect members of the Board of Directors and class voting rights on certain matters.

Holders of our Preferred Stock, voting separately as a single class, have the right to elect two members of the Board of Directors at all times and in the event dividends become two full years in arrears, have the right to elect a majority of the directors until such arrearage is completely eliminated. In addition, Preferred Stockholders have class voting rights on certain matters, including changes in fundamental investment restrictions, conversion to open-end status, and plans of reorganization that adversely affect the Preferred Stock and accordingly can veto any such changes. Restrictions imposed on the declarations and payment of dividends or other distributions to the holders of our common stock and Preferred Stock, both by the 1940 Act and by requirements imposed by rating agencies or the terms of our credit facilities, might impair our ability to maintain our qualification as a RIC for federal income tax purposes. While we would intend to redeem our Preferred Stock to the extent necessary to enable us to distribute our income as required to maintain our qualification as a RIC, there can be no assurance that such actions could be effected in time to meet the tax requirements.

The trading market or market value of our publicly traded preferred stock may fluctuate.

The 5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock (the "5.35% Preferred Stock") is listed on the NYSE under the symbol "PSEC PRA" and has a limited trading history. Additionally, we may list the 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock on a national securities exchange upon notice to holders of 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock. We cannot accurately predict the trading patterns of our Preferred Stock, including the effective costs of trading the stock, and a liquid secondary market may not develop. There is also a risk that our publicly traded preferred stock may be thinly traded, and the market for such shares may be relatively illiquid compared to the market for other types of securities, with the spread between the bid and asked prices considerably greater than the spreads of other securities with comparable terms and features. The trading price of any publicly traded preferred stock would depend on many factors, including:

- prevailing interest rates;
- the market for similar securities;
- general economic and financial market conditions;
- our issuance of debt or other preferred equity securities; and
- our financial condition, results of operations and prospects.

In addition, the 5.50% Preferred Stock, 6.50% Preferred Stock pays dividends at a fixed rate and the Floating Rate Preferred Stock pay dividends at floating rates (subject to a minimum total dividend rate of 6.50% and a maximum total dividend rate of 8.00%). Prices of fixed income investments tend to vary inversely with changes in market yields. The market yields on securities comparable to the Preferred Stock may increase, which would likely result in a decline in the value of the Preferred Stock. Additionally, if interest rates rise, securities comparable to the Preferred Stock may pay higher dividend rates and holders of the Preferred Stock may not be able to sell the Preferred Stock at the Stated Value or Liquidation Preference (as defined in the applicable prospectus supplement) and reinvest the proceeds at market rates.

The Company may be subject to a greater risk in this period of heightened interest rates. There is a possibility that interest rates may continue to rise, which would likely drive down the prices of income- or dividend-paying securities.

Holders of the 5.35% Preferred Stock may not be permitted to exercise conversion rights upon a Change of Control Triggering Event. If exercisable, the Change of Control Triggering Event conversion feature of the 5.35% Preferred Stock may not adequately compensate such preferred stockholders, and the Change of Control Triggering Event conversion and redemption features of the 5.35% Preferred Stock may make it more difficult for a party to take over the Company or discourage a party from taking over the Company.

Upon the occurrence of a Change of Control Triggering Event (as defined in the applicable prospectus supplement), holders of 5.35% Preferred Stock will have the right to convert some or all of their 5.35% Preferred Stock into our common stock (or equivalent value of alternative consideration). Upon such a conversion, the holders will be limited to a maximum number of shares of our common stock equal to the Share Cap (as defined in the applicable prospectus supplement) multiplied by the number of shares of 5.35% Preferred Stock converted. Notwithstanding that we generally may not redeem the 5.35% Preferred Stock prior to July 19, 2026, we have a special optional redemption right to redeem the 5.35% Preferred Stock in the event of a Change of Control Triggering Event, and holders of 5.35% Preferred Stock will not have the right to convert any shares that we

have elected to redeem prior to the "Change of Control Conversion Date" (i.e., the date the shares of 5.35% 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 notice). In addition, those features of the 5.35% Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for the Company or of delaying, deferring or preventing a change of control of the Company under circumstances that otherwise could provide the holders of our common stock and Preferred Stock with the opportunity to realize a premium over the then-current market price or that stockholders may otherwise believe is in their best interest.

In addition to regulatory restrictions that restrict our ability to raise capital, our credit facility contains various covenants which, if not complied with, could accelerate repayment under the facility, thereby materially and adversely affecting our liquidity, financial condition and results of operations.

The agreement governing our credit facility requires us to comply with certain financial and operational covenants. These covenants include:

- Restrictions on the level of indebtedness that we are permitted to incur in relation to the value of our assets;
- Restrictions on our ability to incur liens; and
- Maintenance of a minimum level of stockholders' equity.

As of June 30, 2024, we were in compliance with these covenants. However, our continued compliance with these covenants depends on many factors, some of which are beyond our control. Accordingly, there are no assurances that we will continue to comply with the covenants in our credit facility. Failure to comply with these covenants would result in a default under this facility which, if we were unable to obtain a waiver from the lenders thereunder, could result in an acceleration of repayments under the facility and thereby have a material adverse impact on our business, financial condition and results of operations.

Failure to extend our existing credit facility, the revolving period of which is currently scheduled to expire on June 28, 2028, could have a material adverse effect on our results of operations and financial position and our ability to pay expenses and make distributions.

The revolving period for our credit facility with a syndicate of lenders is currently scheduled to terminate on June 28, 2028, with an additional one year amortization period (with distributions allowed) 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, if required by the lenders. If the credit facility is not renewed or extended by the participant banks by June 28, 2028, we will not be able to make further borrowings under the facility after such date and the outstanding principal balance on that date will be due and payable on June 28, 2029. As of June 30, 2024, we had $794,796 of outstanding borrowings under our credit facility. Interest on borrowings under the credit facility is one-month SOFR plus 205 basis points with a minimum SOFR floor of zero. 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 credit facility requires us to pledge assets as collateral in order to borrow under the credit facility. If we are unable to extend our facility or find a new source of borrowing on acceptable terms, we will be required to pay down the amounts outstanding under the facility during the two-year term-out period through one or more of the following: (1) principal collections on our securities pledged under the facility, (2) at our option, interest collections on our securities pledged under the facility and cash collections on our securities not pledged under the facility, or (3) possible liquidation of some or all of our loans and other assets, any of which could have a material adverse effect on our results of operations and financial position and may force us to decrease or stop paying certain expenses and making distributions until the facility is repaid. In addition, our stock price could decline significantly, we would be restricted in our ability to acquire new investments and, in connection with our year-end audit, and our independent registered accounting firm could raise an issue as to our ability to continue as a going concern.

Failure to refinance our existing Unsecured Notes could have a material adverse effect on our results of operations and financial position.

The Unsecured Notes mature at various dates from February 15, 2025 to March 15, 2052. If we are unable to refinance the Unsecured Notes or find a new source of borrowing on acceptable terms, we will be required to pay down the amounts outstanding at maturity under the facility during the one-year term-out period through one or more of the following: (1) borrowing additional funds under our then current credit facility, (2) issuance of additional common stock or (3) possible

liquidation of some or all of our loans and other assets, any of which could have a material adverse effect on our results of operations and financial position. In addition, our stock price could decline significantly; we would be restricted in our ability to acquire new investments and, in connection with our year-end audit, our independent registered accounting firm could raise an issue as to our ability to continue as a going concern.

The trading market or market value of our publicly issued debt securities may fluctuate.

Our publicly issued debt securities may or may not have an established trading market. We cannot assure our noteholders that a trading market for our publicly issued debt securities will ever develop or be maintained if developed. In addition to our creditworthiness, many factors may materially adversely affect the trading market for, and market value of, our publicly issued debt securities. These factors include, but are not limited to, the following:

- the time remaining to the maturity of these debt securities;
- the outstanding principal amount of debt securities with terms identical to these debt securities;
- the ratings assigned by national statistical ratings agencies;
- the general economic environment;
- the supply of debt securities trading in the secondary market, if any;
- the redemption or repayment features, if any, of these debt securities;
- the level, direction and volatility of market interest rates generally; and
- market rates of interest higher or lower than rates borne by the debt securities.

Our noteholders should also be aware that there may be a limited number of buyers when they decide to sell their debt securities. This too may materially adversely affect the market value of the debt securities or the trading market for the debt securities.

Terms relating to redemption may materially adversely affect our noteholders' or Preferred Stockholders', as applicable, return on any debt or preferred equity securities that we may issue.

If our debt securities or Preferred Stock are redeemable at our option, we may choose to redeem such securities at times when prevailing interest rates are lower than the interest rate paid by our noteholders or our Preferred Stockholders on their respective securities. In addition, if our debt securities or Preferred Stock are subject to mandatory redemption, or optional redemption triggers in advance of a general no-call deadline, we may be required to, or choose to, redeem such respective securities also at times when prevailing interest rates are lower than the interest rate paid by our noteholders or our Preferred Stockholders on their respective securities. In this circumstance, our noteholders or Preferred Stockholders, as applicable, may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as their securities being redeemed.

Our shares of common stock currently trade at a discount from net asset value and may continue to do so in the future, which could limit our ability to raise additional equity capital.

Shares of closed-end investment companies frequently trade at a market price that is less than the net asset value that is attributable to those shares. This characteristic of closed-end investment companies is separate and distinct from the risk that our net asset value per share may decline. It is not possible to predict whether any shares of our common stock will trade at, above, or below net asset value. The stocks of BDCs as an industry, including shares of our common stock, currently trade below net asset value as a result of concerns over liquidity, interest rate changes, leverage restrictions and distribution requirements.

Under the 1940 Act, when our common stock is trading below its net asset value per share, we will not be able to issue additional shares of our common stock at its market price without first obtaining approval for such issuance from our stockholders and our independent directors. On June 10, 2024, at a special meeting of stockholders, our stockholders reauthorized us to sell shares of our common stock (during the following 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).

There is a risk that investors in our common stock may not receive dividends or that our dividends may not grow over time and investors in our debt securities or preferred equity may not receive all of the interest or dividend income to which they are entitled. In addition, if the current period of capital market disruption and instability continues for an extended period of

time, there is a risk that investors in our common stock may not receive distributions consistent with historical levels or at all or that our distributions may not grow over time and a portion of our distributions may be a return of capital.

We intend to make distributions on a monthly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments.

In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution.

The above-referenced restrictions on distributions may also inhibit our ability to make required interest or dividend payments to holders of our debt and preferred equity, as applicable, which may cause a default under the terms of our debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of our debt agreements.

Moreover, while we have declared common stock distributions through August 2024 at the same rate as the 84 months prior to such declaration, we cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay common stock distributions might be adversely affected by the impact of one or more of the risk factors described in this Annual Report. In addition, if we are unable to satisfy the asset coverage test applicable to us under the 1940 Act as a business development company or if we violate certain covenants under our existing or future credit facilities or other leverage, we may be limited in our ability to make common stock distributions. If we declare a common stock distribution and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we may be forced to sell some of our investments in order to make cash distribution payments. To the extent we make common stock distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder's investment. Although such return of capital may not be taxable, such distributions would generally decrease a stockholder's basis in our common stock and may therefore increase such stockholder's tax liability for capital gains upon the future sale of such stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

Investing in our securities may involve a high degree of risk and is highly speculative.

The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be speculative and aggressive, and therefore, an investment in our shares may not be suitable for someone with low risk tolerance.

Our stockholders may experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan.

All dividends declared in cash payable to stockholders that are participants in our DRIP with respect to dividends declared by our Board of Directors on shares of our common stock, are automatically reinvested in shares of our common stock based on a 5% discount to the market price of our common stock on the date fixed by our Board of Directors for such distribution. As a result, our stockholders that opt out of our DRIP will experience dilution in their ownership percentage of our common stock over time. Stockholders who (or whose broker through which they hold shares) do not elect to receive distributions in shares of common stock may experience accretion to the net asset value of their shares if our shares are trading at a premium and dilution if our shares are trading at a discount. The level of accretion or discount would depend on various factors, including the proportion of our stockholders who participate in the Plan, the level of premium or discount at which our shares are trading and the amount of the distribution payable to a stockholder.

Sales or issuances of Preferred Stock at a discount to Stated Value reduces the net assets available to holders of our common stock.

We may receive net proceeds from the issuance of Preferred Stock in an amount less than the Stated Value of such Preferred Stock which reduces net assets available to holders of our common stock. Additionally, additional shares of the Company's 5.50% Preferred Stock and 6.50% Preferred Stock issued pursuant to the Preferred Stock DRIP are issued at a 5% discount from the Stated Value of $25.00 per share of the 5.50% Preferred Stock and 6.50% Preferred Stock. Because DRIP-issued Preferred Stock, like all Preferred Stock, has a $25.00 Stated Value, these issuances also reduce the net assets available to holders of our common stock. Such reductions reflect part of the issuance expenses of the 5.50% Preferred Stock and 6.50% Preferred Stock that common shareholders bear. See "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 result of operations."

Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock.

Sales of substantial amounts of our common stock, or the availability of such common stock for sale (including as a result of the conversion of the 5.50% Preferred Stock, 6.50% Preferred Stock or of the Convertible Notes into common stock), could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of securities should we desire to do so.

If we sell shares of our common stock or securities to subscribe for or are convertible into shares of our common stock at a discount to our net asset value per share, stockholders who do not participate in such sale will experience immediate dilution in an amount that may be material.

On June 10, 2024, at a special meeting of stockholders, our stockholders authorized us to sell shares of our common stock (during the following 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).

Our stockholders approved our ability to issue warrants, options or rights to acquire our common stock at our 2008 annual meeting of stockholders for an unlimited time period and in accordance with the 1940 Act which provides that the conversion or exercise price of such warrants, options or rights may be less than net asset value per share at the date such securities are issued or at the date such securities are converted into or exercised for shares of our common stock. The issuance or sale by us of shares of our common stock or securities to subscribe for or are convertible into shares of our common stock at a discount to net asset value poses a risk of dilution to our stockholders. In particular, stockholders who do not purchase additional shares of common stock at or below the discounted price in proportion to their current ownership will experience an immediate decrease in net asset value per share (as well as in the aggregate net asset value of their shares of common stock if they do not participate at all). These stockholders will also experience a disproportionately greater decrease in their participation in our earnings and assets and their voting power than the increase we experience in our assets, potential earning power and voting interests from such issuance or sale. In addition, such sales may adversely affect the price at which our common stock trades. We have sold shares of our common stock at prices below net asset value per share in the past and may do so to the future.

In addition, we may issue additional shares of preferred stock or debt securities that are convertible into shares of our common stock. The net effect of both types of offerings would be to increase the number of shares of our common stock outstanding or available, which could negatively impact the market price of our common stock and cause the market value of our common stock to become more volatile. Further, to the extent that shares of our common stock are offered or converted at a price below the then net asset value per share, existing stockholders who do not participate in such offerings would experience dilution of their interest (both voting and economic, in terms of net asset value) in the Company.

Our ability to enter into transactions with our affiliates is restricted.

We are prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our independent directors. Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act and we are generally prohibited from buying or selling any security or other property from or to such affiliate, absent the prior approval of our independent directors. The 1940 Act also prohibits "joint" transactions with an affiliate, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of our independent directors. Subject to certain limited exceptions, we are prohibited from buying or selling any security or other property from or to the Investment Adviser and its affiliates and persons with whom we are in a control relationship, or entering into joint transactions with any such person, absent the prior approval of the SEC.

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 Sustainable Income Fund, Inc. (f/k/a Prospect Flexible 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 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 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.

The market price of our securities may fluctuate significantly.

The market price and liquidity of the market for our securities may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- significant volatility in the market price and trading volume of securities of BDCs or other companies in the energy industry, which are not necessarily related to the operating performance of these companies;
- price and volume fluctuations in the overall stock market from time to time;
- changes in regulatory policies or tax guidelines, particularly with respect to RICs or business development companies;
- loss of RIC qualification;
- changes or perceived changes in earnings or variations in operating results;
- changes or perceived changes in the value of our portfolio of investments;
- changes in accounting guidelines governing valuation of our investments;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- departure of one or more of Prospect Capital Management's key personnel;
- operating performance of companies comparable to us;
- short-selling pressure with respect to shares of our common stock or BDCs generally;
- future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities, including the 5.50% Preferred Stock, 6.50% Preferred Stock and the Convertible Notes;
- the occurrence of one or more natural disasters, pandemic outbreaks or other health crises;
- concerns regarding European sovereign debt;
- changes in prevailing interest rates;
- prolonged inflation;
- litigation matters;
- general economic trends and other external factors; and
- loss of a major funding source.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has, from time to time, been brought against that company.

If our stock price fluctuates significantly, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

There is a risk that you may not receive distributions or that our distributions may not grow over time.

We have made and intend to continue to make distributions on a monthly basis to our common stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results or maintain a tax status that will allow or require any specified level of cash distributions or year-to-year increases in cash distributions. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions.

Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

Our charter and bylaws and the Maryland General Corporation Law contain provisions that may have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for our stockholders or otherwise be in their best interest. These provisions may prevent stockholders from being able to sell shares of our common stock at a premium over the current of prevailing market prices.

Our charter provides for the classification of our Board of Directors into three classes of directors, serving staggered three-year terms, which may render a change of control or removal of our incumbent management more difficult. Furthermore, any and all vacancies on our Board of Directors will be filled generally only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term until a successor is elected and qualifies.

Our Board of Directors is authorized to create and issue new series of shares, to classify or reclassify any unissued shares of stock into one or more classes or series, including preferred stock and, without stockholder approval, to amend our charter to increase or decrease the number of shares of common stock that we have authority to issue, which could have the effect of diluting a stockholder's ownership interest. Prior to the issuance of shares of common stock of each class or series, including any reclassified series, our Board of Directors is required by our governing documents to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series of shares of stock.

Our charter and bylaws also provide that our Board of Directors has the exclusive power to adopt, alter or repeal any provision of our bylaws, and to make new bylaws. The Maryland General Corporation Law also contains certain provisions that may limit the ability of a third party to acquire control of us, such as:

- The Maryland Business Combination Act, which, subject to certain limitations, prohibits certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of the common stock or an affiliate thereof) for five years after the most recent date on which the stockholder becomes an interested stockholder and, thereafter, imposes special minimum price provisions and special stockholder voting requirements on these combinations.
- The Maryland Control Share Acquisition Act, which provides that "control shares" of a Maryland corporation (defined as shares of common stock which, when aggregated with other shares of common stock controlled by the stockholder, entitles the stockholder to exercise one of three increasing ranges of voting power in electing directors, as described more fully below) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of "control shares") have no voting rights except to the extent approved by stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares of common stock.

The provisions of the Maryland Business Combination Act will not apply, however, if our Board of Directors adopts a resolution that any business combination between us and any other person will be exempt from the provisions of the Maryland Business Combination Act. Our Board of Directors has adopted a resolution that any business combination between us and any other person is exempted from the provisions of the Maryland Business Combination Act, provided that the business combination is first approved by the Board of Directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. There can be no assurance that this resolution will not be altered or repealed in whole or in part at any time. If the resolution is altered or repealed, the provisions of the Maryland Business Combination Act may discourage others from trying to acquire control of us.

As permitted by Maryland law, our bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any and all acquisitions by any person of our common stock. Although our bylaws include such a provision, such a provision may also be amended or eliminated by our Board of Directors at any time in the future.

Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering. In addition, if the subscription price is less than our net asset value per share, then you will experience an immediate dilution of the aggregate net asset value of your shares.

In the event we issue subscription rights, stockholders who do not fully exercise their subscription rights should expect that they will, at the completion of a rights offering pursuant to the applicable prospectus, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of such rights offering.

In addition, if the subscription price is less than the net asset value per share of our common stock, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offering. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price and net asset value per share will be on the expiration date of a rights offering or what proportion of the shares will be purchased as a result of such rights offering. Such dilution could be substantial.

We may in the future choose to pay dividends in our own stock, in which case our stockholders may be required to pay tax in excess of the cash they receive.

We may distribute taxable dividends that are payable in part in our stock. In accordance with guidance issued by the Internal Revenue Service, subject to the satisfaction of certain guidelines, a publicly traded RIC should generally be eligible to treat a distribution of its own stock as fulfilling its RIC distribution requirements if each stockholder is permitted to elect to receive his or her distribution in either cash or stock of the RIC, even where there is a limitation on the percentage of the aggregate distribution payable in cash, provided that the limitation is at least 20%. If too many stockholders elect to receive cash, each stockholder electing to receive cash generally must receive a portion of his or her distribution in cash (with the balance of the distribution paid in stock). If these and certain other requirements are met, for U.S. federal income tax purposes, the amount of the distribution paid in stock generally will be a taxable distribution in an amount equal to the amount of cash that could have been received instead of stock. Taxable stockholders receiving such dividends would be required to include the full amount of the dividend as ordinary income (or as long-term capital gain to the extent such distribution is properly designated as a capital gain dividend) to the extent of our current and accumulated earnings and profits for United States federal income tax purposes. As a result, a U.S. Stockholder (as defined in "Material U.S. Federal Income Tax Considerations") may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. Stockholder sells the stock it receives as a dividend in order to pay this tax, it may be subject to transaction fees (e.g., broker fees or transfer agent fees) and the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of its stock at the time of the sale. Furthermore, with respect to Non-U.S. Stockholders (as defined in "Material U.S. Federal Income Tax Considerations"), we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our stock. It is unclear whether and to what extent we will be pay dividends in cash and our stock.

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.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

As an externally managed closed-end management investment company that has elected to be regulated as a BDC under the 1940 Act, our day-to-day operations are managed by the Investment Adviser, Administrator and our executive officers under the oversight of our Board of Directors. As such, we rely on the cybersecurity policies and procedures implemented by Prospect

Capital Management, for assessing, identifying and managing material risks to our business from cybersecurity threats. Below are details that Prospect Capital Management has provided to us regarding its cybersecurity program that are relevant to us.

Prospect Capital Management has processes in place for assessing, identifying, and managing material risks from potential unauthorized occurrences on, or through, our electronic information systems that could adversely affect the confidentiality, integrity, or availability of our information systems or the information residing on those systems.

In accordance with the Prospect Capital Management Information Technology Operations and Procedures, the cross-functional Change Advisory Board ("CAB") governs and oversees the advancement and implementation of policies and procedures to reasonably prevent security incidents. Prospect Capital Management's cybersecurity program also includes review and assessment by third parties of the cybersecurity processes and systems. These third parties assess and report on Prospect Capital Management's compliance with applicable laws and regulations and its internal incident response preparedness, including benchmarking to best practices and industry frameworks and help identify areas for continued focus and improvement.

Prospect Capital Management uses processes to oversee and identify material risks from cybersecurity threats, including those associated with the use of third-party service providers. Additionally, Prospect Capital Management uses systems and processes designed to reduce the impact of a security incident at a third-party service provider. As part of its risk management process. Prospect Capital Management, also maintains an incident response plan that is utilized when cybersecurity incidents impacting us, our Investment Adviser, or our Administrator are detected.

Prospect Capital Management conducts regular phishing tests where educational materials are provided in each test for those who fail. Prospect Capital Management is implementing security awareness training which will be conducted annually for staff with a high failure rate on the phishing tests.

In the last three fiscal years, we are not aware of any material risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial condition. However, future incidents could have a material impact on our business strategy, results of operations or financial condition. For additional discussion on risks posed by cybersecurity threats, see "Item 1A. Risk Factors - Risks Relating to Our Business- *We may experience cybersecurity incidents and are subject to cybersecurity risks. The failure in cybersecurity systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning, could impair our ability to conduct business effectively.*

Board of Director Oversight of Cybersecurity Risks

Our Board of Directors provides strategic oversight on cybersecurity matters, including risks associated with cybersecurity threats. Our Board of Directors receives periodic updates from the Company's Chief Compliance Officer ("CCO"), which incorporates updates provided by the Adviser regarding the overall state of the Adviser's cybersecurity program, information on the current threat landscape, and risks from cybersecurity threats and cybersecurity incidents impacting the Company.

Management's Role in Cybersecurity Risk Management

The Company's management, including the Company's CCO, manage the Company's cybersecurity program. The CCO supervises the Company's oversight function generally and relies on the Adviser's technology team to assist with assessing and managing material risks from cybersecurity threats. The CCO has been responsible for this oversight function as CCO of the Company for more than five years and has worked in the financial services industry for more than 20 years, during which time the CCO has gained expertise in assessing and managing risk applicable to the Company.

Management of the Company is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents impacting the Company, including through the receipt of notifications from service providers and reliance on communications with risk management, legal, information technology, and/or compliance personnel of the Adviser.

Item 2. Properties

We do not own any real estate or other physical properties materially important to our operation. We are located at 10 East 40th Street, New York, New York 10016, where we occupy our office space pursuant to our Administration Agreement with Prospect Administration. The office facilities are leased by our Administrator. We believe that our office facilities are suitable and adequate for our business as currently conducted.

Item 3. Legal Proceedings

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 June 30, 2024.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(All figures in this item are in thousands, except share and per share data)

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 this Annual Report for additional information about the risks and uncertainties we face.

	NAV(1)	Stock Price High(2)	Stock Price Low(2)	Premium (Discount) of High to NAV	Premium (Discount) of Low to NAV
Year Ended June 30, 2023					
First quarter	$ 10.01	$ 8.18	$ 6.11	(18.3)%	(39.0)%
Second quarter	9.94	7.82	6.39	(21.3)%	(35.7)%
Third quarter	9.48	7.66	6.67	(19.2)%	(29.6)%
Fourth quarter	9.24	6.94	6.08	(24.9)%	(34.2)%
Year Ended June 30, 2024					
First quarter	$ 9.25	$ 6.65	$ 5.94	(28.1)%	(35.8)%
Second quarter	8.92	6.18	5.08	(30.7)%	(43.0)%
Third quarter	8.99	6.24	5.33	(30.6)%	(40.7)%
Fourth quarter	8.74	5.69	5.21	(34.9)%	(40.4)%

(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 August 27, 2024, there were 191 shareholders of record of our common stock. This figure does not include a substantially greater number of beneficial holders of our common stock, whose shares are held in the names of brokers, dealers and clearing agencies.

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, June 9, 2023 and June 10, 2024 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, 2025 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 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 per common share pursuant to our equity distribution agreements are estimates based on our last reported NAV per common share adjusted for capital events occurring during the period since the last calculated NAV per common share. 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.

Distribution Policy

Through March 2010, we made quarterly distributions to our stockholders out of assets legally available for distribution. In June 2010, we changed our distribution policy from a quarterly payment to a monthly payment. To the extent prudent and practicable, we currently intend to continue making distributions on a monthly basis. Our ability to pay distributions could be affected by future business performance, liquidity, capital needs, alternative investment opportunities and loan covenants. Our distributions, if any, will be determined by our Board of Directors. Certain amounts of the monthly distributions may from time to time be paid out of our capital rather than from earnings for the quarter as a result of our deliberate planning or by accounting reclassifications.

As a RIC, we generally are not subject to U.S. federal income tax on income and gains we distribute each taxable year to our stockholders, provided that in such taxable year, we distribute an amount equal to at least 90% of our investment company taxable income (as defined by the Code) to our stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders. In addition, we will be subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (i) 98% of our ordinary income recognized during the calendar year, (ii) 98.2% of our capital gain net income, as defined by the Code, recognized for the one year period ending October 31 in that calendar year and (iii) any income recognized, but not distributed, in preceding years.

We did not have an excise tax liability for the calendar year ended December 31, 2023. As of June 30, 2024, we do not expect to have any excise tax due for the 2024 calendar year. Tax characteristics of all distributions will be reported to stockholders, as appropriate, on Form 1099-DIV after the end of the calendar year.

In addition, although we currently intend to distribute realized net capital gains (which we define as net long-term capital gains in excess of net short-term capital losses), if any, at least annually out of the assets legally available for such distributions, we may decide in the future to retain such capital gains for investment. In such event, the consequences of our retention of net capital gains are described under “Material U.S. Federal Income Tax Considerations.” We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, if we issue senior securities, we may be prohibited from making distributions if doing so causes us to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions are limited by the terms of any of our borrowings.

During the years ended June 30, 2024 and June 30, 2023, we distributed approximately $297.6 million and $287.2 million, respectively, to our common stockholders. The following table summarizes our distributions declared and payable for the years ended June 30, 2024 and June 30, 2023.

Declaration Date	Record Date	Payment Date	Amount Per Share	Amount Distributed (in thousands)
5/9/2023	7/27/2023	8/22/2023	0.060000	$ 24,317
5/9/2023	8/29/2023	9/20/2023	0.060000	24,418
8/29/2023	9/27/2023	10/19/2023	0.060000	24,517
8/29/2023	10/27/2023	11/20/2023	0.060000	24,611
11/8/2023	11/28/2023	12/19/2023	0.060000	24,692
11/8/2023	12/27/2023	1/18/2024	0.060000	24,753
11/8/2023	1/29/2024	2/20/2024	0.060000	24,823
2/8/2024	2/27/2024	3/20/2024	0.060000	24,896
2/8/2024	3/27/2024	4/18/2024	0.060000	24,966
2/8/2024	4/26/2024	5/21/2024	0.060000	25,049
5/8/2024	5/29/2024	6/18/2024	0.060000	25,107
5/8/2024	6/26/2024	7/18/2024	0.060000	25,484
		Total declared and payable for the year ended June 30, 2024		$ 297,633
5/9/2022	7/27/2022	8/18/2022	0.060000	$ 23,635
5/9/2022	8/29/2022	9/21/2022	0.060000	23,670
8/29/2022	9/28/2022	10/20/2022	0.060000	23,767
8/29/2022	10/27/2022	11/17/2022	0.060000	23,857
11/9/2022	11/28/2022	12/20/2022	0.060000	23,888
11/9/2022	12/28/2022	1/19/2023	0.060000	23,925
11/9/2022	1/27/2023	2/16/2023	0.060000	23,965
2/8/2023	2/24/2023	3/22/2023	0.060000	24,003
2/8/2023	3/29/2023	4/19/2023	0.060000	24,041
2/8/2023	4/26/2023	5/18/2023	0.060000	24,085
5/9/2023	5/26/2023	6/21/2023	0.060000	24,171
5/9/2023	6/28/2023	7/20/2023	0.060000	24,234
		Total declared and payable for the year ended June 30, 2023		$ 287,241

Dividends and distributions to common stockholders are recorded on the ex-dividend date. As such, the table above includes distributions with record dates during the years ended June 30, 2024 and June 30, 2023. 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 June 30, 2024:

- $0.06 per share for July 2024 holders of record on July 29, 2024 with a payment date of August 21, 2024.
- $0.06 per share for August 2024 holders of record on August 28, 2024 with a payment date of September 19, 2024.

Dividend Reinvestment Plan

We maintain an "opt out" common stock dividend reinvestment and direct stock purchase plan for our common stockholders. As a result, if we declare a distribution (as discussed above), common stockholders' cash distributions will be automatically reinvested in additional shares of our common stock, unless they (or their broker through which they hold shares) opt out of the Plan so as to receive cash distributions. Stockholders who receive distributions in the form of stock are subject to the same U.S. federal, state and local tax consequences as are stockholders who elect to receive their distributions in cash. Stockholders are advised to consult with their brokers or financial institutions, as appropriate, with respect to the administration of their dividends and related instructions. See also "Common Stock Dividend Reinvestment and Direct Stock Purchase Plan" in Part I of this Annual Report for additional information.

We primarily use newly-issued shares of our common stock to implement the plan, whether our shares are trading at a premium or at a discount to net asset value. However, we reserve the right to purchase shares of our common stock in the open market in connection with the implementation of the plan. Our Board of Directors determines how the common stock to be distributed as part of the plan is made available.

During the years ended June 30, 2024 and June 30, 2023, we distributed 6,736,142 and 7,474,975 shares of our common stock, respectively, in connection with the Plan. All of the shares of common stock distributed to our stockholders were new issues. The following table summarizes the shares issued through the reinvestment of dividends in the years ended June 30, 2024 and June 30, 2023.

Record Date	Payment Date	Shares Issued(1)	Value of Shares (in thousands)	% of Distribution
6/28/2023	7/20/2023	507,739	$ 3,159	13.0 %
7/27/2023	8/22/2023	544,283	3,164	13.0 %
8/29/2023	9/20/2023	486,236	2,841	11.6 %
9/27/2023	10/19/2023	560,746	3,132	12.8 %
10/27/2023	11/20/2023	571,512	3,111	12.6 %
11/28/2023	12/19/2023	549,175	3,167	12.8 %
12/27/2023	1/18/2024	561,852	3,155	12.7 %
01/29/2024	2/20/2024	578,398	3,203	12.9 %
02/27/2024	3/20/2024	632,893	3,295	13.2 %
03/27/2024	4/18/2024	620,679	3,196	12.8 %
04/26/2024	5/21/2024	555,569	2,964	11.8 %
05/29/2024	6/18/2024	567,060	3,012	12.0 %
Total issued in the year ended June 30, 2024		6,736,142	$ 37,399	
6/28/2022	7/20/2022	438,294	$ 3,069	13.0 %
7/27/2022	8/18/2022	412,806	3,157	13.4 %
8/29/2022	9/21/2022	1,303,858	9,017	38.1 %
9/28/2022	10/20/2022	1,395,583	9,082	38.2 %
10/27/2022	11/17/2022	440,526	3,164	13.3 %
11/28/2022	12/20/2022	468,439	3,200	13.4 %
12/28/2023	1/19/2023	458,461	3,218	13.5 %
01/27/2023	2/16/2023	448,326	3,258	13.6 %
02/24/2023	3/22/2023	492,809	3,282	13.7 %
03/29/2023	4/19/2023	516,449	3,351	13.9 %
04/26/2023	5/18/2023	561,540	3,393	14.1 %
05/26/2023	6/21/2023	537,884	3,168	13.1 %
Total issued in the year ended June 30, 2023		7,474,975	$ 50,359	

(1) Number of newly-issued common shares to be credited to a common stockholder's account to be determined by dividing (i) the total dollar amount of the dividend payable to such common stockholder by (ii) 95% of the closing market price per share of our stock on the date fixed by our Board of Directors for such distribution (thereby providing a 5% discount to the market price of our common stock on such date).

Registered common stockholders who opt out of the Plan must notify the Plan administrator prior to the payment date in order for that distribution to be paid in cash. As such, the table above includes distributions with payment dates during the years ended June 30, 2024 and June 30, 2023. It does not include distributions previously declared and recorded as payable to common stockholders on any future dates, as those amounts are not yet determinable.

Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

On August 24, 2011, our Board of Directors approved a share repurchase plan (the "Repurchase Program"), pursuant to 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 years ended June 30, 2024 and June 30, 2023.

As of June 30, 2024, the approximate dollar value of shares that may yet be purchased under the plan is $65.9 million.

On June 16, 2022, our Board of Directors authorized the repurchase of up to 1.5 million shares our Series A Preferred Stock and further on October 11, 2023, authorized any and all outstanding Series A Preferred Stock to be repurchased. The manner, price, volume and timing of preferred share repurchases are subject to a variety of factors, including market conditions and applicable SEC rules. There were no repurchases during the quarter ended June 30, 2024.

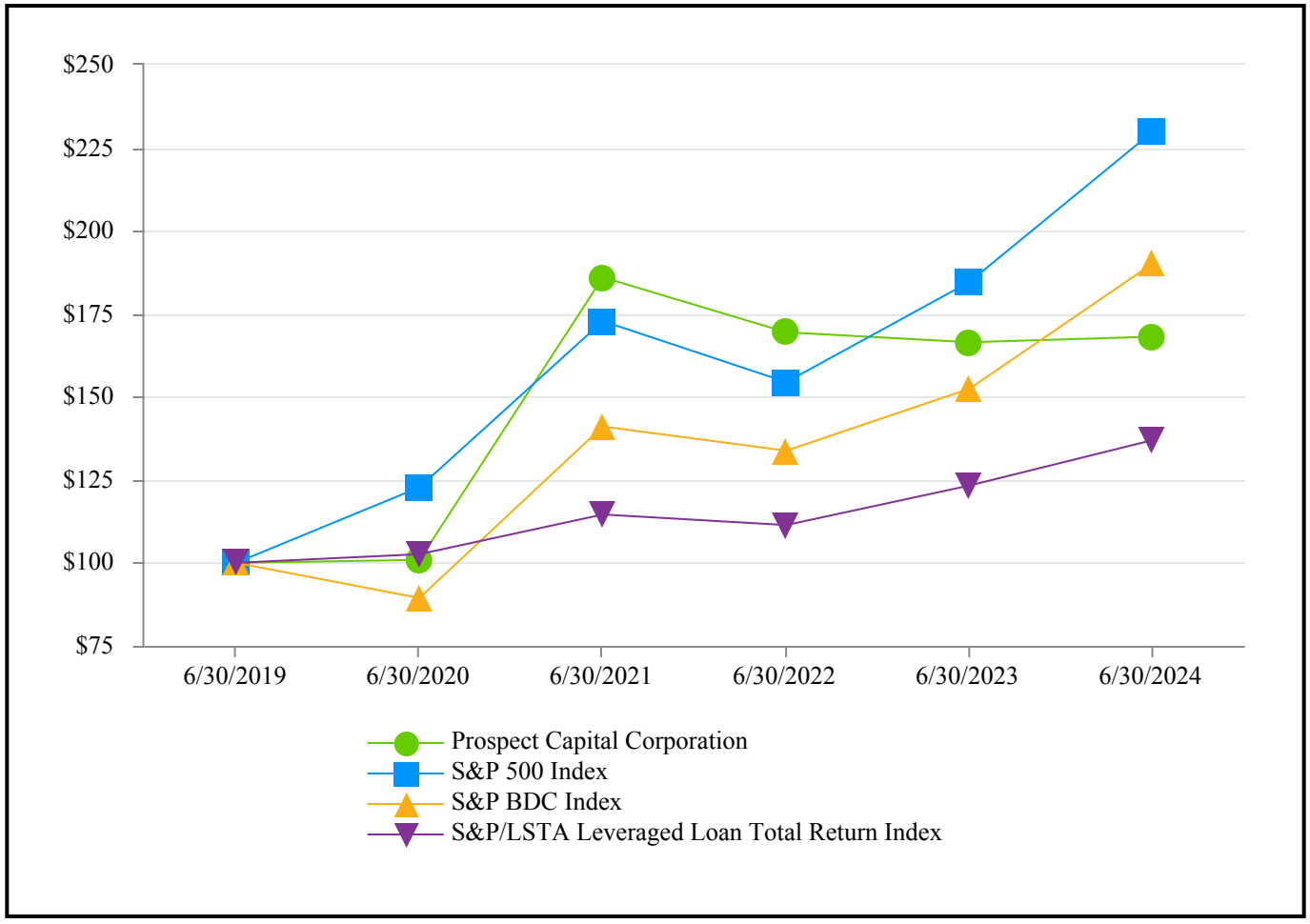
During the quarter ended June 30, 2024, we exchanged an aggregate of 556,836 Series M1 Preferred Stock for an aggregate of 10,806 and 546,030 newly-issued Series M3 Preferred Stock and Series M4 Preferred Stock, respectively, pursuant to Section 3(a)(9) of the Securities Act. During the quarter ended June 30, 2024, we exchanged an aggregate of 338,068 Series M3 Preferred Stock for an aggregate of 338,068 newly-issued Series M4 Preferred Stock pursuant to Section 3(a)(9) of the Securities Act. Section 3(a)(9) provides that the registration requirements of the Securities Act will not apply to "any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange." We have no contract, arrangement or understanding relating to, and will not, directly or indirectly, pay any commission or other remuneration to any broker, dealer, salesperson, agent or any other person for soliciting exchanges in the exchange offer.

The shares of Series M3 Preferred Stock and Series M4 Preferred Stock issued in the exchange were issued in each case to an existing security holder of the Company, along with cash in respect of accrued but unpaid dividends on the exchanged securities, exclusively in exchange for such holder's securities and no commission or other remuneration was paid or given for soliciting the exchange. The Series M1 Preferred Stock and Series M3 Preferred Stock are convertible at the option of the holder. See Note 9 for further discussion of the features of the Series M1 Preferred Stock, Series M3 Preferred Stock and Series M4 Preferred Stock. Other exceptions may apply.

Stock Performance Graph

The following graph compares a stockholder's cumulative total return for the last five fiscal years as if such amounts had been invested in: (i) our common stock; (ii) the stocks included in the S&P 500 Index; (iii) the stocks included in the S&P BDC Index; and (iv) the stocks included in the S&P/LSTA U.S. Leveraged Loan 100 Index. The graph and other information furnished under the heading "Stock Performance Graph" shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference and shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under, or to the liabilities of Section 18 of, the Exchange Act.

The below graph is based on historical stock prices and measures total stockholder return, which takes into account both changes in stock price and dividends. The total return assumes that dividends were reinvested daily and is based on a $100 investment on June 30, 2019. This stock performance graph is not necessarily indicative of future stock performance. Index performance is shown for illustrative purposes only and does not reflect any deduction for fees or expenses. It is not possible to invest directly in an unmanaged index.



Fees and Expenses

The following tables are intended to assist you in understanding the costs and expenses that an investor will bear directly or indirectly based on the Company's capital structure as of June 30, 2024. We caution you that some of the percentages indicated in the table below are estimates and may vary. In these tables, we assume that we have borrowed $2.1 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 $1.7 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. However, you will not be required to deliver any money or otherwise bear personal liability or responsibility for such fees or expenses.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)(1)	-
Offering expenses borne by the Company (as a percentage of offering price)(2)	-
Dividend reinvestment plan expenses(3)	$15.00
Total stockholder transaction expenses (as a percentage of offering price)	-
Annual expenses (as a percentage of net assets attributable to common stock):	
Management fees(4)	4.92 %
Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income)(5)	2.17 %
Total advisory fees	7.09 %
Total interest expense(6)	6.21 %
Other expenses(7)	1.19 %
Total annual expenses(5)(7)	14.49 %
Dividends on Preferred Stock(8)	2.82 %
Total annual expenses after dividends on Preferred Stock(9)	17.31 %

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, $0.7 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, $0.1 billion in preferred stock paying dividends of a floating rate (assuming 7.32% annualized, based on the floating rate as of 5/8/2024), $0.15 billion in 5.35% Preferred Stock paying dividends of 5.35% per annum, we have borrowed $2.1 billion available under our line of credit, in addition to our other indebtedness of $1.7 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
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return*	$ 147	$ 399	$ 605	$ 969
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return**	$ 157	$ 422	$ 634	$ 994

* Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation.

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

While the example assumed, as required by the SEC, a 5% annual return, 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 and is not included in the example. If we achieve sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, our 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, participants in our 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 participants by the market price per share of our common stock at the close of trading on the valuation date for the distribution. See “Dividend Reinvestment Plan” for additional information regarding our dividend reinvestment plan.

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

(1) In the event that securities are sold to or through underwriters, a corresponding prospectus supplement will disclose the estimated applicable sales load.
(2) The related prospectus supplement will disclose the estimated amount of offering expenses, the offering price and the estimated offering expenses borne by us as a percentage of the offering price.
(3) The expenses of the dividend reinvestment plan are included in "other expenses." The plan administrator's fees under the plan are paid by us. There are no brokerage charges or other charges to stockholders who participate in reinvestment of dividends or other distributions under the plan except that, if a participant elects by written notice to the plan administrator to have the plan administrator sell part or all of the shares held by the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a $15 transaction fee plus a $0.10 per share brokerage commissions from the proceeds. See "Capitalization" in the applicable prospectus supplement pursuant to which an offer is made and "Dividend Reinvestment and Direct Stock Repurchase Plan" in this prospectus and the applicable prospectus supplement.
(4) 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 we have no intent to borrow the entire amount available under our line of credit, assuming that we had total borrowings of $2.1 billion, the 2% management fee of gross assets would equal approximately 5.23% of net assets.
(5) Based on our net investment income and realized capital gains, less realized and unrealized capital losses, earned on our portfolio for the year ended June 30, 2024, all of which consisted of an income incentive fee. The capital gain incentive fee is paid without regard to pre-incentive fee income. For a more detailed discussion of the calculation of the two-part incentive fee, see "Management Services-Investment Advisory Agreement" in the applicable prospectus.
(6) As of June 30, 2024, Prospect has $1.7 billion outstanding of its Unsecured Notes (as defined below) in various maturities ranging from February 15, 2025 to March 15, 2052, and interest rates, ranging from 2.25% to 8.00%, some of which are convertible into shares of the Company's common stock at various conversion rates.
(7) "Other expenses" are based on estimated amounts for the current fiscal year. The amount shown above represents annualized expenses during our year ended June 30, 2024 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.
(8) 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. Also based on the 7.32% per annum dividend rate applicable to the Floating Rate Preferred Stock. 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 or in the case of the Floating Rate Preferred Stock, redeemed by the holder.
(9) 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 14.91%, or 17.73% after dividends on preferred stock.

The following tables are intended to assist you in understanding the costs and expenses that an investor will bear directly or indirectly based on the Company's capital structure as of June 30, 2024 and assuming the issuance of all shares of preferred stock the Company is presently offering. 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 June 30, 2024, except that we assume that we have issued $0.9 billion in 5.50% Preferred Stock paying dividends of 5.50% per annum, $0.8 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, $0.5 billion in preferred stock paying dividends of a floating rate (assuming 7.32% annualized, based on the floating rate as of 5/8/2024), in addition to our $0.15 billion of 5.35% Preferred Stock paying dividends of 5.35% per annum, and that we have borrowed $2.1 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 $1.7 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:	**A1, A3 and A4 Shares**	**M1, M2, M3 and M4 Shares**	**AA1 Shares, MM1 Shares, AA2 Shares, and MM2 Shares**
Sales Load (as a percentage of offering price)	10.00% (1)	3.00% (2)	5.00% (3)
Offering expenses borne by the Company (as a percentage of offering price)	(4)	(4)	(5)
Preferred Stock Dividend reinvestment plan expenses (6)	None	None	None
Total stockholder transaction expenses (as a percentage of offering price):	11.5%	4.5%	6.0%
Annual expenses (as a percentage of net assets attributable to common stock):			
Management fees (7)		5.23%	
Incentive fees payable under Investment Advisory Agreement (20% of realized capital gains and 20% of pre-incentive fee net investment income) (8)		2.2%	
Total advisory fees		7.43%	
Total interest expenses (9)		6.29%	
Other expenses (10)		1.20%	
Total annual expenses (8)(10)(11)		14.92%	
Dividends on Preferred Stock(12)		3.92%	
Total annual expenses after dividends on Preferred Stock (13)		18.84%	

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, $0.8 billion in 6.50% Preferred Stock paying dividends of 6.50% per annum, $0.5 billion in preferred stock paying dividends of a floating rate (assuming 7.32% annualized, based on the floating rate as of 5/8/2024), $0.15 billion in 5.35% Preferred Stock paying dividends of 5.35% per annum, we have borrowed $2.1 billion available under our line of credit, in addition to our other indebtedness of $1.7 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**
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*	$ 222	$ 481	$ 683	$ 1,014
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**	$ 232	$ 501	$ 707	$ 1,032

(1) Represents the highest level of expenses from all ongoing Preferred Stock offerings referenced 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 80 million A1, A3, A4, M1, M2, M3 and M4 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 generally 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 Shares, A3 Shares and A4 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 applicable to holders of the A1 Shares and the A3 Shares and the Holder Optional Redemption Fee applicable to holders of the A4 Shares, effectively 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 A1 Shares or A3 Shares or Holder Optional Redemption of their A4 shares 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 A1 Shares or A3 Shares, 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. The Holder Optional Redemption Fee is 10.00% of the maximum public offering price disclosed herein prior to the third anniversary of the issuance of such A4 Shares, 8.00% 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 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 $2.1 billion, the 2% management fee of gross assets equals approximately 5.23% 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 year ended June 30, 2024, all of which consisted of an income incentive fee. This historical amount has been adjusted to reflect the issuance of 90,187,000 shares of combined 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate 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 June 30, 2024, we had $1.7 billion outstanding of Unsecured Notes (as defined below) in various maturities, ranging from February 15, 2024 to March 15, 2052, and interest rates, ranging from 2.25% to 8.00%, 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 year ended June 30, 2024 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 90,187,000 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 June 30, 2024, which was $5.56, then management fees would be 3.65%, incentive fees payable under our Investment Advisory Agreement would be 1.53%, total advisory fees would be 5.18%, total interest expenses would be 4.39%, other expenses would be 0.84%, and total annual expenses would be 10.41% 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 $5.56, 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 and the 7.32% annualized dividend rate applicable to A4 Shares and M4 Shares based on the floating rate as of May 8, 2024. 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 15.34%, or 19.26% after dividends on Preferred Stock.

Item 6. [Reserved]

Item 7. 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 Annual Report. In addition to historical information, the following discussion and other parts of this Annual 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, as amended (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. 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.

- 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 closing 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.

- 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, student housing and senior living. 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.

- Investing in Structured Credit - We make investments in structured credit, often taking a significant position in subordinated structured notes (equity). 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.

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 June 30, 2024, as shown in our *Consolidated Schedule of Investments*, the cost basis and fair value of our investments in controlled companies was $3,280,415 and $3,872,575, respectively. This structure gives rise to several of the risks described in our public documents and highlighted elsewhere in this Annual 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, 2024, 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).

Fourth Quarter Highlights

Investment Transactions

We seek to be a long-term investor with our portfolio companies. During the three months ended June 30, 2024 we acquired $88,016 of new investments, completed follow-on investments in existing portfolio companies totaling approximately $105,584, funded $9,083 of revolver advances, and recorded PIK interest of $39,457, resulting in gross investment originations of $242,140. During the three months ended June 30, 2024 we received full repayments totaling $143,249, received $6,980 in sales, received $1,211 of revolver paydowns, and received $93,304 in partial prepayments, scheduled principal amortization payments, and return of capital distributions, resulting in repayments of $238,245, net of $6,499 realized losses associated with such dispositions.

Debt Issuances and Redemptions

During the three months ended June 30, 2024 we repaid $1,600 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 June 30, 2024 was $36.

During the three months ended June 30, 2024 we issued $62,675 aggregate principal amount of Prospect Capital InterNotes® with a weighted average stated interest rate of 7.17%, to extend our borrowing base. The newly issued notes mature between April 15, 2027 and June 15, 2034 and generated net proceeds of $61,778.

During the three months ended June 30, 2024, we increased total commitments to the Revolving Credit Facility by $112,000 to $2,066,500 in the aggregate.

Equity Issuances and Redemptions

On April 18, 2024, May 21, 2024 and June 18, 2024 we issued 620,679, 555,569, and 567,060 shares of our common stock in connection with the dividend reinvestment plan, respectively.

During the three months ended June 30, 2024, 1,434,597 shares of our Series A1 Preferred Stock, 39,934 shares of our Series A3 Preferred Stock, 81,840 shares of our Series M1 Preferred Stock, and 71,473 shares of our Series M3 Preferred Stock were converted to 6,952,769 shares of our common stock, in connection with Holder Optional Conversions and Optional Redemptions Following Death of a Holder, resulting in a loss from redemption of preferred stock of $5,127.

During the three months ended June 30, 2024 we issued 204,119 shares of our Series A3 Preferred Stock for net proceeds of $4,593, 16,610 shares of our Series M3 Preferred Stock for net proceeds of $403, 2,184,866 shares of Series A4 Preferred Stock for net proceeds of $49,159, 272,138 shares of Series M4 Preferred Stock for net proceeds of $6,599, 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 12,938, 13,365, and 13,398 throughout April, May, and June, respectively.

Investment Holdings

At June 30, 2024, we have $7,718,243, or 207.9%, of our net assets applicable to common shares invested in 117 long-term portfolio investments and CLOs.

Our annualized current yield was 12.1% and 13.3% as of June 30, 2024 and June 30, 2023, respectively, across all performing interest bearing investments, excluding equity investments and non-accrual loans. Our annualized current yield was 9.8% and 10.7% as of June 30, 2024 and 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 June 30, 2024, 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"); NPRC; 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 $36,608 in senior secured term loans (the "Spartan Term Loan A") due to us as of June 30, 2024. 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 June 30, 2024, 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 June 30, 2024 and June 30, 2023:

	June 30, 2024				June 30, 2023			
Level of Control	Cost	% of Portfolio	Fair Value	% of Portfolio	Cost	% of Portfolio	Fair Value	% of Portfolio
Control Investments	$3,280,415	44.0 %	$3,872,575	50.2 %	$2,988,496	38.3 %	$ 3,571,697	46.2 %
Affiliate Investments	11,594	0.2 %	18,069	0.2 %	8,855	0.1 %	10,397	0.1 %
Non-Control/Non-Affiliate Investments	4,155,165	55.8 %	3,827,599	49.6 %	4,803,245	61.6 %	4,142,837	53.7 %
Total Investments	$7,447,174	100.0 %	$7,718,243	100.0 %	$7,800,596	100.0 %	$ 7,724,931	100.0 %

The following shows the composition of our investment portfolio by type of investment as of June 30, 2024 and June 30, 2023:

	June 30, 2024				June 30, 2023			
Type of Investment	Cost	% of Portfolio	Fair Value	% of Portfolio	Cost	% of Portfolio	Fair Value	% of Portfolio
First Lien Revolving Line of Credit	$ 87,589	1.2 %	$ 86,544	1.1 %	$ 58,139	0.7 %	$ 58,058	0.8 %
First Lien Debt	4,686,107	62.9 %	4,569,467	59.2 %	4,431,887	56.8 %	4,302,795	55.7 %
Second Lien Revolving Line of Credit	5,147	0.1 %	4,987	0.1 %	5,139	0.1 %	4,646	0.1 %
Second Lien Debt	1,219,482	16.4 %	1,038,882	13.5 %	1,586,112	20.3 %	1,257,862	16.3 %
Unsecured Debt	7,200	0.1 %	7,200	0.1 %	7,200	0.1 %	7,200	0.1 %
Subordinated Structured Notes	623,700	8.3 %	531,690	6.9 %	952,815	12.3 %	665,002	8.6 %
Preferred Stock	399,072	5.4 %	70,569	0.9 %	358,622	4.6 %	34,155	0.4 %
Common Stock	237,005	3.2 %	1,134,575	14.7 %	194,557	2.5 %	1,083,134	14.0 %
Membership Interest	181,872	2.4 %	226,273	2.9 %	206,125	2.6 %	254,936	3.3 %
Participating Interest (1)	—	— %	48,056	0.6 %	—	— %	57,143	0.7 %
Total Investments	$ 7,447,174	100.0 %	$7,718,243	100.0 %	$ 7,800,596	100.0 %	$ 7,724,931	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 June 30, 2024 and June 30, 2023:

	June 30, 2024				June 30, 2023			
Type of Investment	**Cost**	**% of Portfolio**	**Fair Value**	**% of Portfolio**	**Cost**	**% of Portfolio**	**Fair Value**	**% of Portfolio**
First Lien Debt and First Lien Revolving Line of Credit	$ 4,773,696	72.0 %	$4,656,011	74.7 %	$ 4,490,026	63.8 %	$ 4,360,853	69.2 %
Second Lien Debt and Second Lien Revolving Line of Credit	1,224,629	18.5 %	1,043,869	16.7 %	1,591,251	22.6 %	1,262,508	20.1 %
Unsecured	7,200	0.1 %	7,200	0.1 %	7,200	0.1 %	7,200	0.1 %
Subordinated Structured Notes	623,700	9.4 %	531,690	8.5 %	952,815	13.5 %	665,002	10.6 %
Total Interest Bearing Investments	$ 6,629,225	100.0 %	$6,238,770	100.0 %	$ 7,041,292	100.0 %	$ 6,295,563	100.0 %

The following shows the composition of our investment portfolio by industry as of June 30, 2024 and June 30, 2023:

Industry	June 30, 2024				June 30, 2023			
	Cost	% of Portfolio	Fair Value	% of Portfolio	Cost	% of Portfolio	Fair Value	% of Portfolio
Aerospace & Defense	$ 110,320	1.5 %	$ 66,923	0.9 %	$ 112,181	1.4 %	$ 64,198	0.8 %
Air Freight & Logistics	187,897	2.5 %	174,691	2.3 %	188,171	2.4 %	188,946	2.4 %
Automobile Components	114,671	1.5 %	89,590	1.2 %	134,581	1.7 %	109,525	1.4 %
Building Products	—	— %	—	— %	35,000	0.4 %	33,120	0.4 %
Capital Markets	42,500	0.6 %	42,500	0.6 %	42,500	0.5 %	39,984	0.5 %
Commercial Services & Supplies	526,353	7.1 %	475,299	6.2 %	575,882	7.4 %	510,858	6.6 %
Communications Equipment	79,030	1.1 %	68,511	0.9 %	59,852	0.8 %	59,677	0.8 %
Construction & Engineering	95,911	1.3 %	316,419	4.1 %	91,148	1.2 %	165,784	2.1 %
Consumer Finance	623,033	8.4 %	728,320	9.4 %	625,033	8.0 %	736,635	9.5 %
Distributors	314,579	4.2 %	251,398	3.3 %	288,054	3.7 %	243,824	3.2 %
Diversified Consumer Services	183,552	2.5 %	146,634	1.9 %	281,274	3.6 %	89,589	1.2 %
Diversified Financial Services	45,039	0.6 %	45,039	0.6 %	36,504	0.5 %	36,504	0.5 %
Diversified Telecommunication Services	131,570	1.8 %	132,126	1.7 %	162,239	2.1 %	161,676	2.1 %
Electrical Equipment	61,991	0.8 %	61,991	0.8 %	68,399	0.9 %	68,464	0.9 %
Energy Equipment & Services	344,989	4.6 %	122,857	1.6 %	325,110	4.2 %	126,730	1.6 %
Equity Real Estate Investment Trusts (REITs)	897,181	12.1 %	1,485,332	19.1 %	741,133	9.5 %	1,437,796	18.6 %
Food & Staples Retailing	26,743	0.4 %	22,251	0.3 %	27,139	0.3 %	26,828	0.3 %
Food Products	131,504	1.8 %	126,145	1.6 %	134,889	1.7 %	122,003	1.6 %
Health Care Equipment & Supplies	—	— %	—	— %	7,488	0.1 %	7,500	0.1 %
Health Care Providers & Services	739,721	9.9 %	821,921	10.6 %	687,813	8.8 %	798,365	10.3 %
Health Care Technology	133,620	1.8 %	132,531	1.7 %	129,684	1.7 %	128,793	1.7 %
Hotels, Restaurants & Leisure	27,582	0.4 %	21,550	0.3 %	21,701	0.3 %	20,776	0.3 %
Household Durables	122,206	1.6 %	119,926	1.6 %	159,854	2.0 %	155,645	2.0 %
Interactive Media & Services	120,594	1.6 %	120,594	1.6 %	160,281	2.1 %	160,281	2.1 %
Internet & Direct Marketing Retail	21,109	0.3 %	18,393	0.2 %	20,487	0.3 %	16,920	0.2 %
IT Services	344,912	4.6 %	343,548	4.5 %	357,982	4.7 %	346,288	4.5 %
Leisure Products	79,459	1.1 %	79,291	1.0 %	69,694	0.9 %	69,380	0.9 %
Machinery	104,581	1.4 %	163,047	2.1 %	103,273	1.3 %	144,649	1.9 %
Media	69,830	0.9 %	134,372	1.7 %	103,409	1.3 %	138,776	1.8 %
Online Lending	20,630	0.3 %	20,630	0.3 %	21,580	0.3 %	21,580	0.3 %
Personal Products	320,396	4.3 %	104,663	1.3 %	278,875	3.6 %	65,746	0.9 %
Pharmaceuticals	107,060	1.4 %	107,588	1.4 %	99,269	1.3 %	99,289	1.3 %
Professional Services	211,257	2.8 %	162,979	2.1 %	211,693	2.7 %	201,494	2.6 %
Software	52,405	0.7 %	47,813	0.6 %	52,350	0.7 %	49,111	0.6 %
Textiles, Apparel & Luxury Goods	173,114	2.3 %	173,114	2.2 %	167,475	2.1 %	167,530	2.2 %
Trading Companies & Distributors	67,635	0.9 %	68,067	0.9 %	65,184	0.8 %	45,065	0.6 %
Subtotal	6,632,974	89.1 %	6,996,053	90.6 %	6,647,181	85.3 %	6,859,329	88.8 %
Structured Finance(1)	814,200	10.9 %	722,190	9.4 %	1,153,415	14.7 %	865,602	11.2 %
Total Investments	$ 7,447,174	100.0 %	$ 7,718,243	100.0 %	$ 7,800,596	100.0 %	$ 7,724,931	100.0 %

(1) Our SSN investments do not have industry concentrations and as such have been separated in the tables above. As of June 30, 2024 and June 30, 2023, Structured Finance includes $190,500 and $200,600, respectively, of senior secured term loan investments held through our investment in NPRC and its wholly-owned subsidiary related to its rated secured structured notes.

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 invest in select equity investments. For information regarding investment activity for the 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 year ended June 30, 2024 and June 30, 2023 are presented below:

	Year Ended June 30,	
	2024	2023
Investments in portfolio companies		
Investments in new portfolio companies	$ 193,590	$ 529,113
Follow-on investments in existing portfolio companies [1]	399,083	393,576
Revolver advances	37,278	21,669
PIK interest [2]	134,505	132,087
Total investments in portfolio companies	$ 764,456	$ 1,076,445
Investments by portfolio composition		
First Lien Debt	$ 696,116	$ 980,966
Second Lien Debt	7,500	82,390
Unsecured Debt	—	5,799
Equity	60,840	7,290
Total investments by portfolio composition	$ 764,456	$ 1,076,445
Investments repaid or sold		
Partial repayments [3]	$ 269,024	$ 290,592
Full repayments	234,473	108,851
Investments sold	70,002	62,056
Revolver paydowns	10,694	1,437
Total investments repaid or sold	$ 584,193	$ 462,936
Investments repaid or sold by portfolio composition		
First Lien Debt	$ 400,990	$ 355,449
Second Lien Debt	177,530	62,177
Unsecured Debt	—	5,799
Subordinated Structured Notes	—	31,805
Equity	5,673	7,706
Total investments repaid or sold by portfolio composition	$ 584,193	$ 462,936
Weighted average interest rates for new investments by portfolio composition [4]		
First Lien Debt	12.23 %	11.87 %
Second Lien Debt	N/A	13.44 %

(1) Includes follow-on investments in existing portfolio companies and refinancings, if any.

(2) During the year ended June 30, 2024, approximately $134,505 of PIK interest capitalized was accrued as interest income and $0 was included due to the timing of interest prepayment dates and resulting capitalization occurring during the prior year. During the year ended June 30, 2023, approximately $130,789 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.

(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.

Investment Valuation

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. 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 $7,718,243.

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 in valuations during the year ended June 30, 2024.

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 $35,103 in first lien term loans (the "Spartan Term Loans") due to us as of June 30, 2024. 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 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.

The fair value of our investment in CP Energy decreased to $110,206 as of June 30, 2024, which is a discount of $188,641 from its amortized cost, compared to a fair value of $114,020 as of June 30, 2023, representing a discount of $164,948 to its amortized cost. The increase in discount to amortized cost resulted from increased debt in the capital structure and a revised forecast impacted by increased commodity prices in the industry.

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 $605,928 as of June 30, 2024, representing a premium of $149,790 to its amortized cost basis compared to a fair value of $598,382 as of June 30, 2023, representing a premium of $171,310 to its amortized cost. The decrease in premium to amortized cost was driven by a decline in financial performance and increased debt in the capital structure.

InterDent, Inc.

Prospect owns 100% of the equity of InterDent, Inc. 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 was $463,883 as of June 30, 2024, a premium of $102,337 to its amortized cost basis compared to a fair value of $457,967 as of June 30, 2023, a premium of $119,670 to its amortized cost. The decrease in premium to amortized cost resulted from increased debt in the capital structure.

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.

The fair value of our investment in MITY, Inc. increased to $85,583 as of June 30, 2024, representing a discount of $4,464 to its amortized cost basis, compared to a fair value of $68,178 as of June 30, 2023, representing a discount of $16,719 to its amortized cost basis. The increase in fair value was primarily driven by an improvement in financial performance.

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 June 30, 2024 and June 30, 2023, we own 100% of the fully-diluted common equity of NPRC.

During the year ended June 30, 2024, we provided $248,344 of debt financing and $4,600 of equity financing to NPRC to fund real estate capital expenditures, provide working capital, and to fund purchases of rated secured structured notes.

During the year ended June 30, 2024, we received partial repayments of $108,950 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

During the year ended June 30, 2023, we provided $209,381 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 year ended June 30, 2023, we received partial repayments of $109,352 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.

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 June 30, 2024, the outstanding investment in rated secured structured notes by certain of NPRC's wholly owned subsidiaries was comprised of 110 investments with a fair value of $425,671 and face value of $446,180. The average outstanding note is approximately $4,057 with an expected maturity date ranging from July 2028 to July 2034 and weighted-average expected maturity of 6 years as of June 30, 2024. Coupons range from three-month SOFR ("3M") plus 5.20% to 9.23% with a weighted-average coupon of 3M + 6.94%. As of June 30, 2024, our senior secured term loan debt and common equity investments in NPRC and its wholly-owned subsidiaries relating to rated secured structured notes had a fair value of $243,036. As of June 30, 2024, based on outstanding notional balance, 43.9% of the portfolio was invested in Single - B or below rated tranches and 56.1% of the portfolio in BB or above rated tranches.

As of June 30, 2024, investments held by certain of NPRC's wholly-owned subsidiaries was comprised of residual interest in two securitizations valued at $2,647, one corporate bond valued at $18,058 and other assets valued at $1,249 for an aggregate fair value of $21,954.

As of June 30, 2024, our investment in NPRC and its wholly owned subsidiaries had an amortized cost of $1,108,311 and a fair value of $1,696,462. The fair value of $1,431,472 related to NPRC's real estate portfolio was comprised of forty-nine multi-family properties, six student housing properties, four senior living properties, and two 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 June 30, 2024:

No.	Property Name	City	Acquisition Date	Purchase Price	Mortgage Outstanding
1	Arlington Park Marietta, LLC	Marietta, GA	5/8/2013	$ 14,850	$ 13,440
2	Taco Bell, OK	Yukon, OK	6/4/2014	1,719	—
3	Taco Bell, MO	Marshall, MO	6/4/2014	1,405	—
4	Abbie Lakes OH Partners, LLC	Canal Winchester, OH	9/30/2014	12,600	21,569
5	Kengary Way OH Partners, LLC	Reynoldsburg, OH	9/30/2014	11,500	22,945
6	Lakeview Trail OH Partners, LLC	Canal Winchester, OH	9/30/2014	26,500	43,656
7	Lakepoint OH Partners, LLC	Pickerington, OH	9/30/2014	11,000	25,935
8	Sunbury OH Partners, LLC	Columbus, OH	9/30/2014	13,000	21,372
9	Heatherbridge OH Partners, LLC	Blacklick, OH	9/30/2014	18,416	31,810
10	Jefferson Chase OH Partners, LLC	Blacklick, OH	9/30/2014	13,551	27,625
11	Goldenstrand OH Partners, LLC	Hilliard, OH	10/29/2014	7,810	17,195
12	Vesper Tuscaloosa, LLC	Tuscaloosa, AL	9/28/2016	54,500	41,101
13	Vesper Iowa City, LLC	Iowa City, IA	9/28/2016	32,750	23,700
14	Vesper Corpus Christi, LLC	Corpus Christi, TX	9/28/2016	14,250	10,311

No.	Property Name	City	Acquisition Date	Purchase Price	Mortgage Outstanding
15	Vesper Campus Quarters, LLC	Corpus Christi, TX	9/28/2016	18,350	13,533
16	Vesper College Station, LLC	College Station, TX	9/28/2016	41,500	30,606
17	Vesper Statesboro, LLC	Statesboro, GA	9/28/2016	7,500	7,435
18	9220 Old Lantern Way, LLC	Laurel, MD	1/30/2017	187,250	152,799
19	7915 Baymeadows Circle Owner, LLC	Jacksonville, FL	10/31/2017	95,700	88,529
20	8025 Baymeadows Circle Owner, LLC	Jacksonville, FL	10/31/2017	15,300	15,408
21	23275 Riverside Drive Owner, LLC	Southfield, MI	11/8/2017	52,000	54,176
22	23741 Pond Road Owner, LLC	Southfield, MI	11/8/2017	16,500	18,747
23	150 Steeplechase Way Owner, LLC	Largo, MD	1/10/2018	44,500	35,837
24	Olentangy Commons Owner LLC	Columbus, OH	6/1/2018	113,000	92,876
25	Villages of Wildwood Holdings LLC	Fairfield, OH	7/20/2018	46,500	58,393
26	Falling Creek Holdings LLC	Richmond, VA	8/8/2018	25,000	25,374
27	Crown Pointe Passthrough LLC	Danbury, CT	8/30/2018	108,500	89,400
28	Lorring Owner LLC	Forestville, MD	10/30/2018	58,521	47,680
29	Hamptons Apartments Owner, LLC	Beachwood, OH	1/9/2019	96,500	79,520
30	5224 Long Road Holdings, LLC	Orlando, FL	6/28/2019	26,500	21,200
31	Druid Hills Holdings LLC	Atlanta, GA	7/30/2019	96,000	79,104
32	Bel Canto NPRC Parcstone LLC	Fayetteville, NC	10/15/2019	45,000	42,793
33	Bel Canto NPRC Stone Ridge LLC	Fayetteville, NC	10/15/2019	21,900	21,545
34	Sterling Place Holdings LLC	Columbus, OH	10/28/2019	41,500	34,196
35	SPCP Hampton LLC	Dallas, TX	11/2/2020	36,000	38,843
36	Palmetto Creek Holdings LLC	North Charleston, SC	11/10/2020	33,182	25,865
37	Valora at Homewood Holdings LLC	Homewood, AL	11/19/2020	81,250	63,844
38	NPRC Fairburn LLC	Fairburn, GA	12/14/2020	52,140	43,900
39	NPRC Grayson LLC	Grayson, GA	12/14/2020	47,860	40,500
40	NPRC Taylors LLC	Taylors, SC	1/27/2021	18,762	14,075
41	Parkside at Laurel West Owner LLC	Spartanburg, SC	2/26/2021	57,005	42,025
42	Willows at North End Owner LLC	Spartanburg, SC	2/26/2021	23,255	19,000
43	SPCP Edge CL Owner LLC	Webster, TX	3/12/2021	34,000	25,496
44	Jackson Pear Orchard LLC	Ridgeland, MS	6/28/2021	50,900	42,975
45	Jackson Lakeshore Landing LLC	Ridgeland, MS	6/28/2021	22,600	17,955
46	Jackson Reflection Pointe LLC	Flowood, MS	6/28/2021	45,100	33,203
47	Jackson Crosswinds LLC	Pearl, MS	6/28/2021	41,400	38,601
48	Elliot Apartments Norcross, LLC	Norcross, GA	11/30/2021	128,000	106,610
49	Orlando 442 Owner, LLC (West Vue Apartments)	Orlando, FL	12/30/2021	97,500	73,000
50	NPRC Wolfchase LLC	Memphis, TN	3/18/2022	82,100	60,000
51	NPRC Twin Oaks LLC	Hattiesburg. MS	3/18/2022	44,850	35,620
52	NPRC Lancaster LLC	Birmingham, AL	3/18/2022	37,550	29,227
53	NPRC Rutland LLC	Macon, GA	3/18/2022	29,750	23,938
54	Southport Owner LLC (Southport Crossing)	Indianapolis, IN	3/29/2022	48,100	36,075
55	TP Cheyenne, LLC	Cheyenne, WY	5/26/2022	27,500	17,656
56	TP Pueblo, LLC	Pueblo, CO	5/26/2022	31,500	20,166
57	TP Stillwater, LLC	Stillwater, OK	5/26/2022	26,100	15,328
58	TP Kokomo, LLC	Kokomo, IN	5/26/2022	20,500	12,753
59	Terraces at Perkins Rowe JV LLC	Baton Rouge, LA	11/14/2022	41,400	29,566
60	NPRC Apex Holdings LLC	Cincinnati, OH	1/19/2024	34,225	27,712
61	NPRC Parkton Holdings LLC	Cincinnati, OH	1/19/2024	45,775	37,090
				$ 2,629,676	$ 2,280,833

The fair value of our investment in NPRC was $1,696,462 as of June 30, 2024, a premium of $588,151 from its amortized cost basis, compared to a fair value of $1,659,976 as of June 30, 2023, representing a premium of $696,663. The decrease in premium is primarily driven by a rise in discount rates and terminal capitalization rates, decrease in market interest rates, and increased debt in the capital structure, offset by growth in the net operating income in our real estate portfolio.

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.

The fair value of our investment in Nationwide decreased to $43,162 as of June 30, 2024, representing a discount of $10,253 to its amortized cost basis, compared to a fair value of $47,572 as of June 30, 2023, representing a premium of $4,129 to its amortized cost basis. The decrease in fair value was primarily driven by increased debt in the capital structure and reduction of comparable company trading multiples.

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. R-V is a provider of engineering and manufacturing services to chemical, paper, pharmaceutical, and power industries.

The fair value of our investment in R-V increased to $102,402 as of June 30, 2024, representing a premium of $58,214 to its amortized cost basis, compared to a fair value of $81,508 as of June 30, 2023, representing a premium of $41,020 to its amortized cost basis. The increase in premium to amortized cost was driven primarily by an improvement in financial performance, due to the positive impact of two strategic acquisitions closed in the last year, and due to an expansion of comparable company trading multiples.

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 Adviser. 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 as of June 30, 2019.

The fair value of our investment in UTP increased to $68,067 as of June 30, 2024, a premium of $432 from its amortized cost basis, compared to a fair value of $45,065 as of June 30, 2023, representing a discount of $20,119 to it amortized cost. The increase in fair value was driven by an improvement in financial performance and expansion of comparable company trading multiples.

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 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") 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 $316,419 as of June 30, 2024, a premium of $220,508 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 premium to amortized cost was driven by an improvement in financial performance and expansion of comparable company trading multiples.

Our controlled investments, including those discussed above, are valued at $592,160 above their amortized cost as of June 30, 2024.

Affiliate and Non-Control Company Investments

We hold two affiliate investments at June 30, 2024 (Nixon, Inc. and RGIS Services, LLC, ("RGIS")) with a total fair value of $18,069, a premium of $6,475 from their combined amortized cost, compared to a fair value as $10,397 of June 30, 2023, representing a $1,542 premium to its amortized cost. The increase in premium to amortized cost was driven by an improvement in RGIS' 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. Note that three of our non-control/non-

affiliate investments, Credit.com Holdings, LLC, Town & Country Holdings, Inc. ("Town & Country"), and our CLO investment portfolio, have larger equity positions and are therefore more susceptible to changes in value than the rest of our non-control/non-affiliate investments. As of June 30, 2024, 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 $92,010 discount to amortized cost. Additionally, as of June 30, 2024, nine of our non-control/ non-affiliate investments, United Sporting Companies, Inc. ("USC"), Research Now Group, LLC and Dynata, LLC (collectively, "Research Now"), K&N HoldCo, LLC ("K&N"), Rising Tide Holdings, Inc. ("West Marine"), Credit.com Holdings, LLC, WellPath Holdings, Inc. ("WellPath"), Aventiv Technologies, LLC, Medical Solutions Holdings, Inc., and Reception Purchaser, LLC, are valued at discounts to amortized cost of $79,564, $48,533, $24,914, $19,968, $17,596, $14,113, $10,519, $9,457, and $7,983, respectively.

Our largest non-control/non-affiliate investment is Town & Country, which is valued at $16,383 above its amortized cost and represents approximately 6.5% of our net asset value as of June 30, 2024. Town & Country is a supplier of home textiles and accessories to retailers throughout North America. Excluding those non-control/non-affiliate investments discussed above, our remaining non-control/non-affiliate portfolio is valued at a discount of $19,292 to amortized cost as of June 30, 2024.

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 June 30, 2024 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 January 2021, May 2021 and September 2021; and Prospect Capital InterNotes® which we issue from time to time. As of June 30, 2024, our equity capital is comprised of common and preferred equity.

The following table shows our outstanding debt as of June 30, 2024:

	Principal Outstanding	Unamortized Discount & Debt Issuance Costs	Net Carrying Value	Fair Value	Effective Interest Rate
Revolving Credit Facility	$ 794,796	$ 22,975	$ 794,796	$ 794,796	1M SOFR + 2.05 %
2025 Notes	156,168	649	155,519	155,632	6.63 %
Convertible Notes	156,168		155,519	155,632	
2026 Notes	400,000	3,263	396,737	381,344	3.98 %
3.364% 2026 Notes	300,000	3,388	296,612	275,601	3.60 %
3.437% 2028 Notes	300,000	5,782	294,218	256,050	3.64 %
Public Notes	1,000,000		987,567	912,995	
Prospect Capital InterNotes®	504,028	7,999	496,029	479,748	6.33 %
Total	$ 2,454,992		$ 2,433,911	$ 2,343,171	

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

	Principal Outstanding	Unamortized Discount & Debt Issuance Costs	Net Carrying Value	Fair Value	Effective Interest Rate
Revolving Credit Facility	$ 1,014,703	$ 15,569	$ 1,014,703	$ 1,014,703	1M SOFR + 2.05 %
2025 Notes	156,168	1,577	154,591	154,107	6.63 %
Convertible Notes	156,168		154,591	154,107	
6.375% 2024 Notes	81,240	108	81,132	80,818	6.57 %
2026 Notes	400,000	5,244	394,756	354,896	3.98 %
3.364% 2026 Notes	300,000	4,730	295,270	252,282	3.60 %
3.437% 2028 Notes	300,000	7,021	292,979	230,472	3.64 %
Public Notes	1,081,240		1,064,137	918,468	
Prospect Capital InterNotes®	358,105	6,688	351,417	313,538	5.77 %
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 June 30, 2024:

	Payments Due by Fiscal Year ending June 30,						
	Total	2025	2026	2027	2028	2029	After 5 Years
Revolving Credit Facility	$ 794,796	$ —	$ —	$ —	$ —	$ 794,796	$ —
Convertible Notes	156,168	156,168	—	—	—	—	—
Public Notes	1,000,000	—	400,000	300,000	—	300,000	—
Prospect Capital InterNotes®	504,028	1,499	38,319	128,065	15,254	72,829	248,062
Total Contractual Obligations	$2,454,992	$ 157,667	$ 438,319	$ 428,065	$ 15,254	$1,167,625	$ 248,062

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, 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 June 28, 2024, we completed an extension and upsizing of the revolving credit facility (the "Revolving Credit Facility"). The lenders have extended commitments of $2,066,500 as of June 30, 2024. The Revolving Credit Facility includes an accordion feature which allows commitments to be increased up to $2,250,000 in the aggregate. The extension and upsizing of the Revolving Credit Facility extended the maturity date to June 28, 2029 and the revolving period through June 28, 2028, 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 June 30, 2024 and June 30, 2023, we had $830,124 and $697,325, respectively, available to us for borrowing under the Revolving Credit Facility, net of $794,796 and $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 details.

Convertible 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 June 30, 2024 and 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 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 year ended June 30, 2024, we repaid the remaining outstanding principal amount of $81,240 of the 6.375% 2024 Notes, plus interest, at maturity.

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 June 30, 2024 and 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 June 30, 2024 and 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 June 30, 2024 and June 30, 2023, the outstanding aggregate principal amount of the 3.437% 2028 Notes was $300,000 and $300,000, respectively.

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 June 30, 2024 and June 30, 2023, the aggregate principal amount of Prospect Capital InterNotes® outstanding were $504,028 and $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 year ended June 30, 2024, our net asset value applicable to common shares decreased by $20,932, or $0.50 per common share.

During the year ended June 30, 2024, net investment income of $419,836, or $1.02 per basic weighted average common share, exceeded distributions to common and preferred stockholders of $395,722 (including distributions classified as return of capital distributions to common stockholders), or $0.96 per basic weighted average common share, resulting in a net increase of $0.06 per basic weighted average common share. This net increase was offset by net realized and unrealized losses of $174,331, or $0.42 per basic weighted average share, and $0.15 of dilution per common share related to issuances of common stock through our dividend reinvestment plan and through conversion of Preferred Stock, as applicable, during the year ended June 30, 2024. The following table shows the calculation of net asset value per common share as of June 30, 2024 and June 30, 2023:

	June 30, 2024	June 30, 2023
Net assets available to common stockholders	$ 3,711,733	$ 3,732,665
Shares of common stock issued and outstanding	424,846,963	404,033,549
Net asset value per common share	$ 8.74	$ 9.24

Results of Operations

For information regarding results of operations for the year ended June 30, 2022, see the Company's Form 10-K for the fiscal year ended June 30, 2023.

Operating results for the years ended June 30, 2024 and June 30, 2023 were as follows:

	Years Ended June 30,	
	2024	2023
Investment income	$ 861,662	$ 852,213
Operating expenses	441,826	431,284
Net investment income	419,836	420,929
Net realized (losses) from investments	(417,443)	(41,046)
Net change in unrealized gains (losses) from investments	260,689	(481,344)
Net realized (losses) on extinguishment of debt	(248)	(180)
Net increase (decrease) in net assets resulting from operations	262,834	(101,641)
Preferred stock dividend	(98,089)	(71,153)
Net (loss) gain on redemptions of preferred stock	(5,173)	321
(Loss) on Accretion to Redemption Value of Preferred Stock	(12,156)	—
Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders	$ 147,416	$ (172,473)

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:

	Years Ended June 30,	
	2024	2023
Interest income	$ 770,312	$ 760,785
Dividend income	11,953	8,405
Other income	79,397	83,023
Total investment income	$ 861,662	$ 852,213
Average debt principal of performing interest bearing investments[1]	$ 7,250,734	$ 7,093,360
Weighted average interest rate earned on performing interest bearing investments[1]	10.62%	10.73%
Average debt principal of all interest bearing investments[2]	$ 7,686,032	$ 7,490,519
Weighted average interest rate earned on all interest bearing investments[2]	10.02%	10.16%

[1] Excludes equity investments and non-accrual loans.
[2] Excludes equity investments.

The average interest earned on interest bearing performing assets decreased to 10.62% for the year ended June 30, 2024 from 10.73% for the year ended June 30, 2023. The weighted average interest rate earned on our performing interest bearing investments decreased by 0.11% due to a decrease in income from our structured credit investments to $35,722 from $94,232, for the years ended June 30, 2024 and 2023, respectively, offset by 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 increased to $726,654 from $660,699, for the years ended June 30, 2024 and 2023, respectively. The average interest earned on all interest bearing assets decreased to 10.02% for the year ended June 30, 2024 from 10.16% for the year ended June 30, 2023. The weighted average interest rate earned on all interest bearing investments decreased by 0.14% primarily due to a decrease in income from our structured credit investments for the years ended June 30, 2024 and 2023, respectively, and offset by an increase to interest income due to LIBOR/SOFR rates rising above our floors amongst our interest-bearing investments.

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 years ended June 30, 2024 and June 30, 2023, respectively:

	Years Ended June 30,	
	2024	2023
Dividend income		
The RK Logistics Group, Inc.	$ 3,243	$ —
RGIS Services, LLC	2,291	1,374
NMMB, Inc.	657	2,510
Valley Electric Company, Inc.	—	547
Other	5,762	3,974
Total dividend income	$ 11,953	$ 8,405

Other income is comprised of structuring fees, advisory fees, amendment fees, royalty interests, receipts for residual net profit and revenue interests, administrative agent fees and other miscellaneous and sundry cash receipts. The following table describes other income earned for the years ended June 30, 2024 and June 30, 2023, respectively:

	Years Ended June 30,	
	2024	2023
Structuring and amendment fees		
National Property REIT Corp.	$ 16,470	$ —
iQor Holdings, Inc.	1,500	—
Faraday Buyer, LLC	1,404	2,012
USG Intermediate, LLC	850	1,285
The RK Logistics Group, Inc.	844	—
Emerge Intermediate, Inc.	825	—
Pacific World Corporation	812	—
Discovery Point Retreat	686	—
Collections Acquisition Company, Inc.	658	—
Julie Lindsey, Inc.	550	—
WatchGuard Technologies, Inc.	—	2,275
Japs-Olson Company, LLC	—	2,075
NH Kronos Buyer, Inc.	—	2,063
Burgess Point Purchaser Corporation	—	1,200
Duke's Root Control Inc.		1,048
Other, net	3,067	6,173
Total structuring and amendment fees	$ 27,666	$ 18,131
Royalty, net profit and revenue interests		
National Property REIT Corp.	$ 50,329	$ 63,530
Other, net	672	732
Total royalty and net revenue interests	$ 51,001	$ 64,262
Administrative agent fees		
Other, net	$ 730	$ 630
Total administrative agent fees	$ 730	$ 630
Total other income	$ 79,397	$ 83,023

Other income for the year ended June 30, 2024 decreased by $3,626 compared to the year ended June 30, 2023 primarily due to a $13,261 decrease in royalty and net revenue interests offset by a $9,535 increase in structuring and amendment fees.

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 year ended June 30, 2024 and June 30, 2023, we recognized $41,707 and $27,106 of non-recurring income, respectively. The $14,601 increase in nonrecurring income during the year ended June 30, 2024 is primarily due to the $9,535 increase in structuring and amendment fees, $16,470 of which is primarily due to efforts to amend and restate the NPRC credit agreement during the year, offset by a decrease of $6,935 in other investment activity, an increase of $1,518 in prepayment premium income, and an increase of $3,548 in dividend 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:

	Years Ended June 30,	
	2024	2023
Base management fee	$ 157,001	$ 155,084
Income incentive fee	80,548	87,435
Interest and credit facility expenses	160,246	148,204
Allocation of overhead from Prospect Administration	25,781	20,578
Audit, compliance and tax related fees	3,717	4,874
Directors' fees	570	525
Other general and administrative expenses	13,963	14,584
Total operating expenses	$ 441,826	$ 431,284

Total gross and net base management fee was $157,001 and $155,084 for the years ended June 30, 2024 and 2023, respectively. The increase in total gross base management fee is directly related to an increase in average total assets.

For the years ended June 30, 2024 and 2023, we incurred $80,548 and $87,435 of income incentive fees, respectively. This decrease was driven by a corresponding decrease in pre-incentive fee net investment income (net of preferred stock dividends) to $402,295 from $437,211 for the years ended June 30, 2024, and 2023, respectively. No capital gains incentive fee has yet been incurred pursuant to the Investment Advisory Agreement.

During the years ended June 30, 2024 and 2023, we incurred $160,246 and $148,204, respectively, of interest and credit facility expenses related to our Revolving Credit Facility, Convertible Notes, Public Notes and Prospect Capital InterNotes® (collectively, 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:

	Years ended June 30,	
	2024	2023
Interest on borrowings	$ 143,571	$ 134,446
Amortization of deferred financing costs	7,470	6,980
Accretion of discount on unsecured debt	2,876	3,013
Facility commitment fees	6,329	3,765
Total interest and credit facility expenses	$ 160,246	$ 148,204
Average principal debt outstanding	$ 2,640,888	$ 2,762,086
Annualized weighted average stated interest rate on borrowings[(1)]	5.44 %	4.87 %
Annualized weighted average interest rate on borrowings[(2)]	6.07 %	5.37 %

(1) Includes only the stated interest expense.

(2) Includes the stated interest expense, amortization of deferred financing costs, accretion of discount on Convertible and Public Notes and commitment fees on the undrawn portion of our Revolving Credit Facility.

Interest expense was $143,571 and $134,446 for the years ended June 30, 2024 and 2023, respectively. The weighted average stated interest rate on borrowings (excluding amortization, accretion and undrawn facility fees) was 5.44% and 4.87% for the years ended June 30, 2024 and 2023, respectively. The weighted average interest rate on borrowings was 6.07% and 5.37% for the years ended June 30, 2024 and 2023, respectively. These increases are primarily due to increased interest expense from increased SOFR rates for our Revolving Credit Facility partially offset by the maturity of the 2023 and 2024 Notes, resulting in 0.51% of the decrease to the weighted average interest rate on borrowings.

The allocation of net overhead expense from Prospect Administration was $25,781 and $20,578 for the years ended June 30, 2024 and 2023, respectively. Prospect Administration received estimated payments of $4,410 and $2,664 directly from our portfolio companies, and certain funds managed by the Investment Adviser for legal and tax services during the years ended June 30, 2024 and 2023, 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 year ended June 30, 2023. Had Prospect Administration not received these payments, Prospect Administration's charges for its administrative services would have increased by this amount. The increase in the allocated net overhead expense for the year ended June 30, 2024 compared to the prior year period is primarily due to increased managerial assistance and administrative allocations.

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 $18,250 and $19,983 for the years ended June 30, 2024 and June 30, 2023, respectively. The decrease was primarily attributable to a decrease in audit, compliance and tax related fees, as well as other general and administrative expenses, partially offset by an increase in legal fees.

Net Realized Gains (Losses)

The following table details net realized gains (losses) from investments for the years ended June 30, 2024 and June 30, 2023:

	Years Ended June 30,	
Portfolio Company	**2024**	**2023**
Targus Group International, Inc.	—	16,143
NMMB Inc.	$ 1,041	$ (2,510)
Other, net	156	(71)
Strategic Materials Holding Corp.	(6,793)	(82)
Shutterfly, LLC	—	(1,944)
Dunn Paper, Inc.	—	(8,791)
Venio LLC	—	(14,325)
Engine Group, Inc.	(28,968)	—
Curo Group Holdings Corp.	(42,322)	—
Structured Subordinated Notes, net	(159,111)	(29,466)
PGX Holdings, Inc.	(181,446)	—
Net realized gains (losses) from investments	$ (417,443)	$ (41,046)

The net realized loss during the year ended June 30, 2024 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 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 years ended June 30, 2024 and June 30, 2023, we recorded a net realized loss from the extinguishment of debt of $248 and $180, respectively. Refer to *Capitalization* for additional discussion.

Net Realized Gain from Redemptions of Preferred Stock

During the years ended June 30, 2024 and June 30, 2023, we recorded a realized loss of $5,173 and a realized gain of $321, respectively, from a preferred stock tender offer, preferred stock repurchases, and conversions of preferred stock to common stock. During the year ended June 30, 2024 we recorded a net realized loss of $12,156 from the accretion to redemption value of redeemable securities. No such losses were recorded during the year ended June 30, 2023. Refer to *Financial Condition, Liquidity, and Capital Resources* for additional discussion.

Change in Unrealized Gains (Losses)

The following table details net change in unrealized gains (losses) for our portfolio for the years ended June 30, 2024 and June 30, 2023, respectively:

	Years Ended June 30,	
	2024	2023
Control investments	$ 8,959	$ (122,210)
Affiliate investments	4,933	(86,440)
Non-control/non-affiliate investments	246,797	(272,694)
Net change in unrealized gains (losses)	$ 260,689	$ (481,344)

The following table reflects net change in unrealized gains (losses) on investments for the year ended June 30, 2024:

	Net Change in Unrealized Gains (Losses)
PGX Holdings, Inc. [(1)]	$ 179,986
Valley Electric Company, Inc.	145,872
Subordinated Structured Notes	109,757
Curo Group Holdings Corp. [(2)]	29,985
Engine Group, Inc. [(3)]	29,090
Universal Turbine Parts, LLC	20,551
R-V Industries, Inc.	17,194
Other, net	16,778
MITY, Inc.	12,255
Discovery Point Retreat, LLC	7,563
BCPE North Star US Holdco 2, Inc.	6,477
Rising Tide Holdings, Inc.	(7,405)
Reception Purchaser, LLC	(8,734)
Medical Solutions Holdings, Inc.	(9,492)
Securus Technologies Holdings, Inc.	(10,344)
CCS-CMGC Holdings, Inc.	(10,998)
Nationwide Loan Company LLC	(14,382)
InterDent, Inc.	(17,333)
Credit.com Holdings, LLC	(17,596)
First Tower Finance Company LLC	(21,520)
Town & Country Holdings, Inc.	(22,740)
CP Energy Services Inc.	(23,692)
Research Now Group, LLC and Dynata, LLC	(42,071)
National Property REIT Corp.	(108,512)
Net change in unrealized gains (losses)	$ 260,689

(1) Our PGX 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. Refer to *Net Realized Gains (Losses)* above.

(2) Our Curo Group Holdings Corp. First Lien Term Loan was sold for $4,700 with a remaining cost basis at sale of $47,022, resulting in a realized loss of $42,322. Upon the sale of Curo, we reversed all previously recorded unrealized losses related to our investment.

(3) Our Engine Group, Inc. First Lien Term Loan and Class B Common Units were written-off and we recorded a realized loss of $1,977 and $26,991, respectively, while reversing our previously recorded unrealized losses related to our investment in Engine, in the same amount.

The following table reflects net change in unrealized gains (losses) on investments for the year ended June 30, 2023:

	Net Change in Unrealized Gains (Losses)
Town & Country Holdings, Inc.	$ 39,123
InterDent, Inc.	32,042
R-V Industries, Inc.	24,585
United Sporting Companies, Inc.	15,433
Universal Turbine Parts, LLC	13,950
The RK Logistics Group, Inc.	11,014
MITY, Inc.	8,752
Dunn Paper, Inc.	6,493
Research Now Group, LLC (f/k/a Research Now Group, Inc.) and Dynata, LLC (f/k/a Survey Sampling International, LLC)	(6,740)
BCPE North Star US Holdco 2, Inc.	(10,462)
Rising Tide Holdings, Inc.	(11,444)
Pacific World Corporation	(11,912)
Curo Group Holdings Corp.	(13,506)
USES Corp.	(13,543)
NMMB, Inc.	(15,763)
Credit Central Loan Company, LLC	(17,554)
CP Energy Services Inc.	(22,645)
K&N HoldCo, LLC	(23,181)
Targus Cayman HoldCo Limited	(33,202)
First Tower Finance Company LLC	(48,602)
Other, net	(53,378)
National Property REIT Corp.	(55,878)
PGX Holdings, Inc.	(294,926)
Net change in unrealized gains (losses)	$ (481,344)

Financial Condition, Liquidity and Capital Resources

For the years ended June 30, 2024 and June 30, 2023, our operating activities provided $279,983 and used $220,846 of cash, respectively. The $500,829 increase is primarily driven by a $306,993 decrease in originations, a $112,966 increase in repayments, and a $70,320 increase in net reductions to Subordinated Structured Notes and related costs for the year ended June 30, 2024 compared to the year ended June 30, 2023. There were no investing activities for the years ended June 30, 2024 and June 30, 2023. Financing activities used $289,757 and provided $281,128 of cash during the year ended June 30, 2024 and June 30, 2023, respectively, which included dividend payments and distributions to common and preferred stockholders of $360,288 and $299,143, respectively. The $570,885 decrease is primarily driven by a $502,579 decrease in issuance of preferred stock, and $61,145 decrease in dividends and distributions paid to stockholders, offset by a $3,715 increase in net debt issuances, for the year ended June 30, 2024 compared to the year ended June 30, 2023.

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 year ended June 30, 2024, we borrowed $1,143,500 and we made repayments totaling $1,363,407 under the Revolving Credit Facility. As of June 30, 2024, our outstanding balance on the Revolving Credit Facility was $794,796. As of June 30, 2024, we had, net of unamortized discount and debt issuance costs, $155,519 outstanding on the Convertible Notes, $987,567 outstanding on the Public Notes and $496,029 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 June 30, 2024 and June 30, 2023, we had $34,771 and $47,875, 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 June 30, 2024 and June 30, 2023, as they were all floating rate instruments that repriced frequently.

On February 10, 2023, we filed a registration statement on Form N-2 (File No. 333-269714) that was effective upon filing pursuant to Rule 462(e) under the Securities Act, 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 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, February 10 2023, and December 29, 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 80,000,000 shares, par value $0.001 per share, of preferred stock, with a liquidation preference of $25.00 per share. Such convertible preferred stock may 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, February 10, 2023, and December 28, 2023 (two filings) 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, 60,000,000, 160,000,000, and 40,000,000 shares, respectively, of the Company's authorized and unissued shares of common stock into shares of preferred stock as "Convertible Preferred Stock." As part of this offering, we also issue our Floating Rate Series A4 Preferred Stock ("Series A4 Preferred Stock"), and the Floating Rate Series M4 Preferred Stock ("Series M4 Preferred Stock" and together with the Series A4 Preferred Stock, the "Floating Rate Preferred Stock"), which are not convertible.

On October 30, 2020, and as amended on February 18, 2022, October 7, 2022, and 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 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, the 6.50% Preferred Stock, and the Floating Rate 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 (i) holders of the Floating Rate Preferred Stock will have dividends on their Floating Rate Preferred Stock reinvested in additional shares of Floating Rate Preferred Stock at a price per share of $25.00, and (ii) 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 $23.75 (95% of the stated value of $25.00 per share), if they elect.

Each series of 5.50% Preferred Stock, 6.50% Preferred Stock, and Floating Rate 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. Shares of the Floating Rate Preferred Stock do not have a Holder Optional Conversion Feature.

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 the two year anniversary of the date on which a share of Floating Rate 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 and, for listed shares of Floating Rate Preferred Stock, two years from the earliest date on which any series that has been listed was first issued (the earlier of such dates as applicable to a series of Preferred Stock, the "Redemption Eligibility Date"), such share of 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 to be redeemed plus unpaid dividends accrued to, but not including, the date fixed for redemption.

Shares of the Floating Rate Preferred Stock are redeemable, at the option of the holder of such Floating Rate Preferred Stock, on a monthly basis (the "Holder Optional Redemption"). For all shares of Floating Rate Preferred Stock duly submitted for redemption on or before a monthly Holder Redemption Deadline (defined in the prospectus supplement dated December 29, 2023), the HOR Settlement Amount (as defined below) is determined on any business day after such Holder Redemption Deadline but before the Holder Redemption Deadline occurring two months thereafter (such date, the "Holder Redemption Exercise Date"). Within such period, we may select the Holder Redemption Exercise Date in our sole discretion. We will settle any Holder Optional Redemption by paying the HOR Settlement Amount in cash. In addition, the aggregate amount of Holder Optional Redemptions by the holder of Floating Rate Preferred Stock is subject to the following redemption limits: (i) no more than 2% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per calendar month; (ii) no more than 5% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per fiscal quarter and (iii) no more than 20% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per Annual Redemption Period. An "Annual Redemption Period" means our then current fiscal quarter and the three fiscal quarters immediately preceding our then current fiscal quarter. A share of Series A4 Preferred Stock is subject to an early redemption fee if it is redeemed by its holder within five years of issuance. Redemption capacity of the Floating Rate Preferred Stock will be

allocated on a pro rata basis based on the number of shares of Floating Rate Preferred Stock, as applicable, submitted in the event that a monthly redemption is oversubscribed, based on any of the foregoing redemption limits. We may waive the foregoing redemption limits in our sole discretion at any time.

For the Series A4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, minus (C) the Series A4 Preferred Stock Holder Optional Redemption fee applicable on the respective Holder Redemption Deadline.

For the Series M4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, but if a holder of Series M4 Preferred Stock exercises a Holder Optional Redemption within the first twenty-four months of issuance of such Series M4 Preferred Stock, the HOR Settlement Amount payable to such holder will be reduced by (i) during the first twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the six-month period prior to the Holder Redemption Exercise Date, and (ii) during the second twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the three-month period prior to the Holder Redemption Exercise Date (such amount, the "Series M4 Shares Clawback"). We are permitted to waive the Series M4 Shares Clawback through public announcement of the terms and duration of such waiver. Any such waiver would apply to any holder of Preferred Stock qualifying for the waiver and exercising a Holder Optional Redemption during the pendency of the term of such waiver. Although we have retained the right to waive the Series M4 Shares Clawback in the manner described above, we are not required to establish any such waivers and we may never establish any such waivers.

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. Shares of the Floating Rate Preferred Stock do not have an Issuer Optional Conversion feature. The Company actively manages its offerings of preferred stock and, although it may or may not be presently offering a particular series of its preferred stock, the Company may determine to issue any of its authorized series of preferred stock (and, in connection therewith, to relaunch the offering of any particular series, if previously terminated) based on its assessment of market conditions, demand, and appropriate cost of capital in light of the foregoing and the overall construction of its portfolio and capital structure.

During the year ended June 30, 2024, we exchanged an aggregate of 901,755 Series M1 Preferred Stock for an aggregate of 348,125 and 553,630 newly-issued Series M3 Preferred Stock and Series M4 Preferred Stock, respectively, pursuant to Section 3(a)(9) of the Securities Act. During the year ended June 30, 2024, we exchanged an aggregate of 338,068 Series M3 Preferred Stock for an aggregate of 338,068 newly-issued Series M4 Preferred Stock pursuant to the Securities Act. The Series M3 Preferred Stock and Series M4 Preferred Stock issued in the exchanges were issued in each case to an existing security holder of the Company exclusively in exchange for such holder's securities. No commission or other remuneration was paid or given for soliciting the exchange. Stockholders who exchange Series M1 Preferred Stock for Series M3 Preferred Stock or Series M4 Preferred Stock or Series M3 Preferred Stock for Series M4 Preferred Stock will receive unpaid dividends on their Series M1 Preferred Stock or Series M3 Preferred Stock accrued to, but not including, the Exchange Exercise Date in cash. Upon

settlement, the carrying amount (including any premiums or discounts and a proportional amount of any issuance costs) of the Series M1 Preferred Stock or Series M3 Preferred Stock are reclassified to Series M3 Preferred Stock or Series M4 Preferred stock, respectively, with no gain or loss recognized.

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. On June 16, 2022, our Board of Directors authorized the repurchase of up to 1.5 million shares our Series A Preferred Stock and further on October 11, 2023, authorized any and all outstanding Series A Preferred Stock to be repurchased. 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 year ended June 30, 2024, we repurchased 80,303 shares of Series A Preferred Stock for a total cost of approximately $1,279, including fees and commissions paid to the broker, representing an average repurchase price of $15.76 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was $1,937, resulted in a gain applicable to common stock holders of approximately $657 during the year ended June 30, 2024. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

During the year ended June 30, 2023, we repurchased 37,346 shares of Series A Preferred Stock for a total cost of approximately $579, including fees and commissions paid to the broker, representing an average repurchase price of $15.42 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was $900, resulted in a gain applicable to common stock holders of approximately $321 during the year ended June 30, 2023. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

On October 30, 2023, we commenced a tender offer (the "Series A Preferred Stock Tender Offer") to purchase for cash any and all of 5,882,351 shares of outstanding Series A Preferred Stock at a price of $15.88, plus accrued and unpaid dividends for a total consideration of $16.00 per share. The Series A Preferred Stock Tender Offer expired at 5:00 p.m., New York City time, on November 29, 2023 and as a result, $15,780 aggregate liquidation amount of the Series A Preferred Stock were validly tendered and accepted, and we recognized a realized gain of $5,197 from the purchase of 631,194 shares of Series A Preferred Stock in the amount of the difference between the consideration transferred and the net carrying amount of the Series A Preferred 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 of Directors 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 of Directors 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.

The Floating Rate Preferred Stock is redeemable at the election of the Holder at any time; therefore, is probable of redemption outside of the Company's control. As a result, the Floating Rate Preferred Stock is classified within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of June 30, 2024 and is accreted to redemption value upon issuance. Accretion to redemption value is treated as an adjustment to net increase (decrease) in net assets resulting from operations applicable to common stockholders on our *Consolidates Statement of Operations.*

For so long as the Series A Preferred Stock and the Floating Rate 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 June 30, 2024 and June 30, 2023.

We determined the estimated value as of June 30, 2024 of our 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate 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 Annual Report on Form 10-K for the year ended June 30, 2024 (the "Form 10-K"), 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, 6.50% Preferred Stock and Floating Rate Preferred Stock, the estimated value of our 5.50% Preferred Stock, 6.50% Preferred Stock and Floating Rate Preferred Stock as of June 30, 2024 is $25.00 per share.

Common Stock

Our common stockholders' equity accounts as of June 30, 2024 and 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 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 year ended June 30, 2024 or June 30, 2023. As of June 30, 2024, the approximate dollar value of shares that may yet be purchased under the Repurchase Program is $65,860.

On June 10, 2024, 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 July 30, 2024, we increased total commitments to the Revolving Credit Facility by $55 million to $2.1215 billion in the aggregate. Aggregate commitments are from an expanded group of 48 banks.

On August 6, 2024, we funded a $127,000 first lien senior secured term loan to support the refinancing of Global Tel*Link Corporation (d/b/a ViaPath Technologies.). In connection with the refinancing, our $9,497 first lien term loan and $122,670 second lien term loan to Global Tel*Link Corporation (d/b/a ViaPath Technologies.) were fully repaid at par.

During the period of July 1, 2024, through August 28, 2024, we issued $73,483 in aggregate principal amount of Prospect Capital InterNotes® for net proceeds of $72,410, with $6,659 of such aggregate principal amount scheduled to settle on August 29, 2024.

On August 28, 2024, we announced the declaration of monthly dividends for our Floating Rate Preferred Stock for holders of record on the following dates based on an annualized rate equal to 7.27601% 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), authorized on August 27, 2024:

Monthly Cash Floating Rate Preferred Shareholder Distribution	Record Date	Payment Date	Monthly Amount ($ per share), before pro ration for partial periods
September 2024	9/18/2024	10/1/2024	$0.151584
October 2024	10/16/2024	11/1/2024	$0.151584
November 2024	11/20/2024	12/2/2024	$0.151584

On August 28, 2024, 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), as follows:

Monthly Cash 5.50% Preferred Shareholder Distribution	Record Date	Payment Date	Monthly Amount ($ per share), before pro ration for partial periods
September 2024	9/18/2024	10/1/2024	$0.114583
October 2024	10/16/2024	11/1/2024	$0.114583
November 2024	11/20/2024	12/2/2024	$0.114583

On August 28, 2024, 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), as follows:

Monthly Cash 6.50% Preferred Shareholder Distribution	Record Date	Payment Date	Monthly Amount ($ per share), before pro ration for partial periods
September 2024	9/18/2024	10/1/2024	$0.135417
October 2024	10/16/2024	11/1/2024	$0.135417
November 2024	11/20/2024	12/2/2024	$0.135417

On August 28, 2024, 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)
August 2024 - October 2024	10/16/2024	11/1/2024	$0.334375

On August 28, 2024, 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)
September 2024	9/26/2024	10/22/2024	$0.0600
October 2024	10/29/2024	11/19/2024	$0.0600

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 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 consolidated financial statements for more information on 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 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 June 30, 2024 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 and equity 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 firms 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 June 30, 2024, $4,798,765, $2,846,887, and $22,940 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 7A. 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 heightened interest rates in response to inflation, conflict between Russia and Ukraine and the Israel-Hamas war 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."

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."

Our debt investments may be based on floating rates or fixed rates. For our floating rate loans the rates are determined from the SOFR, EURO Interbank Offer Rate, the Federal Funds Rate or the Prime Rate. The floating interest rate loans may be subject to a SOFR floor. Our loans typically have durations of one, three or six months after which they reset to current market interest rates. As of June 30, 2024, 82.14% 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 is one-month SOFR plus 205 basis points with no minimum SOFR floor and there is $794,796 outstanding as of June 30, 2024. Dividends for the Floating Rate Preferred Stock are equal to one-month Term SOFR (which will reset upon each dividend declaration by the Board of Directors) plus 2.00%, subject to a minimum and maximum annualized dividend rate of 6.50% and 8.00%, respectively. There are 5,167,913 shares of the Floating Rate Preferred Stock outstanding as of June 30, 2024. See Note 9. Equity Offerings, Offering Expenses, and Distributions for further discussion on our Floating Rate Preferred Stock. The Convertible Notes, Public Notes, Prospect Capital InterNotes® and remaining Preferred Stock bear interest at fixed rates.

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 June 30, 2024, assuming no changes in our investment and borrowing structure:

Basis Point Change (in thousands)	Increase (Decrease) in Interest Income	(Increase) Decrease in Interest Expense	Increase (Decrease) in Net Investment Income	Increase (Decrease) in Incentive Fee (2)	Increase (Decrease) in Net Investment Income(1)
Up 300 basis points	$ 141,583	$ 23,844	$ 117,739	$ 873	$ 93,493
Up 200 basis points	94,389	15,896	78,493	873	62,096
Up 100 basis points	47,194	7,948	39,246	873	30,699
Down 100 basis points	(46,551)	(7,948)	(38,603)	(1,065)	(30,030)
Down 200 basis points	(86,225)	(15,896)	(70,329)	(1,065)	(55,411)
Down 300 basis points	(121,078)	(23,844)	(97,234)	(1,065)	(76,935)

(1) Includes the impact of income incentive fees. See Note 13 in the accompanying *Consolidated Financial Statements* for more information on income incentive fees.

(2) Includes the impact of the Floating Rate Preferred Stock dividend.

As of June 30, 2024, one, three, and six month SOFR were 5.34%, 5.32% and 5.26%, 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 year ended June 30, 2024, we did not engage in hedging activities.

Item 8. Financial Statements

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Prospect Capital Corporation

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying consolidated statements of assets and liabilities of Prospect Capital Corporation (the "Company"), including the consolidated schedule of investments, as of June 30, 2024, the related consolidated statements of operations, cash flows, changes in net assets and the financial highlights for the year then ended, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Company as of June 30, 2024, and the results of its operations, changes in net assets, cash flows , and the financial highlights for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of June 30, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 28, 2024 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements and financial highlights based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of investments owned as of June 30, 2024, by correspondence with the custodian, loan agents, and borrowers; when replies were not received, we performed other auditing procedures. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Fair Valuation of Level 3 Investments - ***Refer to Notes 2 and 3 to the financial statements***

Critical Audit Matter Description

The Company held certain portfolio investments classified as Level 3 investments including First and Second Lien debt, Unsecured debt, Equity, and Collateralized Loan Obligation ("CLO") investments, which are also referred to as Subordinated Structured Notes. The Company's determination of fair value for these Level 3 investments involved subjective judgments and estimates including the selection of valuation methodologies and unobservable inputs.

We identified the valuation of Level 3 investments as a critical audit matter given the significant judgments made by the Company to estimate the fair value. This required a high degree of auditor judgment and extensive audit effort, including the need to involve fair value specialists who possess significant valuation experience, to evaluate the appropriateness of the valuation methodologies and the significant unobservable inputs used by the Company in the determination fair value.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the valuation of Level 3 investments included the following, among others:

- We tested the design, implementation, and operating effectiveness of the Company's controls over the valuation of Level 3 investments, including those over the selection of valuation methodologies and development of unobservable inputs.
- We evaluated the appropriateness of the valuation methodologies and the reasonableness of the significant unobservable inputs. For a selection of Level 3 investments, we utilized the assistance of our fair value specialists to perform our audit procedures.
- With the assistance of our fair value specialists, we developed independent fair value estimates and compared our estimates to the Company's selected values for a selection of Level 3 investments.
- We evaluated management's ability to reasonably estimate fair value by comparing management's historical estimates of fair value to subsequent transactions, taking into account changes in market or investment specific conditions, where applicable.

/s/ DELOITTE & TOUCHE LLP

New York, New York

August 28, 2024

We have served as the Company’s auditor since 2023.

Report of Independent Registered Public Accounting Firm

Stockholders and Board of Directors
Prospect Capital Corporation
New York, New York

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities of Prospect Capital Corporation (the "Company"), including the consolidated schedule of investments, as of June 30, 2023, and the related consolidated statements of operations, changes in net assets and temporary equity, and cash flows for each of the two years in the period ended June 30, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023, and the results of its operations, changes in its net assets and temporary equity, and its cash flows for each of the two years in the period ended June 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our procedures included confirmation of securities owned as of June 30, 2023 by correspondence with the custodians, brokers and portfolio companies; when replies were not received, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, P.C.

We served as the Company's auditor from 2005 to 2023.

New York, New York
September 8, 2023

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

	June 30, 2024	June 30, 2023
Assets		
Investments at fair value:		
Control investments (amortized cost of $3,280,415 and $2,988,496, respectively)(Note 14)	$ 3,872,575	$ 3,571,697
Affiliate investments (amortized cost of $11,594 and $8,855, respectively)	18,069	10,397
Non-control/non-affiliate investments (amortized cost of $4,155,165 and $4,803,245, respectively)	3,827,599	4,142,837
Total investments at fair value (amortized cost of $7,447,174 and $7,800,596, respectively)(Note 3)	7,718,243	7,724,931
Cash and cash equivalents (restricted cash of $3,974 and $5,074, respectively)	85,872	95,646
Receivables for:		
Interest, net	26,936	22,701
Other	1,091	1,051
Deferred financing costs on Revolving Credit Facility (Note 4)	22,975	15,569
Prepaid expenses	1,162	1,149
Due from broker	734	617
Due from Affiliate (Note 13)	79	2
Total Assets	7,857,092	7,861,666
Liabilities		
Revolving Credit Facility (Notes 4 and 8)	794,796	1,014,703
Public Notes (less unamortized discount and debt issuance costs of $12,433 and $17,103, respectively) (Notes 6 and 8)	987,567	1,064,137
Prospect Capital InterNotes® (less unamortized debt issuance costs of $7,999 and $6,688, respectively) (Notes 7 and 8)	496,029	351,417
Convertible Notes (less unamortized debt issuance costs of $649 and $1,577, respectively) (Notes 5 and 8)	155,519	154,591
Due to Prospect Capital Management (Note 13)	58,624	61,651
Dividends payable	25,804	31,033
Interest payable	21,294	22,684
Due to broker	10,272	94
Due to Prospect Administration (Note 13)	5,433	4,066
Accrued expenses	3,591	4,926
Due to Affiliate (Note 13)	—	161
Other liabilities	242	1,524
Total Liabilities	2,559,171	2,710,987
Commitments and Contingencies (Note 3 and Note 15)		
Preferred Stock, par value $0.001 per share (647,900,000 and 447,900,000 shares of preferred stock authorized, with 80,000,000 and 72,000,000 as Series A1, 80,000,000 and 72,000,000 as Series M1, 80,000,000 and 72,000,000 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, 80,000,000 and 72,000,000 as Series A3, 80,000,000 and 72,000,000 as Series M3, 80,000,000 and 0 as Series A4, 80,000,000 and 0 as Series M4, 20,000,000 and 20,000,000 as Series AA2, and 20,000,000 and 20,000,000 as Series MM2, each as of June 30, 2024 and June 30, 2023; 28,932,457 and 30,965,138 Series A1 shares issued and outstanding, 1,788,851 and 3,681,591 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 164,000 Series A2 shares issued and outstanding, 5,251,157 and 5,962,654 Series A shares issued and outstanding, 24,810,648 and 18,829,837 Series A3 shares issued and outstanding, 3,351,101 and 2,498,788 Series M3 shares issued and outstanding, 1,401,747 and 0 Series M4 shares issued and outstanding, 3,766,166 and 0 Series A4 issued and outstanding, 0 and 0 Series AA2 shares issued and outstanding, and 0 and 0 Series MM2 shares issued and outstanding as of June 30, 2024 and June 30, 2023, respectively) at carrying value plus cumulative accrued and unpaid dividends (Note 9)	1,586,188	1,418,014
Net Assets Applicable to Common Shares	$ 3,711,733	$ 3,732,665
Components of Net Assets Applicable to Common Shares and Net Assets, respectively		
Common stock, par value $0.001 per share (1,352,100,000 and 1,552,100,000 common shares authorized; 424,846,963 and 404,033,549 issued and outstanding, respectively) (Note 9)	425	404
Paid-in capital in excess of par (Note 9 and 12)	4,208,607	4,085,207
Total distributable (loss) (Note 12)	(497,299)	(352,946)
Net Assets Applicable to Common Shares	$ 3,711,733	$ 3,732,665
Net Asset Value Per Common Share (Note 16)	$ 8.74	$ 9.24

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended June 30,		
	2024	**2023**	**2022**
Investment Income			
Interest income:			
Control investments	$ 280,537	$ 256,974	$ 225,494
Affiliate investments	—	15,034	30,349
Non-control/non-affiliate investments	454,053	394,545	251,346
Structured credit securities	35,722	94,232	77,496
Total interest income	770,312	760,785	584,685
Dividend income:			
Control investments	737	3,207	14,649
Affiliate investments	2,291	1,374	256
Non-control/non-affiliate investments	8,925	3,824	120
Total dividend income	11,953	8,405	15,025
Other income:			
Control investments	68,735	65,224	79,782
Affiliate investments	—	133	4,032
Non-control/non-affiliate investments	10,662	17,666	27,380
Total other income (Note 10)	79,397	83,023	111,194
Total Investment Income	861,662	852,213	710,904
Operating Expenses			
Base management fee (Note 13)	157,001	155,084	140,370
Income incentive fee (Note 13)	80,548	87,435	79,491
Interest and credit facility expenses	160,246	148,204	117,416
Allocation of overhead from Prospect Administration (Note 13)	25,781	20,578	13,797
Audit, compliance and tax related fees	3,717	4,874	3,107
Directors' fees	570	525	491
Other general and administrative expenses	13,963	14,584	12,332
Total Operating Expenses	441,826	431,284	367,004
Net Investment Income	419,836	420,929	343,900
Net Realized and Net Change in Unrealized Gains (Losses) from Investments			
Net realized gains (losses)			
Control investments	1,039	(2,512)	3,958
Affiliate investments	—	16,143	—
Non-control/non-affiliate investments	(418,482)	(54,677)	(17,142)
Net realized gains (losses)	(417,443)	(41,046)	(13,184)
Net change in unrealized gains (losses)			
Control investments	8,959	(122,210)	268,126
Affiliate investments	4,933	(86,440)	(2,629)
Non-control/non-affiliate investments	246,797	(272,694)	(3,472)
Net change in unrealized gains (losses)	260,689	(481,344)	262,025
Net Realized and Net Change in Unrealized Gains (Losses) from Investments	(156,754)	(522,390)	248,841
Net realized losses on extinguishment of debt	(248)	(180)	(10,157)
Net Increase (Decrease) in Net Assets Resulting from Operations	262,834	(101,641)	582,584
Preferred Stock dividends	(98,089)	(71,153)	(25,935)
Net gain (loss) on redemptions of Preferred Stock	(5,173)	321	—
(Loss) on Accretion to Redemption Value of Preferred Stock	(12,156)	—	—
Net Increase (Decrease) in Net Assets Resulting from Operations applicable to Common Stockholders	$ 147,416	$ (172,473)	$ 556,649
Basic and diluted earnings (loss) per common share (Note 11)			
Basic	$ 0.36	$ (0.43)	$ 1.43
Diluted	$ 0.34	$ (0.43)	$ 1.34
Weighted-average shares of common stock outstanding (Note 11)			
Basic	412,703,365	398,514,965	390,571,648
Diluted	625,276,736	398,514,965	433,791,771

See notes to consolidated financial statements.

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

	Preferred Stock Classified as Temporary Equity		Preferred Stock	Common Stock				
	Shares	Carrying Value	Liquidation Value	Shares	Par	Paid-in capital in excess of par	Distributable earnings (loss)	Total Net Assets
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 Resulting from Operations:								
Net investment income							343,900	343,900
Net realized losses							(23,341)	(23,341)
Net change in net unrealized gains							262,025	262,025
Distributions to Stockholders:								
Distributions from earnings (Note 12)							(303,634)	(303,634)
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)
Transfer of preferred stock issuance costs to temporary equity(3)		(11,970)				11,970		11,970
Issuance of preferred stock	23,866,884	559,107	7,866			(13,239)		(5,373)
Value of shares issued through reinvestment of dividends	13,946	350	8	4,524,956	5	34,988		35,001
Conversion of preferred stock to common stock	(69,476)	(1,664)		219,908		1,667		1,667
Net increase in preferred dividend accrual		1,339						—
Tax reclassifications of net assets (Note 12)						20	(20)	—
Total (decrease) increase for the year ended June 30, 2022	29,607,882	692,076	(137,040)	4,744,864	5	31,711	278,930	173,606
Balance as of June 30, 2022	29,607,882	$ 692,076	$ —	393,164,437	$ 393	$ 4,050,370	$ 68,360	$ 4,119,123
Net Decrease in Net Assets Resulting from Operations:								
Net investment income							420,929	420,929
Net realized losses							(40,905)	(40,905)
Net change in net unrealized losses							(481,344)	(481,344)
Distributions to Stockholders(1):								
Distributions from earnings (Note 12)							(320,015)	(320,015)
Return of capital to common stockholders (Note 12)						(38,379)		(38,379)
Capital Transactions								
Issuance of preferred stock	33,450,286	748,223						—
Repurchase of Preferred Stock	(37,346)	(900)						—
Value of shares issued through reinvestment of dividends	60,629	1,514		7,474,975	7	50,352		50,359
Conversion of preferred stock to common stock	(979,442)	(22,894)		3,393,837	4	22,890		22,894
Conversion of Convertible Notes to common stock				300		3		3
Net decrease in preferred dividend accrual		(5)						—
Tax reclassifications of net assets (Note 12)						(29)	29	—
Total (decrease) increase for the year ended June 30, 2023	32,494,127	725,938	—	10,869,112	11	34,837	(421,306)	(386,458)
Balance as of June 30, 2023	62,102,009	$ 1,418,014	$ —	404,033,549	$ 404	$ 4,085,207	$ (352,946)	$ 3,732,665
Net Decrease in Net Assets Resulting from Operations:								
Net investment income							419,836	419,836
Net realized losses							(435,020)	(435,020)
Net change in net unrealized gains							260,689	260,689
Distributions to Stockholders(1):								
Distributions from earnings (Note 12)							(389,263)	(389,263)
Return of capital to common stockholders (Note 12)						(6,459)		(6,459)
Capital Transactions								
Issuance of preferred stock	11,311,600	250,775						—
Accretion of preferred stock to redemption value		12,110						—
Repurchase of Preferred Stock	(711,497)	(17,155)						—
Value of shares issued through reinvestment of dividends	143,210	3,417		6,736,142	8	37,391		37,399
Conversion of preferred stock to common stock	(3,379,195)	(80,829)		14,077,272	13	91,873		91,886
Conversion of Convertible Notes to common stock								—
Net decrease in preferred dividend accrual		(144)						—
Tax reclassifications of net assets (Note 12)						595	(595)	—
Total (decrease) increase for the year ended June 30, 2024	7,364,118	168,174	—	20,813,414	21	123,400	(144,353)	(20,932)
Balance as of June 30, 2024	69,466,127	$ 1,586,188	$ —	424,846,963	$ 425	$ 4,208,607	$ (497,299)	$ 3,711,733

(1) Certain reclassifications have been made in the presentation of prior year and prior quarter amounts to conform to the presentation for the current fiscal year. In addition, we have not yet finalized return of capital estimates, if any, for the current tax year ended August 31, 2024. 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 year ended June 30, 2022, we we transferred all preferred stock issuance costs related to preferred stock issued as temporary equity following our transfer 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.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except share data)

	Year Ended June 30,		
	2024	**2023**	**2022**
Operating Activities			
Net increase (decrease) in net assets resulting from operations	$ 262,834	$ (101,641)	$ 582,584
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	248	180	10,157
Net realized losses on investments	417,443	41,046	13,184
Net change in unrealized (gains) losses on investments	(260,689)	481,344	(262,025)
Accretion of premiums, net	(5,844)	(5,283)	(12,709)
Amortization of deferred financing costs	7,470	6,980	8,024
Accretion of original issue discount	2,876	3,013	2,815
Payment-In-Kind interest	(134,505)	(132,087)	(83,124)
Structuring fees	(7,603)	(15,017)	(18,798)
Change in operating assets and liabilities:			
Payments for purchases of investments	(622,348)	(929,341)	(2,220,365)
Proceeds from sale of investments and collection of investment principal	536,830	423,834	1,108,419
Net Reductions to Subordinated Structured Notes and related investment cost	83,403	13,083	74,686
(Increase) decrease in interest receivable, net	(4,235)	(9,776)	(350)
(Increase) decrease in due from broker	(117)	(617)	12,551
(Increase) decrease in other receivables	(40)	(306)	(380)
(Increase) decrease in due from Affiliate	(77)	(2)	—
(Increase) decrease in prepaid expenses	(13)	(71)	(6)
Increase (decrease) in due to broker	10,178	94	(14,854)
Increase (decrease) in due to Prospect Administration	1,367	1,785	(2,554)
Increase (decrease) in due to Prospect Capital Management	(3,027)	3,551	9,488
Increase (decrease) in accrued expenses	(1,335)	1,617	(1,842)
Increase (decrease) in interest payable	(1,390)	(3,985)	(690)
Increase (decrease) in due to Affiliate	(161)	161	—
Increase (decrease) in other liabilities	(1,282)	592	450
Net Cash Provided by (Used in) Operating Activities	279,983	(220,846)	(795,339)
Financing Activities			
Borrowings under Revolving Credit Facility (Note 4)	1,143,500	1,544,600	2,151,121
Principal payments under Revolving Credit Facility (Note 4)	(1,363,407)	(1,369,361)	(1,668,594)
Issuances of Public Notes, net of original issue discount (Note 6)	—	—	294,798
Redemptions of Convertible Notes (Note 5)	—	(60,501)	(51,872)
Redemptions of Public Notes (Note 6)	(81,240)	(284,218)	(69,319)
Issuances of Prospect Capital InterNotes® (Note 7)	156,840	17,867	163,036
Redemptions of Prospect Capital InterNotes®, net (Note 7)	(10,917)	(7,326)	(324,183)
Financing costs paid and deferred	(13,719)	(8,433)	(11,334)
Proceeds from issuance of preferred stock, net of underwriting costs	257,084	759,663	559,884
Offering costs from issuance of preferred stock	(6,309)	(11,440)	(6,149)
Repurchase of Preferred Stock	(11,301)	(580)	—
Dividends paid and distributions to common and preferred stockholders	(360,288)	(299,143)	(270,295)
Net Cash Provided by (Used in) Financing Activities	(289,757)	281,128	767,093
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(9,774)	60,282	(28,246)
Cash, Cash Equivalents and Restricted Cash at beginning of period	95,646	35,364	63,610
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 85,872	$ 95,646	$ 35,364
Supplemental Disclosures			
Cash paid for interest	$ 151,290	$ 142,196	$ 107,627
Non-Cash Financing Activities			
Value of shares issued through reinvestment of dividends	40,816	51,873	35,351
Conversion of preferred stock to common stock	80,829	—	—

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024
(in thousands, except share data)

Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 Principal Value	Amortized Cost	Fair Value(2)	% of Net Assets	
Control Investments (greater than 25.00% voting control)(40)											
CP Energy Services Inc. (20)	Energy Equipment & Services	First Lien Term Loan	10/1/2017	14.56% (3M SOFR+ 9.00%)	1.00	4/4/2027	$ 59,303	$ 59,303	$ 51,139	1.4%	(10)(39)
		First Lien Term Loan	4/5/2022	14.56% (3M SOFR+ 9.00%)	1.00	4/4/2027	7,619	7,619	6,570	0.2%	(10)(39)
		First Lien Term Loan	1/6/2023	14.56% (3M SOFR + 9.00%)	1.00	4/4/2027	15,090	15,090	13,012	0.4%	(10)(39)
		First Lien Term Loan A to Spartan Energy Services, LLC	10/20/2014	13.59% PIK (3M SOFR+ 8.00%)	1.00	12/31/2025	36,608	36,608	35,103	0.9%	(10)(39)
		First Lien Term Loan A to Spartan Energy Services, LLC	10/20/2014	13.60% (3M SOFR+ 8.00%)	1.00	12/31/2025	4,569	4,569	4,382	0.1%	(10)
		Series A Preferred Units to Spartan Energy Holdings, Inc. (10,000 shares)	9/25/2020	15.00%	—	N/A	—	26,193	—	—%	(16)
		Series B Redeemable Preferred Stock (790 shares)	10/30/2015	16.00%	—	N/A	—	63,225	—	—%	(16)
		Common Stock (102,924 shares)	8/2/2013		—	N/A	—	86,240	—	—%	(16)
								298,847	**110,206**	**3.0%**	
Credit Central Loan Company, LLC (21)	Consumer Finance	First Lien Term Loan	12/28/2012	5.00% plus 5.00% PIK	—	9/15/2027	82,629	82,629	79,230	2.1%	(14)(39)
		Class A Units (14,867,312 units)	12/28/2012		—	N/A	—	19,331	—	—%	(14)(16)
		Preferred Class P Shares (12,897,188 units)	7/1/2022	12.75%	—	N/A	—	11,520	—	—%	(14)(16)
		Net Revenues Interest (25% of Net Revenues)	1/28/2015		—	N/A	—	—	—	—%	(14)(16)
								113,480	**79,230**	**2.1%**	
Echelon Transportation, LLC	Aerospace & Defense	First Lien Term Loan	3/31/2014	6.00%	—	12/7/2026	54,739	54,739	54,739	1.5%	
		Membership Interest (100%)	3/31/2014		—	N/A	—	22,738	—	—%	(16)
		Preferred Units (41,751,342 shares)	1/31/2022	12.75% PIK	—	N/A	—	32,843	12,184	0.3%	(16)
								110,320	**66,923**	**1.8%**	
First Tower Finance Company LLC (23)	Consumer Finance	First Lien Term Loan to First Tower, LLC	6/24/2014	10.00% plus 5.00% PIK	—	12/18/2027	424,992	424,992	424,992	11.4%	(14)(39)
		Class A Units (95,709,910 units)	6/14/2012		—	N/A	—	31,146	180,936	4.9%	(14)(16)
								456,138	**605,928**	**16.3%**	
Freedom Marine Solutions, LLC (24)	Energy Equipment & Services	Membership Interest (100%)	11/9/2006		—	N/A	—	46,142	12,651	0.3%	(16)
								46,142	**12,651**	**0.3%**	
InterDent, Inc.	Health Care Providers & Services	First Lien Term Loan A/B	8/1/2018	20.11% (1M SOFR+ 14.65%)	2.00	9/5/2025	14,249	14,249	14,249	0.4%	(3)(10)
		First Lien Term Loan A	8/3/2012	10.96% (1M SOFR+ 5.50%)	1.00	9/5/2025	95,823	95,823	95,823	2.6%	(3)(10)
		First Lien Term Loan B	8/3/2012	12.00% PIK		9/5/2025	206,356	206,356	206,356	5.6%	(39)
		Common Stock (99,900 shares)	5/3/2019		—	N/A	—	45,118	147,455	4.0%	(16)
								361,546	**463,883**	**12.6%**	
Kickapoo Ranch Pet Resort	Diversified Consumer Services	First Lien Term Loan	1/11/2024	12.83% (3M SOFR+ 7.50%)	3.00	1/10/2029	1,500	1,500	1,500	—%	(10)
		Membership Interest (100%)	8/26/2019		—	N/A	—	2,378	3,242	0.1%	
								3,878	**4,742**	**0.1%**	
MITY, Inc. (25)	Commercial Services & Supplies	First Lien Term Loan A	9/19/2013	12.59% (3M SOFR+ 7.00%)	3.00	4/30/2025	37,224	37,224	37,224	1.0%	(3)(10)(39)
		First Lien Term Loan B	6/23/2014	12.59% (3M SOFR+ 7.00%) plus 10.00% PIK	3.00	4/30/2025	18,274	18,274	18,274	0.5%	(10)(39)
		Unsecured Note to Broda Enterprises ULC	9/19/2013	10.00%	—	1/1/2028	5,380	7,200	7,200	0.2%	(14)
		Common Stock (42,206 shares)	9/19/2013		—	N/A	—	27,349	22,885	0.6%	(16)
								90,047	**85,583**	**2.3%**	

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 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 Investment Trusts (REITs) / Online Lending / Structured Finance	First Lien Term Loan A	12/31/2018	4.25% (3M SOFR+ 0.25%) plus 2.00% PIK	4.00	3/31/2026	$ 643,801	$ 643,801	$ 643,801	17.4%	(10)(39)
		First Lien Term Loan B	12/31/2018	7.60% (3M SOFR+ 2.00%)	3.00	3/31/2026	20,630	20,630	20,630	0.6%	(10)(39)
		First Lien Term Loan C	10/31/2019	15.60%(3M SOFR+ 10.00%) plus 2.25% PIK	1.00	3/31/2026	190,500	190,500	190,500	5.1%	(10)(39)
		First Lien Term Loan D	6/19/2020	4.25% (3M SOFR+ 0.25%) plus 2.00% PIK	4.00	3/31/2026	183,425	183,425	183,425	4.9%	(10)(39)
		First Lien Term Loan E	11/14/2022	7.00% (3M SOFR + 1.50%) plus 7.00% PIK	5.50	3/31/2026	49,925	49,925	49,925	1.3%	(10)(39)
		Residual Profit Interest	12/31/2018		—	N/A	—	—	46,193	1.2%	(35)
		Common Stock (3,374,914 shares)	12/31/2013		—	N/A	—	20,030	561,988	15.1%	(16)(45)
								1,108,311	**1,696,462**	**45.6%**	
Nationwide Loan Company LLC (27)	Consumer Finance	First Lien Delayed Draw Term Loan - $7,350 Commitment	5/15/2024	10.00% plus 10.00% PIK	—	5/15/2029	5,378	5,378	5,378	0.2%	(14)(39)
		First Lien Term Loan	6/18/2014	10.00% plus 10.00% PIK	—	5/15/2029	27,192	27,192	27,192	0.8%	(14)(39)
		Class A Units (38,550,460 units)	1/31/2013		—	N/A	—	20,845	10,592	0.3%	(14)(16)
								53,415	**43,162**	**1.3%**	
NMMB, Inc. (28)	Media	First Lien Term Loan	12/30/2019	14.09% (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	—	—	64,542	1.7%	
								29,723	**94,265**	**2.5%**	
Pacific World Corporation (36)	Personal Products	First Lien Revolving Line of Credit - $26,000 Commitment	9/26/2014	9.59% PIK (1M SOFR+ 3.99%)	1.00	9/26/2025	34,174	34,174	34,174	0.9%	(10)(15)(39)
		First Lien Term Loan A	12/31/2014	9.59% PIK (1M SOFR+ 3.99%)	1.00	9/26/2025	64,427	64,427	64,427	1.7%	(10)(39)
		Convertible Preferred Equity (608,048 shares)	6/15/2018	12.00% PIK	—	N/A	—	221,795	6,062	0.2%	(16)
		Common Stock (6,778,414 shares)	9/29/2017		—	N/A	—	—	—	—%	(16)
								320,396	**104,663**	**2.8%**	
R-V Industries, Inc.	Machinery	First Lien Term Loan	12/15/2020	14.59% (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	65,080	1.8%	(16)
								44,188	**102,402**	**2.8%**	
Universal Turbine Parts, LLC (34)	Trading Companies & Distributors	First Lien Delayed Draw Term Loan - $6,965 Commitment	2/28/2019	13.34% (3M SOFR+ 7.75%)	1.00	10/5/2026	5,560	5,560	5,560	0.1%	(10)(15)
		First Lien Term Loan A	7/22/2016	11.34% (3M SOFR+ 5.75%)	1.00	10/5/2026	29,575	29,575	29,575	0.8%	(3)(10)
		Preferred Units (71,039,647 units)	3/31/2021	12.75% PIK	—	N/A	—	32,500	32,932	0.9%	(16)
		Common Stock (10,000 units)	12/10/2018		—	N/A	—	—	—	—%	(16)
								67,635	**68,067**	**1.8%**	
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	12,219	12,219	12,219	0.3%	(10)(39)
		First Lien Term Loan A	3/31/2014	9.00% PIK	—	7/29/2024	71,875	30,651	3,770	0.1%	(9)
		First Lien Term Loan B	3/31/2014	15.50% PIK	—	7/29/2024	122,247	35,568	—	—%	(9)
		Common Stock (268,962 shares)	6/15/2016		—	N/A	—	—	—	—%	(16)
								80,438	**17,989**	**0.5%**	
Valley Electric Company, Inc. (31)	Construction & Engineering	First Lien Term Loan to Valley Electric Co. of Mt. Vernon, Inc.	12/31/2012	10.56% (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	38,629	38,629	38,629	1.0%	(3)(39)
		First Lien Term Loan B	3/28/2022	7.00% plus 5.50% PIK	—	4/30/2028	34,777	34,777	34,777	0.9%	(3)(39)
		Consolidated Revenue Interest (2.00%)	6/22/2018		—	N/A	—	—	1,863	0.1%	(12)
		Common Stock (50,000 shares)	12/31/2012		—	N/A	—	12,053	230,698	6.2%	(16)
								95,911	**316,419**	**8.5%**	
							Total Control Investments	**$3,280,415**	**$3,872,575**	**104.3%**	

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

							June 30, 2024			
Portfolio Company	**Industry**	**Investments(1)(37)**	**Acquisition 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 (8.00%)	6/25/2020		—	N/A	—	11,594	18,069	0.5 %
								11,594	**18,069**	**0.5 %**
						Total Affiliate Investments		**$ 11,594**	**$ 18,069**	**0.5 %**

See notes to consolidated financial statements.

PROSPECT CAPITAL CORPORATION
CONSOLIDATED SCHEDULES OF INVESTMENTS AS OF JUNE 30, 2024 (Continued)
(in thousands, except share data)

Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 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	13.21% (1M SOFR+ 7.75%)	—	10/1/2026	$ 32,133	$ 32,044	$ 29,965	0.8 % (10)
								32,044	**29,965**	**0.8 %**
Apidos CLO XI	Structured Finance	Subordinated Structured Note	12/6/2012	Residual Interest, current yield 10.21%	—	4/17/2034	67,783	38,825	32,235	0.9 % (5)(14)
								38,825	**32,235**	**0.9 %**
Apidos CLO XII	Structured Finance	Subordinated Structured Note	3/15/2013	Residual Interest, current yield 5.44%	—	4/15/2031	52,203	29,081	25,312	0.7 % (5)(14)
								29,081	**25,312**	**0.7 %**
Apidos CLO XV	Structured Finance	Subordinated Structured Note	9/13/2013	Residual Interest, current yield 0.00%	—	4/21/2031	48,515	28,562	24,092	0.6 % (5)(14)(17)
								28,562	**24,092**	**0.6 %**
Apidos CLO XXII	Structured Finance	Subordinated Structured Note	9/16/2015	Residual Interest, current yield 0.00%	—	4/21/2031	35,855	26,173	22,359	0.6 % (5)(14)(17)
								26,173	**22,359**	**0.6 %**
Atlantis Health Care Group (Puerto Rico), Inc.	Health Care Providers & Services	First Lien Term Loan	2/21/2013	14.30% (3M SOFR+ 8.75%)	2.00	5/15/2025	58,184	58,184	58,184	1.6 % (3)(10)
								58,184	**58,184**	**1.6 %**
Aventiv Technologies, LLC	Communications Equipment	Second Out Super Priority First Lien Term Loan	4/2/2024	13.10% (3M SOFR+ 7.50%)	1.00	7/31/2025	1,499	1,499	1,499	— % (10)(50)
		Third Out Super Priority First Lien Term Loan	3/28/2024	6.60% (3M SOFR+ 1.00%) plus 4.09% PIK	1.00	7/31/2025	25,415	20,860	20,914	0.6 % (10)(39)(50)
		Second Lien Term Loan	3/28/2024	14.65% (3M SOFR+ 9.05%)	1.00	11/1/2025	85,602	56,671	46,098	1.2 % (10)(39)
								79,030	**68,511**	**1.8 %**
Barings CLO 2018-III	Structured Finance	Subordinated Structured Note	10/9/2014	Residual Interest, current yield 0.00%	—	7/20/2029	82,809	9,423	8,188	0.2 % (5)(14)(17)
								9,423	**8,188**	**0.2 %**
Barracuda Parent, LLC	IT Services	Second Lien Term Loan	8/15/2022	12.31% (6M SOFR+ 7.00%)	0.50	8/15/2030	20,000	19,544	20,000	0.5 % (10)
								19,544	**20,000**	**0.5 %**
BCPE North Star US Holdco 2, Inc.	Food Products	Second Lien Delayed Draw Term Loan - $5,185 Commitment	6/7/2021	12.71% (1M SOFR+ 7.25%)	0.75	6/11/2029	5,185	5,147	4,987	0.1 % (10)(15)
		Second Lien Term Loan	6/7/2021	12.71% (1M SOFR+ 7.25%)	0.75	6/11/2029	94,815	94,313	91,193	2.5 % (10)
								99,460	**96,180**	**2.6 %**
BCPE Osprey Buyer, Inc.	Health Care Technology	First Lien Revolving Line of Credit - $4,239 Commitment	10/18/2021	11.20% (1M SOFR+ 5.75%)	0.75	8/21/2026	2,261	2,261	2,261	0.1 % (10)(15)
		First Lien Delayed Draw Term Loan - $4,691 Commitment	10/18/2021	11.21% (1M SOFR+ 5.75%)	0.75	8/23/2028	4,668	4,623	4,668	0.1 % (3)(10)(15)
		First Lien Term Loan	10/18/2021	11.35% (3M SOFR+ 5.75%)	0.75	8/23/2028	63,375	63,375	63,375	1.7 % (3)(10)
								70,259	**70,304**	**1.9 %**
Belnick, LLC (d/b/a The Ubique Group)	Household Durables	First Lien Term Loan	1/20/2022	13.59% (3M SOFR+ 8.00%)	4.00	1/20/2027	84,552	84,552	84,250	2.3 % (3)(10)
								84,552	**84,250**	**2.3 %**
Boostability Parent, Inc.	IT Services	First Lien Term Loan	1/31/2022	13.56% (3M SOFR + 8.00%)	4.00	1/31/2027	42,770	42,770	42,770	1.2 % (3)(10)
								42,770	**42,770**	**1.2 %**
Broder Bros., Co.	Textiles, Apparel & Luxury Goods	First Lien Term Loan	12/4/2017	11.60% (3M SOFR+ 6.00%)	1.00	12/4/2025	153,514	153,514	153,514	4.1 % (3)(10)
								153,514	**153,514**	**4.1 %**
Burgess Point Purchaser Corporation	Automobile Components	Second Lien Term Loan	7/25/2022	14.44% (1M SOFR+ 9.00%)	0.75	7/25/2030	30,000	30,000	30,000	0.8 % (3)(10)
								30,000	**30,000**	**0.8 %**
California Street CLO IX Ltd.	Structured Finance	Subordinated Structured Note	4/19/2012	Residual Interest, current yield 3.62%	—	7/16/2032	58,915	36,482	27,997	0.8 % (5)(14)
								36,482	**27,997**	**0.8 %**

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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 Principal Value	Amortized Cost	Fair Value(2)	% of Net Assets	
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	14.19% (1M SOFR+ 8.75%)	1.00	11/13/2028	$ 8,500	$ 8,326	$ 8,500	0.2 %	(3)(10)
								8,326	**8,500**	**0.2 %**	
Carlyle C17 CLO Limited	Structured Finance	Subordinated Structured Note	1/24/2013	Residual Interest, current yield 0.00%	—	4/30/2031	24,870	8,626	7,675	0.2 %	(5)(14)(17)
								8,626	**7,675**	**0.2 %**	
Carlyle Global Market Strategies CLO 2014-4-R, Ltd.	Structured Finance	Subordinated Structured Note	4/7/2017	Residual Interest, current yield 0.00%	—	7/15/2030	25,534	13,058	11,882	0.3 %	(5)(14)(17)
								13,058	**11,882**	**0.3 %**	
Carlyle Global Market Strategies CLO 2016-3, Ltd.	Structured Finance	Subordinated Structured Note	8/9/2016	Residual Interest, current yield 5.40%	—	7/20/2034	32,200	30,456	24,009	0.6 %	(5)(14)
								30,456	**24,009**	**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	—	—	— %	(5)(14)(17)
								—	—	— %	
CIFC Funding 2013-III-R, Ltd.	Structured Finance	Subordinated Structured Note	8/2/2013	Residual Interest, current yield 0.00%	—	4/24/2031	44,100	18,932	16,604	0.4 %	(5)(14)(17)
								18,932	**16,604**	**0.4 %**	
CIFC Funding 2013-IV, Ltd.	Structured Finance	Subordinated Structured Note	10/22/2013	Residual Interest, current yield 0.00%	—	4/28/2031	45,500	27,528	23,921	0.6 %	(5)(14)(17)
								27,528	**23,921**	**0.6 %**	
CIFC Funding 2014-IV-R, Ltd.	Structured Finance	Subordinated Structured Note	8/5/2014	Residual Interest, current yield 10.98%	—	1/17/2035	50,143	36,313	28,668	0.8 %	(5)(14)
								36,313	**28,668**	**0.8 %**	
CIFC Funding 2016-I, Ltd.	Structured Finance	Subordinated Structured Note	12/9/2016	Residual Interest, current yield 12.38%	—	10/21/2031	34,000	31,837	29,854	0.8 %	(5)(14)
								31,837	**29,854**	**0.8 %**	
Collections Acquisition Company, Inc.	Diversified Financial Services	First Lien Term Loan	12/3/2019	13.21% (3M SOFR+ 7.65%)	2.50	6/3/2027	45,039	45,039	45,039	1.2 %	(3)(10)
								45,039	**45,039**	**1.2 %**	
Columbia Cent CLO 27 Limited	Structured Finance	Subordinated Structured Note	12/18/2013	Residual Interest, current yield 5.47%	—	1/25/2035	48,978	30,872	25,397	0.7 %	(5)(14)
								30,872	**25,397**	**0.7 %**	
Credit.com Holdings, LLC (6)	Diversified Consumer Services	First Lien Term Loan A	9/28/2023	16.60% (3M SOFR + 11.00%)	1.50	9/28/2028	33,237	33,237	31,658	0.9%	(10)
		First Lien Term Loan B	9/28/2023	17.60% (3M SOFR + 12.00%)	1.50	9/28/2028	56,931	56,931	40,488	1.1%	(10)
		Class B of PGX TopCo II LLC (999 Non-Voting Units)	9/28/2023		—	N/A	—	—	426	—%	(16)
								90,168	**72,572**	**2.0 %**	
Discovery Point Retreat, LLC (53)	Health Care Providers & Services	First Lien Term Loan	6/14/2024	13.35% (3M SOFR+ 7.75%	3.25	6/14/2029	17,000	17,000	16,632	0.5%	(10)
		First Lien Revolving Line of Credit - $2,500 Commitment	6/14/2024	13.35% (3M SOFR + 7.75%	—	12/14/2024	900	900	881	—%	(10)
		Series A Preferred Stock of Discovery MSO HoldCo LLC - 7,632 Units	6/14/2024	8.00% PIK	—	N/A	—	7,950	15,900	0.4%	(16)
								25,850	**33,413**	**0.9 %**	
DRI Holding Inc.	Commercial Services & Supplies	First Lien Term Loan	12/21/2021	10.69% (1M SOFR+ 5.25%)	0.50	12/21/2028	33,561	32,646	33,561	0.9 %	(3)(10)
		Second Lien Term Loan	12/21/2021	13.43% (1M SOFR+ 8.00%)	0.50	12/21/2029	145,000	145,000	145,000	3.9 %	(3)(10)
								177,646	**178,561**	**4.8 %**	
DTI Holdco, Inc.	Professional Services	First Lien Term Loan	4/26/2022	10.09%(1M SOFR+ 4.75%)	0.75	4/26/2029	18,176	17,921	18,176	0.5 %	(3)(10)(47)
		Second Lien Term Loan	4/26/2022	13.09% (1M SOFR+ 7.75%)	0.75	4/26/2030	75,000	75,000	75,000	2.0 %	(3)(10)
								92,921	**93,176**	**2.5 %**	

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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 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	11.98% (3M SOFR + 6.50%)	1.00	12/8/2028	$ 2,375	$ 2,392	$ 2,375	0.1%	(10)(15)
		First Lien Delayed Draw Term Loan - $8,929 Commitment	12/8/2022	11.98% (3M SOFR + 6.50%)	1.00	12/8/2028	3,238	3,226	3,238	0.1%	(10)(15)
		First Lien Term Loan	12/8/2022	11.99% (3M SOFR + 6.50%)	1.00	12/8/2028	36,058	36,195	36,058	1.0%	(3)(10)
								41,813	**41,671**	**1.2%**	
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	**—**	**— %**	
Engineered Machinery Holdings, Inc.	Machinery	Incremental Amendment No. 2 Second Lien Term Loan	5/6/2021	12.10% (3M SOFR+ 6.50%)	0.75	5/21/2029	5,000	4,994	5,000	0.2 %	(3)(10)
		Incremental Amendment No. 3 Second Lien Term Loan	8/6/2021	11.60% (3M SOFR+ 6.00%)	0.75	5/21/2029	5,000	5,000	5,000	0.1 %	(3)(10)
								9,994	**10,000**	**0.3 %**	
Emerge Intermediate, Inc. (51)	Health Care Providers & Services	First Lien Term Loan	2/26/2024	11.60% (3M SOFR+ 6.25%)	1.00	2/26/2026	56,329	56,329	56,329	1.5 %	(3)(10)
								56,329	**56,329**	**1.5 %**	
Enseo Acquisition, Inc.	IT Services	First Lien Term Loan	6/2/2021	13.56% (3M SOFR+ 8.00%)	1.00	6/2/2026	53,116	53,116	53,116	1.4 %	(3)(10)
								53,116	**53,116**	**1.4 %**	
Eze Castle Integration, Inc.	IT Services	First Lien Delayed Draw Term Loan - $8,036 Commitment	7/15/2020	12.84% (3M SOFR+ 7.50%)	3.00	1/15/2027	1,783	1,783	1,783	— %	(10)(15)(39)
		First Lien Term Loan	7/15/2020	12.97% (3M SOFR+ 7.50%)	3.00	1/15/2027	46,527	46,527	46,527	1.3 %	(3)(10)(39)
								48,310	**48,310**	**1.3 %**	
Faraday Buyer, LLC	Electrical Equipment	First Lien Delayed Draw Term Loan - $6,540 Commitment	10/11/2022	11.33% (3M SOFR + 6.00%)	1.00	10/11/2028	—	—	—	— %	(10)(15)
		First Lien Term Loan	10/11/2022	11.33% (3M SOFR + 6.00%)	1.00	10/11/2028	61,991	61,991	61,991	1.7 %	(3)(10)
								61,991	**61,991**	**1.7 %**	
First Brands Group	Automobile Components	First Lien Term Loan	3/24/2021	10.59% (3M SOFR+ 5.00%)	1.00	3/30/2027	22,126	22,124	22,019	0.6 %	(3)(10)(47)
		Second Lien Term Loan	3/24/2021	14.09% (3M SOFR+ 8.50%)	1.00	3/30/2028	37,000	36,850	36,788	1.0 %	(3)(10)
								58,974	**58,807**	**1.6 %**	
Galaxy XV CLO, Ltd.	Structured Finance	Subordinated Structured Note	2/13/2013	Residual Interest, current yield 0.00%	—	10/15/2030	50,525	22,434	20,386	0.5 %	(5)(14)(17)
								22,434	**20,386**	**0.5 %**	
Galaxy XXVII CLO, Ltd.	Structured Finance	Subordinated Structured Note	9/30/2013	Residual Interest, current yield 0.00%	—	5/16/2031	24,575	10,789	9,811	0.3 %	(5)(14)(17)
								10,789	**9,811**	**0.3 %**	
Galaxy XXVIII CLO, Ltd.	Structured Finance	Subordinated Structured Note	5/30/2014	Residual Interest, current yield 0.00%	—	7/15/2031	39,905	18,822	17,247	0.5 %	(5)(14)(17)
								18,822	**17,247**	**0.5 %**	
Global Tel*Link Corporation (d/b/a ViaPath Technologies.)	Diversified Telecommunication Services	First Lien Term Loan	8/7/2019	9.69% (1M SOFR + 4.25%)	—	11/29/2025	9,497	9,405	9,456	0.3 %	(3)(10)
		Second Lien Term Loan	11/20/2018	15.44% (1M SOFR + 10.00%)	—	11/29/2026	122,670	122,165	122,670	3.3 %	(3)(10)
								131,570	**132,126**	**3.6 %**	
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	8	8	— %	(5)(14)(17)
								8	**8**	**— %**	
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	53	49	— %	(5)(14)(17)
								53	**49**	**— %**	

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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 Principal Value	Amortized Cost	Fair Value(2)	% of Net Assets
Non-Control/Non-Affiliate Investments (less than 5.00% voting control)										
HarbourView CLO VII-R, Ltd.	Structured Finance	Subordinated Structured Note	6/5/2015	Residual Interest, current yield 0.00%	—	7/18/2031	$ 19,025	$ 4,285	$ 3,676	0.1 % (5)(14)(17)
								4,285	**3,676**	**0.1 %**
Help/Systems Holdings, Inc. (d/b/a Forta, LLC)	Software	Second Lien Term Loan	11/14/2019	12.20% (3M SOFR+ 6.75%)	0.75	11/19/2027	52,500	52,405	47,813	1.3 % (3)(10)
								52,405	**47,813**	**1.3 %**
Imperative Worldwide, LLC (f/k/a MAGNATE WORLDWIDE, LLC)	Air Freight & Logistics	First Lien Term Loan	3/11/2022	10.98% (3M SOFR + 5.50%)	0.75	12/30/2028	31,394	31,375	31,394	0.9 % (3)(10)
		Second Lien Term Loan	12/30/2021	13.98% (3M SOFR + 8.50%)	0.75	12/30/2029	95,000	95,000	89,758	2.4 % (3)(10)
								126,375	**121,152**	**3.3 %**
Interventional Management Services, LLC	Health Care Providers & Services	First Lien Revolving Line of Credit - $5,000 Commitment	2/22/2021	14.58% (3M SOFR+ 9.00%)	1.00	2/22/2025	5,000	5,000	4,855	0.1 % (10)(15)
		First Lien Term Loan	2/22/2021	14.58% (3M SOFR+ 9.00%)	1.00	2/20/2026	65,565	65,565	63,669	1.7 % (3)(10)
								70,565	**68,524**	**1.8 %**
iQor Holdings, Inc.	Diversified Consumer Services	First Lien Term Loan	6/11/2024	13.10% (3M SOFR+ 7.50%)	2.50	6/11/2029	50,000	50,000	50,000	1.3 % (10)
		Common Stock of Bloom Parent, Inc.	6/11/2024		—	N/A	—	10,450	10,232	0.3 % (16)
								60,450	**60,232**	**1.6 %**
Japs-Olson Company, LLC (33)	Commercial Services & Supplies	First Lien Term Loan	5/25/2023	12.08% (3M SOFR + 6.75%)	2.00	5/25/2028	57,960	57,960	57,960	1.6 % (3)(10)
								57,960	**57,960**	**1.6 %**
Jefferson Mill CLO Ltd.	Structured Finance	Subordinated Structured Note	6/26/2015	Residual Interest, current yield 0.00%	—	10/20/2031	23,594	12,391	10,955	0.3 % (5)(14)(17)
								12,391	**10,955**	**0.3 %**
Julie Lindsey, Inc.	Textiles, Apparel & Luxury Goods	First Lien Revolving Line of Credit - $2,000 Commitment	7/27/2023	11.33% (3M SOFR + 6.00%)	4.00	7/27/2027	—	—	—	— % (10)(15)
		First Lien Term Loan	7/27/2023	11.33% (3M SOFR + 6.00%)	4.00	7/27/2028	19,600	19,600	19,600	0.5 % (3)(10)
								19,600	**19,600**	**0.5 %**
K&N HoldCo, LLC	Automobile Components	Class A Common Units (84,553 units)	2/14/2023		—	N/A	—	25,697	783	— % (16)
								25,697	**783**	**— %**
KM2 Solutions LLC	IT Services	First Lien Term Loan	12/17/2020	15.05% (3M SOFR+ 9.60%)	3.00	12/17/2025	17,877	17,877	17,793	0.5 % (3)(10)
								17,877	**17,793**	**0.5 %**
LCM XIV Ltd.	Structured Finance	Subordinated Structured Note	6/25/2013	Residual Interest, current yield 0.00%	—	7/21/2031	49,934	8,510	7,699	0.2 % (5)(14)(17)
								8,510	**7,699**	**0.2 %**
LGC US FINCO, LLC	Machinery	First Lien Term Loan	1/17/2020	11.96% (1M SOFR+ 6.50%)	1.00	12/20/2025	29,231	28,985	29,231	0.8 % (3)(10)
								28,985	**29,231**	**0.8 %**
Lucky US BuyerCo LLC	Professional Services	First Lien Revolving Line of Credit - $2,775 Commitment	4/3/2023	12.85% (3M SOFR + 7.50%)	1.00	4/1/2029	1,665	1,665	1,665	— % (10)(15)
		First Lien Term Loan	4/3/2023	12.83% (3M SOFR + 7.50%)	1.00	4/1/2029	21,457	21,457	21,457	0.6 % (3)(10)
								23,122	**23,122**	**0.6 %**
MAC Discount, LLC	Household Durables	First Lien Term Loan	5/11/2023	14.08% (3M SOFR + 8.50%)	1.50	5/11/2028	34,434	34,153	34,410	0.9 % (3)(10)
		Class A Senior Preferred Stock to MAC Discount Investments, LLC (1,500,000 shares)	5/11/2023	12.00%	—	N/A	—	1,500	1,266	— % (16)
								35,653	**35,676**	**0.9 %**
Medical Solutions Holdings, Inc. (4)	Health Care Providers & Services	Second Lien Term Loan	11/1/2021	12.44% (1M SOFR+ 7.00%)	0.50	11/1/2029	54,463	54,433	44,976	1.2 % (3)(10)
								54,433	**44,976**	**1.2 %**

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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 Principal Value	Amortized Cost	Fair Value(2)	% of Net Assets
Non-Control/Non-Affiliate Investments (less than 5.00% voting control)										
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	$ 8,036	$ 7,286	0.2 % (5)(14)(17)
								8,036	**7,286**	**0.2 %**
Mountain View CLO IX Ltd.	Structured Finance	Subordinated Structured Note	5/13/2015	Residual Interest, current yield 0.00%	—	7/15/2031	47,830	11,717	10,658	0.3 % (5)(14)(17)
								11,717	**10,658**	**0.3 %**
Nexus Buyer LLC	Capital Markets	Second Lien Term Loan	11/5/2021	11.69% (1M SOFR+ 6.25%)	0.50	11/5/2029	42,500	42,500	42,500	1.1 % (3)(10)
								42,500	**42,500**	**1.1 %**
NH Kronos Buyer, Inc.	Pharmaceuticals	First Lien Term Loan	12/7/2022	11.73% (3M SOFR + 6.25%)	1.00	11/1/2028	83,562	83,467	83,562	2.3 % (3)(10)
								83,467	**83,562**	**2.3 %**
Octagon Investment Partners XV, Ltd.	Structured Finance	Subordinated Structured Note	1/24/2013	Residual Interest, current yield 0.00%	—	7/19/2030	42,064	16,842	14,471	0.4 % (5)(14)(17)
								16,842	**14,471**	**0.4 %**
Octagon Investment Partners 18-R Ltd.	Structured Finance	Subordinated Structured Note	8/12/2015	Residual Interest, current yield 0.00%	—	4/16/2031	46,016	11,267	10,177	0.3 % (5)(14)(17)
								11,267	**10,177**	**0.3 %**
OneTouchPoint Corp	Professional Services	First Lien Term Loan	2/19/2021	13.58% (3M SOFR+ 8.00%)	1.00	2/19/2026	35,047	35,047	35,047	0.9 % (3)(10)
								35,047	**35,047**	**0.9 %**
PeopleConnect Holdings, Inc. (11)	Interactive Media & Services	First Lien Term Loan	1/22/2020	13.73% (3M SOFR+ 8.25%)	2.75	1/22/2025	120,594	120,594	120,594	3.2 % (3)(10)
								120,594	**120,594**	**3.2 %**
PlayPower, Inc.	Leisure Products	First Lien Term Loan	5/7/2019	10.96% (3M SOFR+ 5.50%)	—	5/10/2026	5,711	5,693	5,526	0.1 % (10)
								5,693	**5,526**	**0.1 %**
Precisely Software Incorporated (29)	IT Services	Second Lien Term Loan	4/23/2021	12.84% (3M SOFR+ 7.25%)	0.75	4/23/2029	80,000	79,447	79,865	2.2 % (3)(10)
								79,447	**79,865**	**2.2 %**
Preventics, Inc. (d/b/a Legere Pharmaceuticals) (46)	Health Care Providers & Services	First Lien Term Loan	11/12/2021	16.10% (3M SOFR+ 10.50%)	1.00	11/12/2026	8,906	8,906	8,906	0.2 % (3)(10)
		Series A Convertible Preferred Stock (320 units)	11/12/2021	8.00%	—	N/A	—	127	183	— % (16)
		Series C Convertible Preferred Stock (3,575 units)	11/12/2021	8.00%	—	N/A	—	1,419	2,042	0.1 % (16)
								10,452	**11,131**	**0.3 %**
Raisin Acquisition Co, Inc.	Pharmaceuticals	First Lien Revolving Line of Credit - $3,583 Commitment	6/17/2022	12.61% (3M SOFR+ 7.00%)	1.00	12/13/2026	—	—	—	— % (10)(15)
		First Lien Delayed Draw Term Loan - $1,554 Commitment	6/17/2022	12.60% (3M SOFR+ 7.00%)	1.00	12/13/2026	1,425	1,403	1,425	— % (10)(15)
		First Lien Term Loan	6/17/2022	12.61% (3M SOFR+ 7.00%)	1.00	12/13/2026	22,601	22,190	22,601	0.6 % (3)(10)
								23,593	**24,026**	**0.6 %**
Reception Purchaser, LLC	Air Freight & Logistics	First Lien Term Loan	4/28/2022	11.48% (3M SOFR+ 6.00%)	0.75	3/24/2028	62,255	61,522	53,539	1.4 % (3)(10)
								61,522	**53,539**	**1.4 %**
Redstone Holdco 2 LP (22)	IT Services	Second Lien Term Loan	4/16/2021	13.21% (1M SOFR+ 7.75%)	0.75	4/27/2029	50,000	49,460	47,360	1.3 % (3)(10)
								49,460	**47,360**	**1.3 %**
Research Now Group, LLC and Dynata, LLC	Professional Services	First Lien Term Loan	6/3/2024	14.21% (1M SOFR+ 8.75%)	1.00	8/6/2024	366	359	366	— % (10)
		First Lien Term Loan	12/8/2017	13.09% (3M SOFR+ 7.50%)	1.00	12/20/2024	11,835	10,726	9,320	0.3 % (9)(10)
		Second Lien Term Loan	12/8/2017	15.09% (3M SOFR+ 9.50%)	1.00	12/20/2025	50,000	49,082	1,948	0.1 % (9)(10)
								60,167	**11,634**	**0.4 %**

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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 Principal Value	Amortized Cost	Fair Value(2)	% of Net Assets
Non-Control/Non-Affiliate Investments (less than 5.00% voting control)										
Rising Tide Holdings, Inc.	Diversified Consumer Services	First Lien Term Loan	9/25/2023	6.58% (3M SOFR+ 1.00%) plus 7.00% PIK	2.00	9/12/2028	$ 5,565	$ 5,158	$ 5,165	0.1 % (10)
		Class A Common Units of Marine One Holdco, LLC (345,600 units)	9/12/2023		—	N/A	—	23,898	3,923	0.1 % (16)
		Warrants of Marine One Holdco, LLC	9/12/2023		—	N/A	—	—	—	— % (16)
								29,056	**9,088**	**0.2 %**
The RK Logistics Group, Inc.	Commercial Services & Supplies	First Lien Term Loan	3/24/2022	16.10% (3M SOFR+ 10.50%)	1.00	12/18/2028	5,685	5,685	5,685	0.2 % (3)(10)
		First Lien Term Loan	12/19/2023	13.10% (3M SOFR + 7.50%)	4.00	12/18/2028	33,594	33,594	33,293	0.9 % (3)(10)
		Class A Common Units (263,000 units)	3/24/2022		—	N/A	—	263	1,719	— % (16)
		Class B Common Units (1,435,000 units)	3/24/2022		—	N/A	—	2,487	9,381	0.3 % (16)
		Class C Common Units (450,000 units)	6/28/2024		—	N/A	—	2,250	2,942	0.1 %
								44,279	**53,020**	**1.5 %**
RME Group Holding Company	Media	First Lien Term Loan A	5/4/2017	11.08% (3M SOFR+ 5.50%)	1.00	5/6/2025	19,624	19,624	19,624	0.5 % (3)(10)
		First Lien Term Loan B	5/4/2017	16.58% (3M SOFR+ 11.00%)	1.00	5/6/2025	20,483	20,483	20,483	0.6 % (3)(10)
								40,107	**40,107**	**1.1 %**
Romark WM-R Ltd.	Structured Finance	Subordinated Structured Note	4/11/2014	Residual Interest, current yield 0.00%	—	4/21/2031	27,725	12,450	11,173	0.3 % (5)(14)(17)
								12,450	**11,173**	**0.3 %**
Rosa Mexicano	Hotels, Restaurants & Leisure	First Lien Revolving Line of Credit - $5,182 Commitment	3/29/2018	16.00%	—	6/13/2026	5,224	5,224	4,281	0.1 % (15)
		First Lien Term Loan	3/29/2018	13.09% (3M SOFR+ 7.50%)	1.25	6/13/2026	22,358	22,358	17,269	0.5 % (10)
								27,582	**21,550**	**0.6 %**
ShiftKey, LLC	Health Care Technology	First Lien Term Loan	6/21/2022	11.35% (3M SOFR+ 5.75%)	1.00	6/21/2027	63,700	63,361	62,227	1.7 % (3)(10)
								63,361	**62,227**	**1.7 %**
Shutterfly Finance, LLC	Internet & Direct Marketing Retail	First Lien Term Loan	6/5/2023	11.35% (3M SOFR + 6.00%)	1.00	10/1/2027	2,406	2,426	2,406	0.1 % (10)
		Second Lien Term Loan	6/6/2023	6.33% (3M SOFR + 1.00%) plus 4.00% PIK	1.00	10/1/2027	18,683	18,683	15,987	0.4 % (10)(39)
								21,109	**18,393**	**0.5 %**
Spectrum Vision Holdings, LLC	Health Care Providers & Services	First Lien Term Loan	5/2/2023	12.10% (3M SOFR + 6.50%)	1.00	11/17/2024	29,620	29,620	29,620	0.8 % (3)(10)
								29,620	**29,620**	**0.8 %**
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)(17)
								—	—	— %
Symphony CLO XV, Ltd.	Structured Finance	Subordinated Structured Note	10/17/2014	Residual Interest, current yield 0.00%	—	1/19/2032	63,831	27,151	23,371	0.6 % (5)(14)(17)
								27,151	**23,371**	**0.6 %**
Town & Country Holdings, Inc.	Distributors	First Lien Term Loan	11/17/2022	12.00% PIK	12.00	8/29/2028	27,332	27,332	27,706	0.7 % (39)
		First Lien Term Loan	1/26/2018	3.00% plus 9.00% PIK	3.00	8/29/2028	40,660	40,660	41,217	1.1 % (39)
		First Lien Term Loan	1/26/2018	12.00% PIK	12.00	8/29/2028	156,734	156,734	158,882	4.3 % (39)
		Class B of Town & Country TopCo LLC (999 Non-Voting Units)	11/17/2022		—	N/A	—	—	13,304	0.4 % (16)
								224,726	**241,109**	**6.5 %**

See notes to consolidated financial statements.

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Portfolio Company	Industry	Investments(1)(37)	Acquisition Date(44)	Coupon/Yield	Floor	Legal Maturity	June 30, 2024 Principal Value	Amortized Cost	Fair Value(2)	% of Net Assets	
Non-Control/Non-Affiliate Investments (less than 5.00% voting control)											
TPS, LLC	Machinery	First Lien Term Loan	11/30/2020	14.59% (3M SOFR+ 9.00%) plus 1.50% PIK	5.00	11/30/2025	$ 21,414	$ 21,414	$ 21,414	0.6 %	(3)(10)(39)
								21,414	**21,414**	**0.6 %**	
United Sporting Companies, Inc. (18)	Distributors	Second Lien Term Loan	9/28/2012	16.45% (1ML+ 11.00%) plus 2.00% PIK	2.25	11/16/2019	190,556	89,853	10,289	0.3 %	(9)(10)
								89,853	**10,289**	**0.3 %**	
Upstream Newco, Inc.	Health Care Providers & Services	Second Lien Term Loan	11/20/2019	13.93% (3M SOFR+ 8.50%)	—	11/20/2027	22,000	21,913	19,145	0.5 %	(3)(10)
								21,913	**19,145**	**0.5 %**	
USG Intermediate, LLC	Leisure Products	First Lien Revolving Line of Credit - $14,000 Commitment	4/15/2015	14.69% (1M SOFR+ 9.25%)	1.00	2/9/2028	14,000	14,000	14,000	0.4 %	(10)(15)
		First Lien Term Loan B	4/15/2015	17.19% (1M SOFR+ 11.75%)	1.00	2/9/2028	59,765	59,765	59,765	1.6 %	(3)(10)
		Equity	4/15/2015		—	N/A	—	1	—	— %	(16)
								73,766	**73,765**	**2.0 %**	
Victor Technology, LLC	Commercial Services & Supplies	First Lien Term Loan	12/3/2021	13.09% (3M SOFR+ 7.50%)	1.00	12/3/2028	14,250	14,250	13,946	0.4 %	(3)(10)
								14,250	**13,946**	**0.4 %**	
Voya CLO 2012-4, Ltd.	Structured Finance	Subordinated Structured Note	11/5/2012	Residual Interest, current yield 0.00%	—	10/15/2030	40,613	11,746	10,385	0.3 %	(5)(14)(17)
								11,746	**10,385**	**0.3 %**	
Voya CLO 2014-1, Ltd.	Structured Finance	Subordinated Structured Note	2/5/2014	Residual Interest, current yield 0.00%	—	4/18/2031	40,773	10,781	9,437	0.3 %	(5)(14)(17)
								10,781	**9,437**	**0.3 %**	
Voya CLO 2016-3, Ltd.	Structured Finance	Subordinated Structured Note	9/30/2016	Residual Interest, current yield 0.00%	—	10/20/2031	28,100	21,233	16,556	0.4 %	(5)(14)(17)
								21,233	**16,556**	**0.4 %**	
Voya CLO 2017-3, Ltd.	Structured Finance	Subordinated Structured Note	6/13/2017	Residual Interest, current yield 7.50%	—	4/20/2034	44,885	49,017	40,152	1.1 %	(5)(14)
								49,017	**40,152**	**1.1 %**	
WatchGuard Technologies, Inc.	IT Services	First Lien Term Loan	8/17/2022	10.59% (1M SOFR+ 5.25%)	0.75	6/30/2029	34,388	34,388	34,334	0.9 %	(3)(10)
								34,388	**34,334**	**0.9 %**	
Wellful Inc.	Food & Staples Retailing	First Lien Term Loan	5/26/2022	11.71% (1M SOFR+ 6.25%)	0.75	4/21/2027	13,338	12,932	10,721	0.3 %	(3)(10)
		Incremental First Lien Term Loan	7/21/2022	11.71% (1M SOFR+ 6.25%)	0.75	4/21/2027	14,344	13,811	11,530	0.3 %	(3)(10)
								26,743	**22,251**	**0.6 %**	
Wellpath Holdings, Inc.	Health Care Providers & Services	First Lien Term Loan	5/13/2019	11.11% (3M SOFR+ 5.50%)	—	10/1/2025	14,091	14,030	12,689	0.3 %	(10)
		Second Lien Term Loan	9/25/2018	14.61% (3M SOFR+ 9.00%)	—	10/1/2026	37,000	36,799	24,027	0.6 %	(10)
								50,829	**36,716**	**0.9 %**	
						Total Non-Control/Non-Affiliate Investments		**$4,155,165**	**$3,827,599**	**103.1 %**	
						Total Portfolio Investments		**$7,447,174**	**$7,718,243**	**207.9 %**	

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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	
Control Investments (greater than 25.00% voting control)(40)											
CP Energy Services Inc. (20)	Energy Equipment & Services	First Lien Term Loan	10/1/2017	14.50% (3M SOFR+ 9.00%)	1.00	4/4/2027	$ 53,139	$ 53,139	$ 53,139	1.3%	(10)(39)
		First Lien Term Loan	4/5/2022	14.50% (3M SOFR+ 9.00%)	1.00	4/4/2027	6,827	6,827	6,827	0.2%	(10)(39)
		First Lien Term Loan	1/6/2023	14.50% (3M SOFR + 9.00%)	1.00	4/4/2027	10,691	10,691	10,691	0.3%	(10)(39)
		First Lien Term Loan A to Spartan Energy Services, LLC	10/20/2014	13.36% PIK (1M SOFR+ 8.00%)	1.00	12/31/2025	32,653	32,653	32,653	0.9%	(10)(39)
		Series A Preferred Units to Spartan Energy Holdings, Inc.(10,000 shares)	9/25/2020	15.00%	—	N/A	—	26,193	2,012	0.1%	(16)
		Series B Convertible Preferred Stock(790 shares)	10/30/2015	16.00%	—	N/A	—	63,225	8,698	0.2%	(16)
		Common Stock (102,924 shares)	8/2/2013		—	N/A	—	86,240	—	—%	(16)
								278,968	**114,020**	**3.0%**	
Credit Central Loan Company, LLC (21)	Consumer Finance	First Lien Term Loan	12/28/2012	5.00% plus 5.00%PIK	—	6/30/2025	77,749	76,643	73,642	2.0%	(14)(39)
		Class A Units(14,867,312 units)	12/28/2012		—	N/A	—	19,331	—	—%	(14)(16)
		Preferred Class P Shares (11,520,481 units)	7/1/2022	12.75%	—	N/A	—	11,520	—	—%	(14)(16)
		Net Revenues Interest(25% of Net Revenues)	1/28/2015		—	N/A	—	—	—	—%	(14)(16)
								107,494	**73,642**	**2.0%**	
Echelon Transportation, LLC	Aerospace & Defense	First Lien Term Loan	3/31/2014	8.57% (1ML+ 4.00%)	2.00	3/31/2026	56,600	56,600	56,600	1.5%	(10)(39)
		Membership Interest(100%)	3/31/2014		—	N/A	—	22,738	—	—%	(16)
		Preferred Units (32,842,586 shares)	1/31/2022		—	N/A	—	32,843	7,598	0.2%	(16)
								112,181	**64,198**	**1.7%**	
First Tower Finance Company LLC (23)	Consumer Finance	First Lien Term Loan to First Tower, LLC	6/24/2014	10.00% plus 5.00% PIK	—	2/18/2025	395,926	395,926	395,926	10.6%	(14)(39)
		Class A Units (95,709,910 units)	6/14/2012		—	N/A	—	31,146	202,456	5.4%	(14)(16)
								427,072	**598,382**	**16.0%**	
Freedom Marine Solutions, LLC (24)	Energy Equipment & Services	Membership Interest (100%)	11/9/2006		—	N/A	—	46,142	12,710	0.3%	(16)
								46,142	**12,710**	**0.3%**	
InterDent, Inc.	Health Care Providers & Services	First Lien Term Loan A/B	8/1/2018	19.87% (1M SOFR+ 14.65%)	2.00	9/5/2025	14,249	14,249	14,249	0.4%	(3) (10)
		First Lien Term Loan A	8/3/2012	10.72% (1M SOFR+ 5.50%)	1.00	9/5/2025	95,823	95,823	95,823	2.6%	(3) (10)
		First Lien Term Loan B	8/3/2012	12.00% PIK	—	9/5/2025	183,107	183,107	183,107	4.8%	(39)
		Common Stock(99,900 shares)	5/3/2019		—	N/A	—	45,118	164,788	4.4%	(16)
								338,297	**457,967**	**12.2%**	
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	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	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.

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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	
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	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)
		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)
		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**	**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%**	
Valley Electric Company, Inc. (31)	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	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	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%**	

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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											
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**	**0.3%**	
						Total Affiliate Investments		**$ 8,855**	**$ 10,397**	**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)										
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 % (10)
								32,005	**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)(10)
								8,945	**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**	**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**	**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**	**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**	**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**	**1.6 %**
Aventiv Technologies, LLC (f/k/a 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)(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)(10)
								59,852	**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**	**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 % (10)
								19,469	**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 % (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)(10)
								99,350	**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	— % (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 % (10)
		First Lien Delayed Draw Term Loan - $22,609 Commitment	10/18/2021	11.14% (3ML+ 5.75%)	0.75	8/23/2028	—	—	—	— % (10)(15)
								65,626	**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**	**2.4 %**
Boostability Parent, Inc. (f/k/a SEOTownCenter, 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	**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**	**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**	**0.8 %**

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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)(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)(10)
								35,000	**33,120**	**0.9 %**	
Curo Group Holdings Corp.	Consumer Finance	First Lien Term Loan	7/30/2021	7.50%	—	8/1/2028	47,000	47,024	17,039	0.5 %	(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)(10)
		Second Lien Term Loan	12/21/2021	13.20% (1M SOFR+ 8.00%)	0.50	12/21/2029	145,000	145,000	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)(10)
		Second Lien Term Loan	4/26/2022	12.80% (3M SOFR+ 7.75%)	0.75	4/26/2030	75,000	75,000	71,712	1.9 %	(3)(10)
								93,053	**89,316**	**2.4 %**	

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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	— % (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	— % (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 % (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)(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	— % (9)(10)
		Class B Common Units (1,039,554 units)	11/17/2020		—	N/A	—	26,991	—	— % (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)(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)(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 %**	
Eze Castle Integration, Inc.	IT Services	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)
		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 %**	
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	4,457	4,392	4,457	0.1 % (10)(15)
		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)(10)
							68,399	**68,464**	**1.8 %**	
First Brands Group	Automobile Components	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)(10)
		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)(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 % (3)(10)
							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 %**	
Global Tel*Link Corporation (d/b/a ViaPath Technologies.)	Diversified Telecommunication Services	First Lien Term Loan	8/7/2019	9.45% (1M SOFR + 4.25%)	—	11/29/2025	9,597	9,439	9,218	0.2 % (3)(10)
		Second Lien Term Loan	11/20/2018	15.20% (1M SOFR + 10.00%)	—	11/29/2026	122,670	121,956	121,328	3.3 % (3)(10)
							131,395	**130,546**	**3.5 %**	
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	—	— % (5)(14)

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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)											
								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**	— %	
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 %	(5)(14)(17)
								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)(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	14.49% (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**	**1.9 %**	
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	— %	(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)(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	—	—	—	— %	(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)(10)
								21,674	**21,674**	**0.6 %**	
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%	—	N/A	—	1,500	1,523	— %	(16)
								38,953	**39,333**	**1.0 %**	

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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)											
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	— %	(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)(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)(10)
								22,863	**23,000**	**0.6 %**	
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)(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 %	(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)(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, Inc. (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)(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%	(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%	(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)(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)(10)
								$ 79,331	**$ 75,962**	**2.0 %**	

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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)										
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 - $3,583 Commitment	6/17/2022	12.51% (3M SOFR+ 7.00%)	1.00	12/13/2026	—	—	—	— % (10)(15)
		First Lien Delayed Draw Term Loan - $1,554 Commitment	6/17/2022	12.50% (3M SOFR+ 7.00%)	1.00	12/13/2026	1,503	1,472	1,468	— % (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)(10)
								24,738	**24,758**	**0.6 %**
RC Buyer, Inc.	Automobile Components	Second Lien Term Loan	7/26/2021	11.84% (3M SOFR+ 6.50%)	0.75	7/30/2029	20,000	19,924	19,353	0.5 % (3)(10)
								19,924	**19,353**	**0.5 %**
Reception Purchaser, LLC	Air Freight & Logistics	First Lien Term Loan	4/28/2022	11.39% (3M SOFR+ 6.00%)	0.75	3/24/2028	62,731	61,801	62,552	1.8 % (3)(10)
								61,801	**62,552**	**1.8 %**
Redstone Holdco 2 LP (22)	IT Services	Second Lien Term Loan	4/16/2021	13.04% (3ML+ 7.75%)	0.75	4/27/2029	50,000	49,350	43,655	1.2 % (3)(10)
								49,350	**43,655**	**1.2 %**
Research Now Group, LLC (f/k/a Research Now Group, Inc.) and Dynata, LLC (f/k/a Survey Sampling International, LLC)	Professional Services	First Lien Term Loan	12/8/2017	10.80% (3ML+ 5.50%)	1.00	12/20/2024	9,475	9,352	8,872	0.2 % (3)(10)
		Second Lien Term Loan	12/8/2017	14.80% (3ML+ 9.50%)	1.00	12/20/2025	50,000	48,936	42,954	1.2 % (3)(10)
								58,288	**51,826**	**1.4 %**
Rising Tide Holdings, Inc.	Diversified Consumer Services	First Lien Term Loan	3/23/2023	13.76% PIK (3M SOFR+ 8.25%)	0.75	6/1/2029	12,394	12,265	11,332	0.3 % (10)(39)(50)
		Second Lien Term Loan	3/23/2023	13.76% PIK (3M SOFR + 8.25%)	0.75	6/1/2029	12,166	11,630	—	— % (9)(10)
								23,895	**11,332**	**0.3 %**
The RK Logistics Group, Inc.	Commercial Services & Supplies	First Lien Term Loan	3/24/2022	16.04% (3ML+ 10.50%)	1.00	3/24/2027	5,826	5,826	5,826	0.2 % (3)(10)
		Class A Common Units (263,000 units)	3/24/2022		—	N/A	—	263	2,565	0.1 % (16)
		Class B Common Units (1,237,000 units)	3/24/2022		—	N/A	—	1,237	12,062	0.3 % (16)
								7,326	**20,453**	**0.6 %**
RME Group Holding Company	Media	First Lien Term Loan A	5/4/2017	10.99% (3M SOFR+ 5.50%)	1.00	5/6/2024	22,116	22,116	22,116	0.6 % (3)(10)
		First Lien Term Loan B	5/4/2017	16.49% (3M SOFR+ 11.00%)	1.00	5/6/2024	21,033	21,033	21,033	0.6 % (3)(10)
								43,149	**43,149**	**1.2 %**
Romark WM-R Ltd.	Structured Finance	Subordinated Structured Note	4/11/2014	Residual Interest, current yield 13.44%	—	4/21/2031	27,725	19,564	15,086	0.4 % (5)(14)
								19,564	**15,086**	**0.4 %**
Rosa Mexicano	Hotels, Restaurants & Leisure	First Lien Revolving Line of Credit - $500 Commitment	3/29/2018	13.00% (3M SOFR+ 7.50%)	1.25	6/13/2024	191	191	183	— % (10)(15)
		First Lien Term Loan	3/29/2018	13.00% (3M SOFR+ 7.50%)	1.25	6/13/2024	21,510	21,510	20,593	0.6 % (10)
								21,701	**20,776**	**0.6 %**
Shearer's Foods, LLC	Food Products	Second Lien Term Loan	9/15/2020	12.97% (1M SOFR+ 7.75%)	0.75	9/23/2028	3,600	3,534	3,600	0.1 % (3)(10)
								3,534	**3,600**	**0.1 %**
ShiftKey, LLC	Health Care Technology	First Lien Term Loan	6/21/2022	11.25% (3M SOFR+ 5.75%)	1.00	6/21/2027	64,513	64,058	64,513	1.8 % (3)(10)
								64,058	**64,513**	**1.8 %**

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

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)											
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	$ 2,406	$ 2,406	$ 2,406	0.1 %	(10)
		Second Lien Term Loan	6/6/2023	10.13% (3M SOFR + 5.00%)	1.00	10/1/2027	14,563	14,563	11,690	0.3 %	(10)
		Second Lien Term Loan	6/6/2023	10.24% (3M SOFR + 5.00%)	1.00	10/1/2027	3,518	3,518	2,824	0.1 %	(10)
								20,487	**16,920**	**0.5 %**	
Sorenson Communications, LLC	Diversified Telecommunication Services	First Lien Term Loan	3/12/2021	10.69% (1ML+ 5.50%)	0.75	3/17/2026	31,172	30,844	31,130	0.8 %	(3)(10)
								30,844	**31,130**	**0.8 %**	
Southern Veterinary Partners	Health Care Providers & Services	Second Lien Term Loan	10/2/2020	12.95% (1M SOFR+ 7.75%)	1.00	10/5/2028	8,000	7,947	8,000	0.2 %	(3)(10)
								7,947	**8,000**	**0.2 %**	
Spectrum Holdings III Corp	Health Care Equipment & Supplies	Second Lien Term Loan	1/26/2018	12.58% (6ML+ 7.00%)	1.00	1/31/2026	7,500	7,488	7,500	0.2 %	(10)
								7,488	**7,500**	**0.2 %**	
Spectrum Vision Holdings, LLC	Health Care Providers & Services	First Lien Term Loan	5/2/2023	11.84% (3M SOFR + 6.50%)	1.00	11/17/2024	29,924	29,924	29,924	0.8 %	(3)(10)
								29,924	**29,924**	**0.8 %**	
Staples, Inc.	Distributors	First Lien Term Loan	11/18/2019	10.30% (3ML+ 5.00%)	—	4/16/2026	8,683	8,644	7,481	0.2 %	(3)(10)(47)
								8,644	**7,481**	**0.2 %**	
Strategic Materials Holding Corp.	Household Durables	Second Lien Term Loan	10/27/2017	13.06% (3M SOFR+ 7.75%)	1.00	11/1/2025	7,000	6,980	4,288	0.1 %	(10)
								6,980	**4,288**	**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	22,824	3,197	0.1 %	(5)(14)(17)
								22,824	**3,197**	**0.1 %**	
Symphony CLO XV, Ltd.	Structured Finance	Subordinated Structured Note	10/17/2014	Residual Interest, current yield 5.33%	—	1/19/2032	63,831	41,390	26,870	0.7 %	(5)(14)
								41,390	**26,870**	**0.7 %**	
Town & Country Holdings, Inc.	Distributors	First Lien Term Loan	1/26/2018	12.00% PIK	—	2/27/2026	175,147	175,147	175,147	4.8 %	(39)
		First Lien Term Loan	11/17/2022	12.00% PIK	—	2/27/2026	15,085	15,085	15,085	0.4%	(39)
		Class W Interests of Town & Country Housewares Group, LP (188,105 Non-Voting Interests)	8/31/2022	4.00%	—	N/A	—	—	16	—%	(16)
		Class B of Town & Country TopCo LLC (999 Non-Voting Units)	11/17/2022		—	N/A	—	—	39,107	1.0%	(16)
								190,232	**229,355**	**6.2 %**	
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	23,337	23,337	23,337	0.6 %	(3)(10)(39)
								23,337	**23,337**	**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	6,988	0.2 %	(9)(10)
								89,178	**6,988**	**0.2 %**	
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	21,886	19,876	0.5 %	(3)(10)
								21,886	**19,876**	**0.5 %**	

See notes to consolidated financial statements.

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

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)											
USG Intermediate, LLC	Leisure Products	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	$ 4,000	$ 4,000	0.1 %	(10)(15)
		First Lien Term Loan B	4/15/2015	16.95% (1M SOFR+ 11.75%)	1.00	2/9/2028	59,944	59,944	59,944	1.6 %	(3)(10)
		Equity	4/15/2015		—	N/A	—	1	—	— %	(16)
								63,945	**63,944**	**1.7 %**	
VC GB Holdings I Corp	Household Durables	Second Lien Term Loan	6/30/2021	12.23% (3ML+ 6.75%)	0.50	7/23/2029	23,000	22,826	22,930	0.6 %	(3)(10)
								22,826	**22,930**	**0.6 %**	
Victor Technology, LLC	Commercial Services & Supplies	First Lien Term Loan	12/3/2021	13.00%(3M SOFR+ 7.50%)	1.00	12/3/2028	29,550	29,550	28,158	0.8 %	(3)(10)
								29,550	**28,158**	**0.8 %**	
Voya CLO 2012-4, Ltd.	Structured Finance	Subordinated Structured Note	11/5/2012	Residual Interest, current yield 0.00%	—	10/15/2030	40,613	25,760	19,291	0.5 %	(5)(14)(17)
								25,760	**19,291**	**0.5 %**	
Voya CLO 2014-1, Ltd.	Structured Finance	Subordinated Structured Note	2/5/2014	Residual Interest, current yield 0.75%	—	4/18/2031	40,773	23,324	15,895	0.4 %	(5)(14)
								23,324	**15,895**	**0.4 %**	
Voya CLO 2016-3, Ltd.	Structured Finance	Subordinated Structured Note	9/30/2016	Residual Interest, current yield 10.28%	—	10/20/2031	28,100	23,295	19,297	0.5 %	(5)(14)
								23,295	**19,297**	**0.5 %**	
Voya CLO 2017-3, Ltd.	Structured Finance	Subordinated Structured Note	6/13/2017	Residual Interest, current yield 13.32%	—	4/20/2034	44,885	51,926	40,366	1.2 %	(5)(14)
								51,926	**40,366**	**1.2 %**	
VT Topco, Inc.	Commercial Services & Supplies	Second Lien Term Loan	8/14/2018	11.97% (1M SOFR+ 6.75%)	—	8/17/2026	12,000	11,944	11,879	0.3 %	(3)(10)
		2021 Second Lien Term Loan	7/30/2021	11.97% (1M SOFR+ 6.75%)	0.75	8/17/2026	20,250	20,144	20,046	0.5 %	(3)(10)
								32,088	**31,925**	**0.8 %**	
WatchGuard Technologies, Inc.	IT Services	First Lien Term Loan	8/17/2022	10.11% (6M SOFR + 5.25%	0.75	6/30/2029	34,738	34,738	34,637	0.9 %	(3)(10)
								34,738	**34,637**	**0.9 %**	
Wellful Inc. (f/k/a KNS Acquisition Corp.)	Food & Staples Retailing	First Lien Term Loan	5/26/2022	11.47% (1M SOFR + 6.25%)	0.75	4/21/2027	13,696	12,953	12,931	0.3 %	(3)(10)
		Incremental First Lien Term Loan	7/21/2022	11.47% (1M SOFR + 6.25%)	0.75	4/21/2027	14,719	14,186	13,897	0.4 %	(3)(10)
								27,139	**26,828**	**0.7 %**	
Wellpath Holdings, Inc. (f/k/a CCS-CMGC Holdings, Inc.)	Health Care Providers & Services	First Lien Term Loan	5/13/2019	10.98% (3ML+ 5.50%)	—	10/1/2025	14,240	14,130	13,784	0.4 %	(3)(10)
		Second Lien Term Loan	9/25/2018	14.48% (3ML+ 9.00%)	—	10/1/2026	37,000	36,710	33,941	0.9 %	(3)(10)
								50,840	**47,725**	**1.3 %**	
						Total Non-Control/Non-Affiliate Investments		**$4,803,245**	**$4,142,837**	**111.0 %**	
						Total Portfolio Investments		**$7,800,596**	**$7,724,931**	**207.0 %**	

See notes to consolidated financial statements.

Endnote Explanations as of June 30, 2024 and 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 June 30, 2024 and June 30, 2023 were $2,793,051 and $3,051,668, respectively, representing 36.2% and 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 June 30, 2023 and June 30, 2024. 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) Not used.

(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 5.22% as of June 30, 2023. The 3-Month LIBOR, or "3ML", was 5.55% as of June 30, 2023. The 6-Month LIBOR, or "6ML", was 5.76% as of June 30, 2023. The 1-Month Secured Overnight Financing Rate or "1M SOFR", was 5.34% as of June 30, 2024 and 5.14% as of June 30, 2023. The 3-Month Secured Overnight Financing Rate or "3M SOFR", was 5.32% as of June 30, 2024 and 5.27% as of June 30, 2023. The 6-Month Secured Overnight Financing Rate or "6M SOFR" was 5.26% as of June 30, 2024 and 5.39% as of June 30, 2023. The PRIME Rate or "PRIME" was 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).

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

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

(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 calculated in accordance with regulatory requirements. As of June 30, 2024 and June 30, 2023, our qualifying assets, as a percentage of total assets, stood at 83.78% and 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 June 30, 2024 and June 30, 2023, we had $34,771 and $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) Security was called for redemption and 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 June 30, 2024 and 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 $35,103 in first lien term loans (the "Spartan Term Loans") due to us as of June 30, 2024. 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 redeemable preferred stock outstanding.

(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 99.8% of Credit Central Loan Company, LLC (f/k/a Credit Central Holdings, LLC ("Credit Central")) as of June 30, 2024 and 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.

(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.

(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.

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

(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 June 30, 2024 and 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 June 30, 2024 and 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% of the fully diluted equity of NMMB, Inc. ("NMMB") as of June 30, 2024 and June 30, 2023. 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 June 30, 2024 and 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 June 30, 2024 and June 30, 2023, Prospect owns 8.57% of the equity in Encinitas Watches Holdco, LLC, the parent company of Nixon, Inc.

(33) Japs-Olson Company, LLC, Alpha Mail Debt Merger Sub, LLC and J-O Building Company LLC are joint borrowers on the 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 Adviser. 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 June 30, 2024 and 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 99.98% and 99.97% ownership interest of Pacific World as of June 30, 2024 and as of June 30, 2023, respectively. As a result, Prospect's investment in Pacific World is classified as a control investment.

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

(37) The following shows the composition of our investment portfolio at cost by control designation, investment type and by industry as of June 30, 2024:

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [B]	Cost Total
Control Investments						
Aerospace & Defense	$ 54,739	$ —	$ —	$ —	$ 55,581	$ 110,320
Commercial Services & Supplies	135,936	—	—	7,200	27,349	170,485
Construction & Engineering	83,858	—	—	—	12,053	95,911
Consumer Finance	540,191	—	—	—	82,842	623,033
Diversified Consumer Services	1,500	—	—	—	2,378	3,878
Energy Equipment & Services	123,189	—	—	—	221,800	344,989
Equity Real Estate Investment Trusts (REITs)	877,151	—	—	—	20,030	897,181
Health Care Providers & Services	316,428	—	—	—	45,118	361,546
Machinery	37,322	—	—	—	6,866	44,188
Media	29,723	—	—	—	—	29,723
Online Lending	20,630	—	—	—	—	20,630
Personal Products	98,601	—	—	—	221,795	320,396
Trading Companies & Distributors	35,135	—	—	—	32,500	67,635
Structured Finance	190,500	—	—	—	—	190,500
Total Control Investments	$ 2,544,903	$ —	$ —	$ 7,200	$ 728,312	$3,280,415
Affiliate Investments						
Commercial Services & Supplies	$ —	$ —	$ —	$ —	$ 11,594	$ 11,594
Total Affiliate Investments	$ —	$ —	$ —	$ —	$ 11,594	$ 11,594
Non-Control/Non-Affiliate Investments						
Air Freight & Logistics	$ 92,897	$ 95,000	$ —	$ —	$ —	$ 187,897
Automobile Components	22,124	66,850	—	—	25,697	114,671
Capital Markets	—	42,500	—	—	—	42,500
Commercial Services & Supplies	185,948	153,326	—	—	5,000	344,274
Communications Equipment	22,359	56,671	—	—	—	79,030
Distributors	224,726	89,853	—	—	—	314,579
Diversified Consumer Services	145,326	—	—	—	34,348	179,674
Diversified Financial Services	45,039	—	—	—	—	45,039
Diversified Telecommunication Services	9,405	122,165	—	—	—	131,570
Electrical Equipment	61,991	—	—	—	—	61,991
Food & Staples Retailing	26,743	—	—	—	—	26,743
Food Products	—	131,504	—	—	—	131,504
Health Care Providers & Services	255,534	113,145	—	—	9,496	378,175
Health Care Technology	133,620	—	—	—	—	133,620
Hotels, Restaurants & Leisure	27,582	—	—	—	—	27,582
Household Durables	118,705	—	—	—	3,501	122,206
Interactive Media & Services	120,594	—	—	—	—	120,594
Internet & Direct Marketing Retail	2,426	18,683	—	—	—	21,109
IT Services	196,461	148,451	—	—	—	344,912
Leisure Products	79,458	—	—	—	1	79,459
Machinery	50,399	9,994	—	—	—	60,393
Media	40,107	—	—	—	—	40,107
Pharmaceuticals	107,060	—	—	—	—	107,060
Professional Services	87,175	124,082	—	—	—	211,257
Software	—	52,405	—	—	—	52,405
Textiles, Apparel & Luxury Goods	173,114	—	—	—	—	173,114
Structured Finance (A)	—	—	623,700	—	—	623,700
Total Non-Control/Non-Affiliate	$ 2,228,793	$ 1,224,629	$ 623,700	$ —	$ 78,043	$4,155,165
Total Portfolio Investment Cost	$ 4,773,696	$ 1,224,629	$ 623,700	$ 7,200	$ 817,949	$7,447,174

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

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, 2024:

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [B]	Fair Value Total	Fair Value % of Net Assets Applicable to Common Stock
Control Investments							
Aerospace & Defense	$ 54,739	$ —	$ —	$ —	$ 12,184	$ 66,923	1.8 %
Commercial Services & Supplies	73,487	—	—	7,200	22,885	103,572	2.8 %
Construction & Engineering	83,858	—	—	—	232,561	316,419	8.5 %
Consumer Finance	536,792	—	—	—	191,528	728,320	19.6 %
Diversified Consumer Services	1,500	—	—	—	3,242	4,742	0.1 %
Energy Equipment & Services	110,206	—	—	—	12,651	122,857	3.3 %
Equity Real Estate Investment Trusts (REITs)	877,151	—	—	—	608,181	1,485,332	40.0 %
Health Care Providers & Services	316,428	—	—	—	147,455	463,883	12.5 %
Machinery	37,322	—	—	—	65,080	102,402	2.8 %
Media	29,723	—	—	—	64,542	94,265	2.5 %
Online Lending	20,630	—	—	—	—	20,630	0.6 %
Personal Products	98,601	—	—	—	6,062	104,663	2.8 %
Trading Companies & Distributors	35,135	—	—	—	32,932	68,067	1.8 %
Structured Finance (A)	190,500	—	—	—	—	190,500	5.1 %
Total Control Investments	$ 2,466,072	$ —	$ —	$ 7,200	$ 1,399,303	$3,872,575	104.3 %
Fair Value % of Net Assets	66.4 %	— %	— %	0.2 %	37.7 %	104.3 %	
Affiliate Investments							
Commercial Services & Supplies	$ —	$ —	$ —	$ —	$ 18,069	$ 18,069	0.4 %
Total Affiliate Investments	$ —	$ —	$ —	$ —	$ 18,069	$ 18,069	0.5 %
Fair Value % of Net Assets	— %	— %	— %	— %	0.5 %	0.5 %	
Non-Control/Non-Affiliate Investments							
Air Freight & Logistics	$ 84,933	$ 89,758	$ —	$ —	$ —	$ 174,691	4.7 %
Automobile Components	22,019	66,788	—	—	783	89,590	2.4 %
Capital Markets	—	42,500	—	—	—	42,500	1.1 %
Commercial Services & Supplies	186,116	153,500	—	—	14,042	353,658	9.5 %
Communications Equipment	22,413	46,098	—	—	—	68,511	1.8 %
Distributors	227,805	10,289	—	—	13,304	251,398	6.8 %
Diversified Consumer Services	127,311	—	—	—	14,581	141,892	3.8 %
Diversified Financial Services	45,039	—	—	—	—	45,039	1.2 %
Diversified Telecommunication Services	9,456	122,670	—	—	—	132,126	3.6 %
Electrical Equipment	61,991	—	—	—	—	61,991	1.7 %
Food & Staples Retailing	22,251	—	—	—	—	22,251	0.6 %
Food Products	—	126,145	—	—	—	126,145	3.4 %
Health Care Providers & Services	251,765	88,148	—	—	18,125	358,038	9.6 %
Health Care Technology	132,531	—	—	—	—	132,531	3.6 %
Hotels, Restaurants & Leisure	21,550	—	—	—	—	21,550	0.6 %
Household Durables	118,660	—	—	—	1,266	119,926	3.2 %
Interactive Media & Services	120,594	—	—	—	—	120,594	3.2 %
Internet & Direct Marketing Retail	2,406	15,987	—	—	—	18,393	0.5 %
IT Services	196,323	147,225	—	—	—	343,548	9.3 %
Leisure Products	79,291	—	—	—	—	79,291	2.1 %
Machinery	50,645	10,000	—	—	—	60,645	1.6 %
Media	40,107	—	—	—	—	40,107	1.1 %
Pharmaceuticals	107,588	—	—	—	—	107,588	2.9 %
Professional Services	86,031	76,948	—	—	—	162,979	4.4 %
Software	—	47,813	—	—	—	47,813	1.3 %

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [B]	Fair Value Total	Fair Value % of Net Assets Applicable to Common Stock
Textiles, Apparel & Luxury Goods	173,114	—	—	—	—	173,114	4.7 %
Structured Finance (A)	—	—	531,690	—	—	531,690	14.3 %
Total Non-Control/Non-Affiliate	$ 2,189,939	$1,043,869	$ 531,690	$ —	$ 62,101	$3,827,599	103.1 %
Fair Value % of Net Assets	59.0 %	28.1 %	14.3 %	— %	1.7 %	103.1 %	
Total Portfolio	$ 4,656,011	$1,043,869	$ 531,690	$ 7,200	$ 1,479,473	$7,718,243	207.9 %
Fair Value % of Net Assets	125.4 %	28.1 %	14.3 %	0.2 %	39.9 %	207.9 %	

(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, 2023:

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [B]	Cost Total
Control Investments						
Aerospace & Defense	$ 56,600	$ —	$ —	$ —	$ 55,581	$ 112,181
Commercial Services & Supplies	129,241	—	—	7,200	27,349	163,790
Construction & Engineering	79,095	—	—	—	12,053	91,148
Consumer Finance	495,166	—	—	—	82,843	578,009
Diversified Consumer Services	—	—	—	—	2,378	2,378
Energy Equipment & Services	103,310	—	—	—	221,800	325,110
Equity Real Estate Investment Trusts (REITs)	725,703	—	—	—	15,430	741,133
Health Care Providers & Services	293,179	—	—	—	45,118	338,297
Machinery	33,622	—	—	—	6,866	40,488
Media	29,723	—	—	—	—	29,723
Online Lending	21,580	—	—	—	—	21,580
Personal Products	89,580	—	—	—	189,295	278,875
Trading Companies & Distributors	32,684	—	—	—	32,500	65,184
Structured Finance (A)	200,600	—	—	—	—	200,600
Total Control Investments	$ 2,290,083	$ —	$ —	$ 7,200	$ 691,213	$ 2,988,496
Affiliate Investments						
Commercial Services & Supplies	$ —	$ —	$ —	$ —	$ 8,855	$ 8,855
Total Affiliate Investments	$ —	$ —	$ —	$ —	$ 8,855	$ 8,855
Non-Control/Non-Affiliate Investments						
Air Freight & Logistics	$ 93,171	$ 95,000	$ —	$ —	$ —	$ 188,171
Auto Components	22,284	86,600	—	—	25,697	134,581
Building Products	—	35,000	—	—	—	35,000
Capital Markets	—	42,500	—	—	—	42,500
Commercial Services & Supplies	216,363	185,374	—	—	1,500	403,237
Communications Equipment	9,249	50,603	—	—	—	59,852
Consumer Finance	47,024	—	—	—	—	47,024
Distributors	198,876	89,178	—	—	—	288,054
Diversified Consumer Services	87,280	191,616	—	—	—	278,896
Diversified Financial Services	36,504	—	—	—	—	36,504
Diversified Telecommunication Services	40,283	121,956	—	—	—	162,239
Electrical Equipment	68,399	—	—	—	—	68,399
Food & Staples Retailing	27,139	—	—	—	—	27,139
Food Products	—	134,889	—	—	—	134,889
Health Care Equipment & Supplies	—	7,488	—	—	—	7,488
Health Care Providers & Services	188,179	159,791	—	—	1,546	349,516
Health Care Technology	129,684	—	—	—	—	129,684
Hotels, Restaurants & Leisure	21,701	—	—	—	—	21,701
Household Durables	126,547	29,806	—	—	3,501	159,854
Household Products	—	—	—	—	—	—

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [(B)]	Cost Total
Interactive Media & Services	160,281	—	—	—	—	160,281
Internet & Direct Marketing Retail	2,406	18,081	—	—	—	20,487
IT Services	209,832	148,150	—	—	—	357,982
Leisure Products	69,693	—	—	—	1	69,694
Machinery	52,797	9,988	—	—	—	62,785
Media	46,695	—	—	—	26,991	73,686
Pharmaceuticals	99,269	—	—	—	—	99,269
Professional Services	87,757	123,936	—	—	—	211,693
Software	—	52,350	—	—	—	52,350
Textiles, Apparel & Luxury Goods	158,530	8,945	—	—	—	167,475
Structured Finance	—	—	952,815	—	—	952,815
Total Non-Control/Non-Affiliate	$ 2,199,943	$ 1,591,251	$ 952,815	$ —	$ 59,236	$ 4,803,245
Total Portfolio 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, 2023:

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [(B)]	Fair Value Total	Fair Value % of Net Assets
Control Investments							
Aerospace & Defense	$ 56,600	$ —	$ —	$ —	$ 7,598	$ 64,198	1.7 %
Commercial Services & Supplies	69,875	—	—	7,200	10,630	87,705	2.3 %
Construction & Engineering	79,095	—	—	—	86,689	165,784	4.4 %
Consumer Finance	492,165	—	—	—	227,431	719,596	19.3 %
Diversified Consumer Services	—	—	—	—	3,242	3,242	0.1 %
Energy Equipment & Services	103,310	—	—	—	23,420	126,730	3.4 %
Equity Real Estate Investment Trusts (REITs)	725,703	—	—	—	712,093	1,437,796	38.5 %
Health Care Providers & Services	293,179	—	—	—	164,788	457,967	12.3 %
Machinery	33,622	—	—	—	47,886	81,508	2.2 %
Media	29,723	—	—	—	64,457	94,180	2.5 %
Online Lending	21,580	—	—	—	—	21,580	0.6 %
Personal Products	65,746	—	—	—	—	65,746	1.8 %
Trading Companies & Distributors	32,684	—	—	—	12,381	45,065	1.2 %
Structured Finance (A)	200,600	—	—	—	—	200,600	5.4 %
Total Control Investments	$ 2,203,882	$ —	$ —	$ 7,200	$ 1,360,615	$ 3,571,697	95.7 %
Fair Value % of Net Assets	59.0 %	— %	— %	0.2 %	36.5 %	95.7 %	
Affiliate Investments							
Commercial Services & Supplies	$ —	$ —	$ —	$ —	$ 10,397	$ 10,397	0.3 %
Total Affiliate Investments	$ —	$ —	$ —	$ —	$ 10,397	$ 10,397	0.3 %
Fair Value % of Net Assets	— %	— %	— %	— %	0.3 %	0.3 %	
Non-Control/Non-Affiliate Investments							
Air Freight & Logistics	$ 93,946	$ 95,000	$ —	$ —	$ —	$ 188,946	5.1 %
Auto Components	22,209	86,160	—	—	1,156	109,525	2.9 %
Commercial Services & Supplies	215,887	182,242	—	—	14,627	412,756	11.1 %
Communications Equipment	9,594	50,083	—	—	—	59,677	1.6 %
Building Products	—	33,120	—	—	—	33,120	0.9 %
Capital Markets	—	39,984	—	—	—	39,984	1.1 %
Consumer Finance	17,039	—	—	—	—	17,039	0.5 %
Distributors	197,713	6,988	—	—	39,123	243,824	6.5 %
Diversified Consumer Services	86,347	—	—	—	—	86,347	2.2 %
Diversified Financial Services	36,504	—	—	—	—	36,504	1.0 %
Diversified Telecommunication Services	40,348	121,328	—	—	—	161,676	4.3 %
Electrical Equipment	68,464	—	—	—	—	68,464	1.7 %
Food & Staples Retailing	26,828	—	—	—	—	26,828	0.7 %
Food Products	—	122,003	—	—	—	122,003	3.3 %

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

Industry	1st Lien Term Loan	2nd Lien Term Loan	Subordinated Structured Notes	Unsecured Debt	Equity [B]	Fair Value Total	Fair Value % of Net Assets
Health Care Equipment & Supplies	—	7,500	—	—	—	7,500	0.2 %
Health Care Providers & Services	183,872	154,599	—	—	1,927	340,398	9.0 %
Health Care Technology	128,793	—	—	—	—	128,793	3.5 %
Hotels, Restaurants & Leisure	20,776	—	—	—	—	20,776	0.6 %
Household Durables	126,904	27,218	—	—	1,523	155,645	4.2 %
Interactive Media & Services	160,281	—	—	—	—	160,281	4.3 %
Internet & Direct Marketing Retail	2,406	14,514	—	—	—	16,920	0.5 %
IT Services	207,224	139,064	—	—	—	346,288	9.3 %
Leisure Products	69,380	—	—	—	—	69,380	1.9 %
Machinery	53,213	9,928	—	—	—	63,141	1.7 %
Media	44,596	—	—	—	—	44,596	1.2 %
Pharmaceuticals	99,289	—	—	—	—	99,289	2.7 %
Professional Services	86,828	114,666	—	—	—	201,494	5.4 %
Software	—	49,111	—	—	—	49,111	1.3 %
Textiles, Apparel & Luxury Goods	158,530	9,000	—	—	—	167,530	4.5 %
Structured Finance	—	—	665,002	—	—	665,002	17.8 %
Total Non-Control/Non-Affiliate	$ 2,156,971	$ 1,262,508	$ 665,002	$ —	$ 58,356	$ 4,142,837	111.0 %
Fair Value % of Net Assets	57.8 %	33.8 %	17.8 %	— %	1.6 %	111.0 %	
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	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.

Endnote Explanations as of June 30, 2024 and 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 years ended June 30, 2024:

Security Name	PIK Rate - Capitalized	PIK Rate - Paid as cash	Maximum Current PIK Rate	
Aventiv Technologies, LLC - First Lien Term Loan	4.09%	—%	4.09%	
Aventiv Technologies, LLC - Second Lien Term Loan	8.05%	5.05%	—%	(A)
CP Energy Services Inc. - First Lien Term Loan	14.56%	—%	—%	(B)
CP Energy Services Inc. - First Lien Term Loan	14.56%	—%	—%	(B)
CP Energy Services Inc. - First Lien Term Loan	14.56%	—%	—%	(B)
CP Energy Services Inc. - First Lien Term Loan A to Spartan Energy Services, LLC	13.59%	—%	13.59%	(C)
Credit Central Loan Company, LLC - First Lien Term Loan	0.62%	14.38%	5.00%	(D)
Credit.com Holdings, LLC - First Lien Term Loan A	16.60%	—%	—%	(E)
Credit.com Holdings, LLC - First Lien Term Loan B	17.60%	—%	—%	(E)
Eze Castle Integration, Inc. - First Lien Term Loan	0.75%	—%	—%	
Eze Castle Integration, Inc. - Delayed Draw Term Loan	0.75%	—%	—%	
First Tower Finance Company LLC - First Lien Term Loan	9.80%	5.20%	5.00%	(F)
InterDent, Inc. - First Lien Term Loan B	12.00%	—%	12.00%	
MITY, Inc. - First Lien Term Loan B	—%	10.00%	10.00%	
National Property REIT Corp. - First Lien Term Loan A	—%	2.00%	2.00%	
National Property REIT Corp. - First Lien Term Loan C	—%	2.25%	2.25%	
National Property REIT Corp. - First Lien Term Loan D	—%	2.00%	2.00%	
National Property REIT Corp. - First Lien Term Loan E	7.00%	—%	7.00%	
Nationwide Loan Company LLC - First Lien Term Loan	20.00%	—%	10.00%	(G)
Nationwide Loan Company LLC - Delayed Draw Term Loan	20.00%	—%	10.00%	(G)
Pacific World Corporation - First Lien Revolving Line of Credit	9.59%	—%	9.59%	
Pacific World Corporation - First Lien Term Loan A	8.01%	1.58%	9.59%	
Rising Tide Holdings, Inc. - Exit Facility Term Loan	7.00%	6.58%	7.00%	(H)
Rosa Mexicano - First Lien Revolving Line of Credit	9.72%	6.28%	—%	
Rosa Mexicano - First Lien Term Loan	13.11%	—%	—%	
Shutterfly, LLC - Second Lien Term Loan	4.00%	—%	4.00%	
Town & Country Holdings, Inc. - First Lien Term Loan	12.00%	—%	12.00%	
Town & Country Holdings, Inc. - First Lien Term Loan	12.00%	—%	12.00%	
Town & Country Holdings, Inc. - First Lien Term Loan	9.00%	—%	9.00%	
TPS, LLC - First Lien Term Loan	1.50%	—%	1.50%	
USES Corp. - First Lien Equipment Term Loan	14.59%	—%	—%	(I)
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%	(J)
Valley Electric Company, Inc. - First Lien Term Loan B	8.00%	—%	5.50%	(J)

(A) On December 29, 2023, the Aventiv Technologies, LLC Second Lien Term Loan was amended to allow a portion of interest accruing in cash to be payable in kind.
(B) 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 14.59%. PIK was due July 1, 2024 for CP Energy Services, Inc. loans.
(C) 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 13.59%. PIK was due July 1, 2024 for Spartan Energy Services, LLC.
(D) 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%.
(E) On September 28, 2023, the Credit.com First Lien Term Loan A and First Lien Term Loan B were amended to allow a portion of interest accruing in cash to be payable in kind.
(F) 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%.
(G) Nationwide Senior Secured Term Loan and Delayed Draw Term Loan allow a portion interest accruing in cash to be payable in kind resulting in a maximum current PIK rate of 20.00%.
(H) On September 12, 2023, the Rising Tide Holdings, Inc. Exit Facility Term loan was amended to allow a portion of interest accruing in cash to be payable in kind.

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

(I) 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%. PIK was due July 1, 2024 for USES Corp.
(J) PIK was due July 1, 2024 for Valley Electric Company, Inc. loans. The payment of PIK was in cash. The PIK rate was amended to 5.50%.

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 12.50% and TLB PIK rate of 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 12.61%
(H) Next PIK payment/capitalization date is August 31, 2023.
(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%.
(J) 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 14.36%.

Endnote Explanations as of June 30, 2024 and 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 year ended June 30, 2024 with these controlled investments were as follows:

Controlled Companies	Fair Value at June 30, 2023	Gross Additions (Cost)(A)	Gross Reductions (Cost)(B)	Net unrealized gains (losses)	Fair Value at June 30, 2024	Interest income	Dividend income	Other income	Net realized gains (losses)
CP Energy Services Inc.	$ 79,355	$ 11,355	$ —	$ (19,989)	$ 70,721	$ 11,452	$ —	$ —	$ —
CP Energy - Spartan Energy Services, Inc.	34,665	8,523	—	(3,703)	39,485	4,840	—	—	—
Credit Central Loan Company, LLC	73,642	5,987	—	(399)	79,230	9,312	—	—	—
Echelon Transportation, LLC	64,198	—	(1,861)	4,586	66,923	3,470	—	—	—
First Tower Finance Company LLC	598,382	29,385	(319)	(21,520)	605,928	62,675	—	—	—
Freedom Marine Solutions, LLC	12,710	—	—	(59)	12,651	—	—	—	—
InterDent, Inc.	457,967	23,249	—	(17,333)	463,883	36,946	—	—	—
Kickapoo Ranch Pet Resort	3,242	1,500	—	—	4,742	92	80	75	—
MITY, Inc.	68,178	5,150	—	12,255	85,583	8,988	—	130	(1)
National Property REIT Corp.	1,659,976	253,948	(108,950)	(108,512)	1,696,462	99,538	—	66,799	—
Nationwide Loan Company LLC	47,572	9,972	—	(14,382)	43,162	5,111	—	147	—
NMMB, Inc.	94,180	—	—	85	94,265	4,255	657	—	1,040
Pacific World Corporation	65,746	41,521	—	(2,604)	104,663	10,164	—	812	—
R-V Industries, Inc.	81,508	3,700	—	17,194	102,402	5,358	—	106	—
Universal Turbine Parts, LLC	45,065	2,500	(49)	20,551	68,067	4,030	—	—	—
USES Corp.	19,527	1,545	—	(3,083)	17,989	1,990	—	—	—
Valley Electric Company, Inc.	165,784	4,763	—	145,872	316,419	12,316	—	666	—
Total	$ 3,571,697	$ 403,098	$ (111,179)	$ 8,959	$ 3,872,575	$280,537	$ 737	$68,735	$ 1,039

(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 year ended June 30, 2024 with these affiliated investments were as follows:

Affiliated Companies	Fair Value at June 30, 2023	Gross Additions (Cost)(A)	Gross Reductions (Cost)(B)	Net unrealized gains (losses)	Fair Value at June 30, 2024	Interest income	Dividend income	Other income	Net realized gains (losses)
Nixon, Inc.	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
RGIS Services, LLC	10,397	1,432	1,307	4,933	18,069	—	2,291	—	—
Total	$ 10,397	$ 1,432	$ 1,307	$ 4,933	$ 18,069	$ —	$ 2,291	$ —	$ —

(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.

Endnote Explanations as of June 30, 2024 and 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, 2023 with these controlled investments were as follows:

Portfolio Company	Fair Value at June 30, 2022	Gross Additions (Cost)(A)	Gross Reductions (Cost)(B)	Net unrealized gains (losses)	Fair Value at June 30, 2023	Interest income	Dividend income	Other income	Net realized gains (losses)
CP Energy Services Inc.	$ 64,260	$ 17,959	$ —	$ (2,864)	$ 79,355	$ 7,969	$ —	$ —	$ —
CP Energy - Spartan Energy Services, LLC	48,441	6,005	—	(19,781)	34,665	3,510	—	—	—
Credit Central Loan Company, LLC	76,935	14,261	—	(17,554)	73,642	8,040	—	123	—
Echelon Transportation LLC	65,766	3,391	—	(4,959)	64,198	4,086	—	—	—
First Tower Finance Company LLC	607,283	40,688	(987)	(48,602)	598,382	63,364	—	—	—
Freedom Marine Solutions, LLC	13,899	650	—	(1,839)	12,710	—	—	—	—
InterDent, Inc.	406,194	20,681	(950)	32,042	457,967	32,523	—	—	—
Kickapoo Ranch Pet Resort	3,833	—	—	(591)	3,242	—	150	—	—
MITY, Inc.	59,999	2,692	(3,265)	8,752	68,178	8,177	—	—	(2)
National Property REIT Corp.	1,615,737	213,469	(113,352)	(55,878)	1,659,976	95,004	—	63,792	—
Nationwide Loan Company LLC	50,400	2,337	—	(5,165)	47,572	4,306	—	—	—
NMMB, Inc.	109,943	—	—	(15,763)	94,180	3,754	2,510	—	(2,510)
Pacific World Corporation	59,179	18,479	—	(11,912)	65,746	8,052	—	105	—
R-V Industries, Inc.	56,923	—	—	24,585	81,508	4,467	—	158	—
Universal Turbine Parts, LLC	31,147	—	(32)	13,950	45,065	3,280	—	—	—
USES Corp.	22,395	10,675	—	(13,543)	19,527	1,039	—	—	—
Valley Electric Company, Inc.	145,983	22,341	548	(3,088)	165,784	9,403	547	1,046	—
Total	$ 3,438,317	$ 373,628	$ (118,038)	$ (122,210)	$ 3,571,697	$ 256,974	$ 3,207	$65,224	$ (2,512)

(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.

(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, 2023 with these affiliated investments were as follows:

Portfolio Company	Fair Value at June 30, 2022	Gross Additions (Cost)(A)	Gross Reductions (Cost)(B)	Net unrealized gains (losses)	Fair Value at June 30, 2023	Interest income	Dividend income	Other income	Net realized gains (losses)
Nixon, Inc.	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
PGX Holdings, Inc. (C)	340,253	—	(288,494)	(51,759)	—	15,003	—	133	—
RGIS Services, LLC	17,004	—	(5,128)	(1,479)	10,397	31	1,374	—	—
Targus Cayman HoldCo Limited	36,007	—	(2,805)	(33,202)	—	—	—	—	16,143
	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.

Endnote Explanations as of June 30, 2024 and 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 NPRC 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
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	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 - Exchanged	11/13/2017, 11/24/2017, 8/6/2018, 8/24/2018, 3/18/2019, 3/4/2024	24,432
Aventiv Technologies, LLC	First Lien Term Loan - Exchanged	2/29/2024, 3/4/2024	10,679
Aventiv Technologies, LLC	Second Out Super Priority First Lien Term Loan	6/28/2024	834
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, 11/22/2023, 3/28/2024	5,087
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, 12/1/2023	18,000
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, 3/14/2024	15,800
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, 6/7/2024	19,250
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, 11/27/2023, 2/2/2024, 2/26/2024	3,161
Dukes Root Control Inc.	First Lien Delayed Draw Term Loan	5/26/2023, 10/26/2023	3,254
Echelon Transportation, LLC	Membership Interest	3/31/2014, 9/30/2014, 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
Emerge Intermediate, Inc.	First Lien Term Loan	6/14/2024	1,467
Eze Castle Integration, Inc.	First Lien Delayed Draw Term Loan	10/7/2022, 9/5/2023	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

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

Portfolio Company	Investment	Follow-On Acquisition Dates	Follow-On Acquisitions (Excluding initial investment cost)
Freedom Marine Solutions, LLC	Membership Interest	10/1/2009, 12/22/2009, 1/13/2010, 3/30/2010, 5/13/2010, 2/14/2011, 4/28/2011, 7/7/2011, 10/20/2011, 10/30/2015, 1/7/2016, 4/11/2016, 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	42,118
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
Global Tel*Link Corporation (d/b/a ViaPath Technologies.)	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
Help/Systems Holdings, Inc. (d/b/a Forta, LLC)	Second Lien Term Loan	5/11/2021, 10/14/2021	54,649
The Hiller Companies, LLC	First Lien Term Loan	4/6/2023	17,000
Imperative Worldwide, LLC (f/k/a MAGNATE WORLDWIDE, LLC)	First Lien Delayed Draw Term Loan	10/26/2022, 6/1/2023	2,310
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
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
Lucky US BuyerCo LLC	First Lien Revolving Line of Credit	3/21/2024, 6/24/2024	1,665
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, 2/14/2024, 3/15/2024, 5/15/2024	15,800
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
Nationwide Loan Company LLC	First Lien Delayed Draw Term Loan	6/26/2024	2,250
National Property REIT Corp.	First Lien Term Loan A	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, 11/26/2021, 12/1/2021, 12/28/2021, 1/14/2022, 2/15/2022, 3/17/2022, 3/28/2022, 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, 10/4/2023, 10/20/2023, 11/30/2023, 1/3/2024, 1/18/2024, 2/29/2024, 3/8/2024, 4/2/2024, 5/31/2024	836,473
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, 11/2/2023	263,000
National Property REIT Corp.	First Lien Term Loan E	6/26/2024	35,300
NH Kronos Buyer, Inc.	First Lien Term Loan	4/10/2024	9,900
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, 1/26/2024	55,100
Pacific World Corporation	First Lien Term Loan A	12/22/2022	10,500
PeopleConnect Holdings, Inc.	First Lien Term Loan	10/21/2021	82,005
PetVet Care Centers, LLC	Second Lien Term Loan	11/22/2021, 5/10/2022	10,950

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

Portfolio Company	Investment	Follow-On Acquisition Dates	Follow-On Acquisitions (Excluding initial investment cost)
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
RGIS Services, LLC	Membership Interest	5/28/2024	1,432
Redstone Holdco 2 LP	Second Lien Term Loan	9/10/2021	17,903
Research Now Group, LLC and Dynata, LLC	First Lien Term Loan	2/21/2024	1,425
Romark WM-R Ltd.	Subordinated Structured Note	3/29/2018	5,125
Rosa Mexicano	First Lien Revolving Line of Credit	3/27/2020, 10/13/2023, 2/7/2024, 5/17/2024	5,400
R-V Industries, Inc.	First Lien Term Loan	3/4/2022, 9/25/2023	8,700
R-V Industries, Inc.	Common Stock	12/27/2016	1,854
Shiftkey, LLC	First Lien Term Loan	8/26/2022, 9/14/2022, 9/23/2022	39,450
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
The RK Logistics Group, Inc.	Class B Common Units	12/19/2023	1,250
The RK Logistics Group, Inc.	First Lien Term Loan	6/28/2024	13,000
Town & Country Holdings, Inc.	First Lien Term Loan	7/13/2018, 7/16/2018, 2/27/2024, 3/28/2024, 4/23/2024	115,000
United Sporting Companies, Inc.	Second Lien Term Loan	3/7/2013, 3/14/2024	59,325
Universal Turbine Parts, LLC	First Lien Delayed Draw Term Loan	10/24/2019, 2/7/2020, 2/26/2020, 4/5/2021, 11/24/2023	5,716
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, 10/12/2023	21,700
USG Intermediate, LLC	First Lien Term Loan B	8/24/2017, 7/30/2021, 2/9/2022, 8/17/2022, 5/12/2023, 12/20/2023	104,475
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
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

Endnote Explanations as of June 30, 2024 and June 30, 2023 (Continued)

(45) Since Prospect's initial common equity investment in NPRC 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 NPRC term loan follow-on investments):

Fiscal Year	(NPRC 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
2024		4,600

(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 2 security in the ASC 820 table as of June 30, 2024 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(s) 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(s) with respect to payments of principal, interest, and any other amounts due thereunder. Therefore, the Company may receive a higher interest rate than the “first out” lenders and the Consolidated Schedule of Investments above reflects such higher rate, as applicable.

(51) Emerge Intermediate, Inc., HD Research, LLC, ERG Buyer, LLC, and ERG Blocker, Inc. are joint borrowers on the First Lien Term Loan.

(52) The stated interest rate on the drawn revolver and delayed drawn term loan commitments represents a weighted average interest rate for the funded amounts of the investment.

(53) Discovery Point Retreat, LLC, Discovery MSO LLC, Eating Disorder Solutions of Texas LLC, Discovery Point Retreat Waxahachie, LLC are joint borrowers on the First Lien Term Loan.

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, as amended (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. 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.

Note 2. Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") pursuant to the requirements for reporting on Form 10-K, ASC 946, *Financial Services—Investment Companies* ("ASC 946"), and Articles 3, 6, and 12 of Regulation S-X.

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, 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.

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. Cash and restricted cash held at financial institutions, at times, has exceeded the 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 year ended June 30, 2024. 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 June 30, 2024 and June 30, 2023, our qualifying assets as a percentage of total assets, stood at 83.78% and 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

value of our investments on a quarterly basis (as discussed in *Investment Valuation* below), with 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 June 30, 2024, 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

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

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.

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

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 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*. 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 payment-in-kind ("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 June 30, 2024 approximately 0.3% of our total assets at fair value are in non-accrual status.

Some of our loans and other investments may have contractual 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 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.

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. The Company modified its policy during the year ended June 30, 2024, with respect to the timing of when it recognizes realized losses for certain CLO equity investments for which the Company determines that a CLO's expected remaining cash flows do not exceed amortized cost basis. In such situations, the amortized cost basis of the CLO is written down and recognized as a realized loss.

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.

Other income consists of structuring fees, amendment fees, overriding royalty interests, receipts related to net profit and revenue 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 considered fees in exchange for the provision of certain services and are subject to the 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 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 during the calendar year and 98.2% of our capital gains recognized for the one year period ending October 31, 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 June 30, 2024, we do not expect to have any excise tax due for the 2024 calendar year. 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

elect to recognize and pay tax on any net built-in gain (the excess of aggregate gain, including items of income, over aggregate 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 June 30, 2024, 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, 2021 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 June 30, 2024 and 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 common share. Net asset value per common 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.

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 with the period ended September 30, 2021, limitations on our ability to exercise our Issuer Optional Conversion on the 5.50% Preferred Stock and 6.50% Preferred Stock created the possibility of redemption outside of the Company's control if dividends on the Preferred Stock have accumulated and been unpaid for a period of two years. The 5.50% Preferred Stock, 6.50% Preferred Stock and 5.35% Series A Preferred Stock issued as temporary equity is recorded net of offering costs and issuance costs due to this possibility. The 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.

The Floating Rate Preferred Stock is redeemable at the election of the Holder at any time and is probable of redemption outside of the Company's Control. In accordance with ASC 480-10-S99-3A, the Floating Rate Preferred Stock is accreted to redemption value within temporary equity upon issuance. Accretion to redemption value is treated as an adjustment to net increase (decrease) in net assets resulting from operations applicable to common stockholders on our *Consolidates Statement of Operations.*

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

The Company considers the applicability and impact of all accounting standard updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"). The Company has assessed currently issued ASUs and has determined that they are not applicable or expected to have minimal impact on its consolidated financial statements.

Note 3. Portfolio Investments

At June 30, 2024, we had investments in 117 long-term portfolio investments and CLOs, which had an amortized cost of $7,447,174 and a fair value of $7,718,243. At June 30, 2023, we had investments in 130 long-term portfolio investments and CLOs, which had an amortized cost of $7,800,596 and a fair value of $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 $764,456 and $1,076,445 during the years ended June 30, 2024 and June 30, 2023, respectively. Debt repayments and considerations from sales of equity securities of approximately $536,830 and $462,936 were received during the years ended June 30, 2024 and June 30, 2023, 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).
- 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.
- 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.
- 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 June 30, 2024 and June 30, 2023:

	June 30, 2024		June 30, 2023	
	Cost	Fair Value	Cost	Fair Value
First Lien Revolving Line of Credit	$ 87,589	$ 86,544	$ 58,139	$ 58,058
First Lien Debt (1)	4,686,107	4,569,467	4,431,887	4,302,795
Second Lien Revolving Line of Credit	5,147	4,987	5,139	4,646
Second Lien Debt	1,219,482	1,038,882	1,586,112	1,257,862
Unsecured Debt	7,200	7,200	7,200	7,200
Subordinated Structured Notes	623,700	531,690	952,815	665,002
Equity	817,949	1,479,473	759,304	1,429,368
Total Investments	$ 7,447,174	$ 7,718,243	$ 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 $22,359 and $22,413, respectively, as of June 30, 2024. 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 table shows the fair value of our investments disaggregated into the three levels of the ASC 820 valuation hierarchy as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
First Lien Revolving Line of Credit	$ —	$ —	$ 86,544	$ 86,544
First Lien Debt(1)	—	49,651	4,519,816	4,569,467
Second Lien Revolving Line of Credit	—	—	4,987	4,987
Second Lien Debt	—	—	1,038,882	1,038,882
Unsecured Debt	—	—	7,200	7,200
Subordinated Structured Notes	—	—	531,690	531,690
Equity	—	—	1,479,473	1,479,473
Total Investments	$ —	$ 49,651	$ 7,668,592	$ 7,718,243

(1) First lien debt includes a loan that the Company classifies as "unitranche". The total amortized cost and fair value of the unitranche loan was $22,359 and $22,413, respectively, as of June 30, 2024.

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, 2023:

	Level 1	Level 2	Level 3	Total
First Lien Revolving Line of Credit	$ —	$ —	$ 58,058	$ 58,058
First Lien Debt (1)	—	7,481	4,295,314	4,302,795
Second Lien Revolving Line of Credit	—	—	4,646	4,646
Second Lien Debt	—	—	1,257,862	1,257,862
Unsecured Debt	—	—	7,200	7,200
Subordinated Structured Notes	—	—	665,002	665,002
Equity	—	—	1,429,368	1,429,368
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 year ended June 30, 2024:

	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	1,039	—	(418,687)	(417,648)
Net change in unrealized gains	8,959	4,933	248,186	262,078
Net realized and unrealized gains (losses)	9,998	4,933	(170,501)	(155,570)
Purchases of portfolio investments(3)	311,113	1,432	317,406	629,951
Payment-in-kind interest	90,879	—	43,626	134,505
Accretion of discounts and premiums, net	1,106	—	4,464	5,570
Decrease to Subordinated Structured Notes cost, net(4)	—	—	(83,403)	(83,403)
Repayments and sales of portfolio investments(3)	(112,218)	1,307	(425,158)	(536,069)
Transfers out of Level 3(1)	—	—	(106,297)	(106,297)
Transfers into Level 3(1)	—	—	62,455	62,455
Fair value as of June 30, 2024	$ 3,872,575	$ 18,069	$ 3,777,948	$ 7,668,592

	First Lien Revolving Line of Credit	First Lien Debt(2)	Second Lien Revolving Line of Credit	Second Lien Debt	Unsecured Debt	Subordinated Structured Notes	Equity	Total
Fair value as of June 30, 2023	$ 58,058	$4,295,314	$ 4,646	$1,257,862	$ 7,200	$ 665,002	$1,429,368	$7,717,450
Net realized (losses) gains on investments	—	(72,795)	—	(179,986)	(1)	(159,113)	(5,753)	(417,648)
Net change in unrealized (losses) gains	(963)	13,833	333	147,658	—	109,757	(8,540)	262,078
Net realized and unrealized (losses) gains	(963)	(58,962)	333	(32,328)	(1)	(49,356)	(14,293)	(155,570)
Purchases of portfolio investments(3)	36,076	517,356	—	(14,791)	—	—	91,310	629,951
Payment-in-kind interest	3,975	125,387	—	5,143	—	—	—	134,505
Accretion of discounts and premiums, net	104	3,474	8	1,984	—	—	—	5,570
Decrease to Subordinated Structured Notes cost, net(4)	—	—	—	—	—	(83,403)	—	(83,403)
Repayments and sales of portfolio investments(3)	(10,706)	(318,911)	—	(178,988)	1	(553)	(26,912)	(536,069)
Transfers out of Level 3(1)	—	(83,297)	—	(23,000)	—	—	—	(106,297)
Transfers into Level 3(1)	—	39,455	—	23,000	—	—	—	62,455
Fair value as of June 30, 2024	$ 86,544	$4,519,816	$ 4,987	$1,038,882	$ 7,200	$ 531,690	$1,479,473	$7,668,592

(1)Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred. During the year ended June 30, 2024, seven of our first lien notes transferred out of Level 3 to Level 2 because inputs to the valuation became observable. During the year ended June 30, 2024, three of our first lien notes transferred out of Level 2 to Level 3 because inputs to the valuation became unobservable.
(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 and/or last out loans were $22,359 and $22,413, respectively, as of June 30, 2024. 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.
(3) Includes reorganizations and 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 year ended June 30, 2024, of $119,125 and the effective yield interest income recognized on our Subordinated Structured Notes of $35,722.

The following tables show the aggregate changes in the fair value of our Level 3 investments during the year ended June 30, 2023:

	Fair Value Measurements Using Unobservable Inputs (Level 3)			
	Control Investments	Affiliate Investments	Non-Control/ Non-Affiliate 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	(54,936)	(41,305)
Net change in unrealized losses	(122,210)	(86,440)	(258,740)	(467,390)
Net realized and unrealized losses	(124,722)	(70,297)	(313,676)	(508,695)
Purchases of portfolio investments	272,231	—	664,383	936,614
Payment-in-kind interest	100,573	—	31,514	132,087
Accretion of discounts and premiums, net	824	—	4,307	5,131
Decrease to Subordinated Structured Notes cost, net(4)	—	—	(13,083)	(13,083)
Repayments and sales of portfolio investments	(115,526)	(24,819)	(275,250)	(415,595)
Transfers within Level 3(1)	—	(287,751)	287,751	—
Transfers out of Level 3(1)	—	—	(17,699)	(17,699)
Transfers into Level 3(1)	—	—	69,996	69,996
Fair Value as of as of June 30, 2023	$ 3,571,697	$ 10,397	$ 4,135,356	$ 7,717,450

	First Lien Revolving Line of Credit	First Lien Debt(2)	Second Lien Revolving Line of Credit	Second Lien Debt	Unsecured Debt	Subordinated Structured Notes	Equity	Total
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 on investments	—	(16,678)	—	(8,791)	(2)	(29,466)	13,632	(41,305)
Net change in unrealized gains (losses)	(52)	(33,545)	(493)	(211,029)	—	(1,539)	(220,732)	(467,390)
Net realized and unrealized gains (losses)	(52)	(50,223)	(493)	(219,820)	(2)	(31,005)	(207,100)	(508,695)
Purchases of portfolio investments	16,545	826,114	5,133	45,854	—	—	42,968	936,614
Payment-in-kind interest	3,221	117,064	—	11,802	—	—	—	132,087
Accretion of discounts and premiums, net	35	3,015	6	2,075	—	—	—	5,131
Decrease to Subordinated Structured Notes cost, net(4)	—	—	—	—	—	(13,083)	—	(13,083)
Repayments and sales of portfolio investments(3)	(1,437)	(337,097)	—	(53,385)	2	(2,339)	(21,339)	(415,595)
Transfers within Level 3(1)	—	—	—	—	—	—	—	—
Transfers out of Level 3(1)	—	(17,699)	—	—	—	—	—	(17,699)
Transfers into Level 3(1)	—	69,996	—	—	—	—	—	69,996
Fair value as of June 30, 2023	$ 58,058	$ 4,295,314	$ 4,646	$ 1,257,862	$ 7,200	$ 665,002	$ 1,429,368	$ 7,717,450

(1) Transfers are assumed to have occurred at the beginning of the quarter during which the asset was transferred. During the year ended June 30, 2023, six of our first lien notes transferred out of Level 2 to Level 3 because inputs to the valuation became unobservable. During the year ended June 30, 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”. The total amortized cost and fair value of the unitranche loan were $49,265 and $48,332, respectively, as of June 30, 2023.
(3)Includes reorganizations and 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 year ended June 30, 2023, of $103,905 and the effective yield interest income recognized on our Subordinated Structured Notes of $90,822.

The net change in unrealized (losses) gains on the investments that use Level 3 inputs was $(135,905) and $(493,198) for investments still held as of June 30, 2024 and June 30, 2023, respectively.

The following table shows industries that comprise of greater than 10% of our portfolio at fair value as of June 30, 2024 and June 30, 2023:

	June 30, 2024			June 30, 2023		
	Cost	Fair Value	% of Portfolio	Cost	Fair Value	% of Portfolio
Equity Real Estate Investment Trusts (REITs)	$ 897,181	$ 1,485,332	19.1 %	$ 741,133	$ 1,437,796	18.6 %
Health Care Providers & Services	739,721	821,921	10.6 %	687,813	798,365	10.3 %
Consumer Finance	623,033	728,320	9.4 %	625,033	736,635	9.5 %
All Other Industries	5,187,239	4,682,670	60.9 %	5,746,617	4,752,135	61.6 %
Total	$ 7,447,174	$ 7,718,243	100.0 %	$ 7,800,596	$ 7,724,931	100.0 %

As of June 30, 2024 investments in California comprised 10.9% of our investments at fair value, with a cost of $970,217 and a fair value of $839,303. As of June 30, 2023 investments in California comprised 10.3% of our investments at fair value, with a cost of $933,559 and a fair value of $791,860.

The ranges of unobservable inputs used in the fair value measurement of our Level 3 investments as of June 30, 2024 were as follows:

			Unobservable Input			
Asset Category	Fair Value	Primary Valuation Approach or Technique	Input	Range		Weighted Average (4)
First Lien Debt	$1,803,971	Discounted cash flow (Yield analysis)	Market yield	8.3% to 34.1%		12.4%
First Lien Debt	602,921	Enterprise value waterfall (Market approach)	EBITDA multiple	3.3x to 11.5x		8.2x
First Lien Debt	316,428	Enterprise value waterfall (Market approach)	EBITDA multiple	10.5x to 12.5x		11.5x
		Enterprise value waterfall (Discounted cash flow)	Discount rate	9.3% to 11.3%		10.3%
First Lien Debt	156,075	Enterprise value waterfall (Market approach)	Revenue multiple	0.3x to 2.0x		1.1x
First Lien Debt	56,239	Enterprise value waterfall (Discounted cash flow)	Discount rate	5.8% to 30.0%		7.2%
First Lien Debt	40,488	Enterprise value waterfall (Market approach)	Revenue multiple	0.9x to 1.5x		1.2x
		Enterprise value waterfall (Discounted cash flow)	Discount rate	14.0% to 55.0%		34.5%
First Lien Debt	5,165	Enterprise value waterfall (Market approach)	Revenue multiple	0.4x to 0.7x		0.6x
		Discounted cash flow (Yield analysis)	Market yield	13.7% to 19.7%		16.7%
First Lien Debt (1)	20,630	Enterprise value waterfall	Loss-adjusted discount rate	8.2% to 8.2%		8.2%
			Projected loss rates	3.0% to 3.0%		3.0%
First Lien Debt (1)	190,500	Enterprise value waterfall	Discount rate (2)	11.2% to 29.1%		13.2%
First Lien Debt	111,800	Enterprise value waterfall (Market approach)	Tangible book value multiple	1.0x to 2.1x		1.6x
First Lien Debt	424,992	Enterprise value waterfall (Market approach)	Tangible book value multiple	2.5x to 3.0x		2.7x
			Earnings multiple	9.0x to 12.0x		10.5x
First Lien Debt	877,151	Discounted cash flow	Discount Rate	6.3% to 9.8%		7.2%
			Terminal Cap Rate	5.3% to 8.3%		6.0%
Second Lien Debt	1,031,632	Discounted cash flow (Yield analysis)	Market yield	8.3% to 64.6%		15.3%
Second Lien Debt	1,948	Enterprise value waterfall (Market approach)	EBITDA multiple	4.5x to 5.5x		5.0x
Second Lien Debt	10,289	Asset recovery analysis	Recoverable amount	n/a		n/a
Unsecured Debt	7,200	Enterprise value waterfall (Market approach)	EBITDA multiple	5.8x to 7.0x		6.4x
Subordinated Structured Notes	531,690	Discounted cash flow	Discount rate (2)	5.4% to 20.8%		11.7%
Preferred Equity	8,287	Enterprise value waterfall (Market approach)	Revenue multiple	0.3x to 2.0x		1.2x
Preferred Equity	34,198	Enterprise value waterfall (Market approach)	EBITDA multiple	3.3x to 9.5x		8.9x
Preferred Equity	12,184	Enterprise value waterfall (Discounted cash flow)	Discount rate	5.8% to 7.8%		6.8%
Common Equity/Interests/ Warrants	455,535	Enterprise value waterfall (Market approach)	EBITDA multiple	3.3x to 11.5x		8.4x
Common Equity/Interests/ Warrants	3,923	Enterprise value waterfall (Market approach)	Revenue multiple	0.4x to 1.5x		0.6x
Common Equity/Interests/ Warrants	426	Enterprise value waterfall (Market approach)	Revenue multiple	0.9x to 1.5x		1.2x
		Enterprise value waterfall (Discounted cash flow)	Discount rate	14.0% to 55.0%		34.5%
Common Equity/Interests/ Warrants	147,455	Enterprise value waterfall (Market approach)	EBITDA multiple	10.5x to 12.5x		11.5x
		Enterprise value waterfall (Discounted cash flow)	Discount rate	9.3% to 11.3%		10.3%

Asset Category	Fair Value	Primary Valuation Approach or Technique	Unobservable Input			
			Input	Range		Weighted Average (4)
Common Equity/Interests/ Warrants (1)	53,860	Enterprise value waterfall	Loss-adjusted discount rate	8.2% to 8.2%		8.2%
			Projected loss rates	3.0% to 3.0%		3.0%
			Discount rate (2)	11.2% to 29.1%		13.2%
Common Equity/Interests/ Warrants (3)	46,193	Discounted cash flow	Discount rate	6.3% to 9.8%		7.2%
			Terminal Cap Rate	5.3% to 8.3%		6.0%
Common Equity/Interests/ Warrants	10,592	Enterprise value waterfall (Market approach)	Tangible book value multiple	1.0x to 2.1x		1.2x
Common Equity/Interests/ Warrants	180,936	Enterprise value waterfall (Market approach)	Tangible book value multiple	2.5x to 3.0x		2.7x
			Earnings multiple	9.0x to 12.0x		10.5x
Common Equity/Interests/ Warrants	508,128	Discounted cash flow	Discount rate	6.3% to 9.8%		7.2%
			Terminal Cap Rate	5.3% to 8.3%		6.0%
Common Equity/Interests/ Warrants	5,105	Enterprise value waterfall (Discounted cash flow)	Discount Rate	18.5% to 30.0%		22.8%
Common Equity/Interests/ Warrants	12,651	Asset recovery analysis	Recoverable amount	n/a		n/a
Total Level 3 Investments	$7,668,592					

(1) Represents the fair value of investments held by NPRC (see *National Property REIT Corp* section below) through its wholly owned subsidiaries, American Consumer Lending Limited ("ACLL") and National General Lending Limited ("NGL"), and valued using a discounted cash flow valuation technique.

(2) 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.

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

(4) 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.

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

			Unobservable Input		
Asset Category	Fair Value	Primary Valuation Approach or Technique	Input	Range	Weighted Average (5)
First Lien Debt	$1,871,464	Discounted cash flow (Yield analysis)	Market yield	9.2% to 34.3%	12.8%
First Lien Debt	708,883	Enterprise value waterfall (Market approach)	EBITDA multiple	4.8x to 11.5x	9.3x
First Lien Debt	75,015	Enterprise value waterfall (Market approach)	Revenue multiple	1.0x to 1.5x	1.3x
		Enterprise value waterfall (Discounted cash flow)	Discount rate	11.8% to 55.0%	33.4%
First Lien Debt	199,915	Enterprise value waterfall (Market approach)	Revenue multiple	0.2x to 2.0x	1.0x
First Lien Debt	56,600	Enterprise value waterfall (Discounted cash flow)	Discount rate	6.0% to 8.0%	7.0%
First Lien Debt (1)	21,580	Enterprise value waterfall (Discounted cash flow)	Loss-adjusted discount rate	7.6% to 13.2%	8.1%
			Projected loss rates	0.2% to 6.8%	5.2%
First Lien Debt (2)	200,600	Enterprise value waterfall (Discounted cash flow)	Discount rate (3)	11.7% to 19.3%	13.4%
First Lien Debt	96,239	Enterprise value waterfall (Market approach)	Tangible book value multiple	1.0x to 2.0x	1.4x
First Lien Debt	395,926	Enterprise value waterfall (Market approach)	Tangible book value multiple	2.8x to 3.0x	2.9x
			Earnings multiple	7.3x to 9.3x	8.3x
First Lien Debt	725,703	Discounted cash flow	Discount Rate	6.3% to 9.8%	7.0%
			Terminal Cap Rate	5.0% to 8.3%	5.8%
First Lien Debt	1,447	Asset recovery analysis	Recoverable amount	n/a	n/a
Second Lien Debt	1,255,520	Discounted cash flow (Yield analysis)	Market yield	10.2% to 45.7%	14.8%
Second Lien Debt	6,988	Asset recovery analysis	Recoverable amount	n/a	n/a
Unsecured Debt	7,200	Enterprise value waterfall (Market approach)	EBITDA multiple	4.8x to 7.5x	6.1x
Subordinated Structured Notes	665,002	Discounted cash flow	Discount rate (3)	4.0% to 37.1%	23.4%
Preferred Equity	12,637	Enterprise value waterfall (Market approach)	Revenue multiple	0.2x to 2.0x	1.1x
Preferred Equity	13,920	Enterprise value waterfall (Market approach)	EBITDA multiple	6.8x to 9.3x	8.6x
Preferred Equity	7,598	Enterprise value waterfall (Discounted cash flow)	Discount rate	6.0% to 8.0%	7.0%
Common Equity/Interests/ Warrants	438,848	Enterprise value waterfall (Market approach)	EBITDA multiple	4.8x to 11.5x	9.1x
Common Equity/Interests/ Warrants (1)	1,400	Enterprise value waterfall (Discounted cash flow)	Loss-adjusted discount rate	7.6% to 13.2%	8.1%
			Projected loss rates	0.2% to 6.8%	5.2%
Common Equity/Interests/ Warrants (2)	35,648	Enterprise value waterfall (Discounted cash flow)	Discount rate (3)	11.7% to 19.3%	13.4%
Common Equity/Interests/ Warrants (4)	56,254	Discounted cash flow	Discount rate	6.3% to 9.8%	7.0%
			Terminal Cap Rate	5.0% to 8.3%	5.8%
Common Equity/Interests/ Warrants	24,975	Enterprise value waterfall (Market approach)	Tangible book value multiple	1.0x to 2.0x	1.3x
Common Equity/Interests/ Warrants	202,456	Enterprise value waterfall (Market approach)	Tangible book value multiple	2.8x to 3.0x	2.9x
			Earnings multiple	7.3x to 9.3x	8.3x
Common Equity/Interests/ Warrants	618,791	Discounted cash flow	Discount rate	6.3% to 9.8%	7.0%
			Terminal Cap Rate	5.0% to 8.3%	5.8%
Common Equity/Interests/ Warrants	4,131	Enterprise value waterfall (Discounted cash flow)	Discount rate	13.0% to 30.0%	22.5%

Asset Category	Fair Value	Primary Valuation Approach or Technique	Unobservable Input		
			Input	Range	Weighted Average (5)
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 investments held by NPRC 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 NPRC 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 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. 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

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 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 or slowly 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 SOFR would materially increase the CLO's financing costs. Since most of the collateral positions within the CLOs have SOFR floors, there may not be corresponding increases in investment income (if SOFR increases but stays below the 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.

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 year ended June 30, 2024, the valuation methodology for Aventiv Technologies, LLC (f/k/a Securus Technologies Holdings, Inc.) ("Aventiv") for the Second Lien Term Loan changed from a combination of the yield analysis and a take-out scenario to a combination of the yield analysis and equitized recovery scenario, as the company shifted from a potential debt transaction to entering into a restructuring amendment with lenders. As a result, the fair value of our investment in Aventiv's Second Lien Term Loan decreased to $46,098 as of June 30, 2024, a discount of $10,573 from its amortized cost, compared to the $520 unrealized discount recorded at June 30, 2023.

During the year ended June 30, 2024, the valuation methodology for DTI Holdco, Inc. ("Epiq") for the First Lien Term Loan changed from a combination of the yield analysis and market quotes to relying solely on market quotes, since market quotes were more active in the current period. As a result of the quoted prices of the First Lien Term Loan, the fair value of our investment in Epiq's First Lien Term Loan increased to $18,176 as of June 30, 2024, a premium of $255 from its amortized cost, compared to the $449 unrealized discount recorded at June 30, 2023.

During the year ended June 30, 2024, the valuation methodology for First Brands Group for the First Lien Term Loan changed from a combination of the yield analysis and market quotes to relying solely on market quotes, since market quotes were more active in the current period. As a result of the quoted prices of the First Lien Term Loan, the fair value of our investment in First Brands Group First Lien Term Loan decreased to $22,019 as of June 30, 2024, a discount of $105 from its amortized cost, compared to the $75 unrealized discount recorded at June 30, 2023.

During the year ended June 30, 2024, the valuation methodology for Reception Purchaser, LLC ("STG Logistics") for the First Lien Term Loan changed from the yield analysis to the Current Value Method ("CVM"), given the decline in company performance and increase in net leverage. As a result, the fair value of our investment in STG Logistic's First Lien Term Loan decreased to $53,539 as of June 30, 2024, a discount of $7,983 to its amortized cost, compared to the unrealized premium of $751 recorded at June 30, 2023.

During the year ended June 30, 2024, the valuation methodology for Research Now Group, Inc. and Dynata, LLC (collectively, "Research Now") for the First and Second Lien Term Loans changed from a combination of the yield analysis and market quotes for the First Lien Term Loan and the yield analysis for the Second Lien Term Loan to both utilizing the restructuring value method (a form of CVM). The restructuring value method was utilized for both the Legacy First Lien Term Loan and Legacy Second Lien Term Loan to reflect the expected recovery for each security post-emergence from the May 2024 bankruptcy filing. As a result, the fair value of our investment in Research Now's First and Second Lien Term Loans were $9,320 and $1,948, respectively, as of June 30, 2024, a discount of $1,406 and $47,134, respectively, from its amortized cost, compared to the $480 and $5,982 unrealized discount recorded at June 30, 2023, respectively.

During the year ended June 30, 2024, the valuation methodology for Global Tel*Link Corporation (d/b/a ViaPath Technologies) (“ViaPath”) for the First Lien Term Loan changed from the yield analysis to relying solely on market quotes, since market quotes were more active in the current period. As a result of the quoted prices of the First Lien Term Loan, the fair value of our investment in ViaPath’s First Lien Term Loan increased to $9,456 as of June 30, 2024, a premium of $51 from its amortized cost, compared to the $221 unrealized discount recorded at June 30, 2023.

During the year ended June 30, 2024, the valuation methodology for Wellful Inc. (“Wellful”) for the First Lien Term Loan changed from the yield analysis to relying solely on market quotes, since market quotes were more active in the current period. As a result of the quoted prices of the First Lien Term Loan, the fair value of our investment in Wellful's First Lien Term Loan decreased to $10,721 as of June 30, 2024, a discount of $2,211 from its amortized cost, compared to the $22 unrealized discount recorded at June 30, 2023.

Credit Quality Indicators and Undrawn Commitments

As of June 30, 2024, $4,592,731 of our loans to portfolio companies, at fair value, bear interest at floating rates and have LIBOR or SOFR floors ranging from 0.0% - 5.5%. As of June 30, 2024, $1,114,349 of our loans to portfolio companies, at fair value, bear interest at fixed rates ranging from 6.0% to 20.0%. As of June 30, 2023, $4,664,827 of our loans to portfolio companies, at fair value, bore interest at floating rates and have LIBOR or SOFR floors ranging from 0.0% to 5.0%. As of June 30, 2023, $965,734 of our loans to portfolio companies, at fair value, bore interest at fixed rates ranging from 5.0% to 20.0%

As of June 30, 2024 and June 30, 2023 , the cost basis of our loans on non-accrual status amounted to $215,880 and $421,198 respectively, with fair value of $25,327 and $86,422, respectively. The fair values of these investments represent approximately 0.3% and 1.1% of our total assets at fair value as of June 30, 2024 and 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 June 30, 2024 and June 30, 2023, we had $34,771 and $54,133, 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 June 30, 2024 and 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”).

During the year ended June 30, 2024, we provided $248,344 of debt financing and $4,600 of equity financing to NPRC to fund real estate capital expenditures, provide working capital, and to fund purchases of rated secured structured notes.

During the year ended June 30, 2024, we received partial repayments of $108,950 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

During the year ended June 30, 2023, we provided $209,381 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 year ended June 30, 2023, we received partial repayments of $109,352 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.

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 June 30, 2024, the outstanding investment in rated secured structured notes by certain of NPRC's wholly owned subsidiaries was comprised of 110 investments with a fair value of $425,671 and face value of $446,180. The average outstanding note is approximately $4,057 with an expected maturity date ranging from July 2028 to July 2034 and weighted-average expected maturity of 6 years as of June 30, 2024. Coupons range from three-month SOFR ("3M") plus 5.20% to 9.23% with a weighted-average coupon of 3M + 6.94%. As of June 30, 2024, our senior secured term loan debt and common equity investments in NPRC and its wholly-owned subsidiaries relating to rated secured structured notes had a fair value of $243,036. As of June 30, 2024, based on outstanding notional balance, 43.9% of the portfolio was invested in Single - B or below rated tranches and 56.1% of the portfolio in BB or above rated tranches.

As of June 30, 2024, investments held by certain of NPRC's wholly-owned subsidiaries was comprised of residual interest in two securitizations valued at $2,647, one corporate bond valued at $18,058 and other assets valued at $1,249 for an aggregate fair value of $21,954.

As of June 30, 2024, our investment in NPRC and its wholly owned subsidiaries had an amortized cost of $1,108,311 and a fair value of $1,696,462. The fair value of $1,431,472 related to NPRC's real estate portfolio was comprised of forty-nine multi-family properties, six student housing properties, four senior living properties, and two 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 June 30, 2024:

No.	Property Name	City	Acquisition Date	Purchase Price	Mortgage Outstanding
1	Arlington Park Marietta, LLC	Marietta, GA	5/8/2013	$ 14,850	$ 13,440
2	Taco Bell, OK	Yukon, OK	6/4/2014	1,719	—
3	Taco Bell, MO	Marshall, MO	6/4/2014	1,405	—
4	Abbie Lakes OH Partners, LLC	Canal Winchester, OH	9/30/2014	12,600	21,569
5	Kengary Way OH Partners, LLC	Reynoldsburg, OH	9/30/2014	11,500	22,945
6	Lakeview Trail OH Partners, LLC	Canal Winchester, OH	9/30/2014	26,500	43,656
7	Lakepoint OH Partners, LLC	Pickerington, OH	9/30/2014	11,000	25,935
8	Sunbury OH Partners, LLC	Columbus, OH	9/30/2014	13,000	21,372
9	Heatherbridge OH Partners, LLC	Blacklick, OH	9/30/2014	18,416	31,810
10	Jefferson Chase OH Partners, LLC	Blacklick, OH	9/30/2014	13,551	27,625
11	Goldenstrand OH Partners, LLC	Hilliard, OH	10/29/2014	7,810	17,195
12	Vesper Tuscaloosa, LLC	Tuscaloosa, AL	9/28/2016	54,500	41,101
13	Vesper Iowa City, LLC	Iowa City, IA	9/28/2016	32,750	23,700
14	Vesper Corpus Christi, LLC	Corpus Christi, TX	9/28/2016	14,250	10,311
15	Vesper Campus Quarters, LLC	Corpus Christi, TX	9/28/2016	18,350	13,533
16	Vesper College Station, LLC	College Station, TX	9/28/2016	41,500	30,606
17	Vesper Statesboro, LLC	Statesboro, GA	9/28/2016	7,500	7,435
18	9220 Old Lantern Way, LLC	Laurel, MD	1/30/2017	187,250	152,799
19	7915 Baymeadows Circle Owner, LLC	Jacksonville, FL	10/31/2017	95,700	88,529
20	8025 Baymeadows Circle Owner, LLC	Jacksonville, FL	10/31/2017	15,300	15,408
21	23275 Riverside Drive Owner, LLC	Southfield, MI	11/8/2017	52,000	54,176
22	23741 Pond Road Owner, LLC	Southfield, MI	11/8/2017	16,500	18,747
23	150 Steeplechase Way Owner, LLC	Largo, MD	1/10/2018	44,500	35,837
24	Olentangy Commons Owner LLC	Columbus, OH	6/1/2018	113,000	92,876
25	Villages of Wildwood Holdings LLC	Fairfield, OH	7/20/2018	46,500	58,393
26	Falling Creek Holdings LLC	Richmond, VA	8/8/2018	25,000	25,374
27	Crown Pointe Passthrough LLC	Danbury, CT	8/30/2018	108,500	89,400
28	Lorring Owner LLC	Forestville, MD	10/30/2018	58,521	47,680
29	Hamptons Apartments Owner, LLC	Beachwood, OH	1/9/2019	96,500	79,520
30	5224 Long Road Holdings, LLC	Orlando, FL	6/28/2019	26,500	21,200
31	Druid Hills Holdings LLC	Atlanta, GA	7/30/2019	96,000	79,104

No.	Property Name	City	Acquisition Date	Purchase Price	Mortgage Outstanding
32	Bel Canto NPRC Parcstone LLC	Fayetteville, NC	10/15/2019	45,000	42,793
33	Bel Canto NPRC Stone Ridge LLC	Fayetteville, NC	10/15/2019	21,900	21,545
34	Sterling Place Holdings LLC	Columbus, OH	10/28/2019	41,500	34,196
35	SPCP Hampton LLC	Dallas, TX	11/2/2020	36,000	38,843
36	Palmetto Creek Holdings LLC	North Charleston, SC	11/10/2020	33,182	25,865
37	Valora at Homewood Holdings LLC	Homewood, AL	11/19/2020	81,250	63,844
38	NPRC Fairburn LLC	Fairburn, GA	12/14/2020	52,140	43,900
39	NPRC Grayson LLC	Grayson, GA	12/14/2020	47,860	40,500
40	NPRC Taylors LLC	Taylors, SC	1/27/2021	18,762	14,075
41	Parkside at Laurel West Owner LLC	Spartanburg, SC	2/26/2021	57,005	42,025
42	Willows at North End Owner LLC	Spartanburg, SC	2/26/2021	23,255	19,000
43	SPCP Edge CL Owner LLC	Webster, TX	3/12/2021	34,000	25,496
44	Jackson Pear Orchard LLC	Ridgeland, MS	6/28/2021	50,900	42,975
45	Jackson Lakeshore Landing LLC	Ridgeland, MS	6/28/2021	22,600	17,955
46	Jackson Reflection Pointe LLC	Flowood, MS	6/28/2021	45,100	33,203
47	Jackson Crosswinds LLC	Pearl, MS	6/28/2021	41,400	38,601
48	Elliot Apartments Norcross, LLC	Norcross, GA	11/30/2021	128,000	106,610
49	Orlando 442 Owner, LLC (West Vue Apartments)	Orlando, FL	12/30/2021	97,500	73,000
50	NPRC Wolfchase LLC	Memphis, TN	3/18/2022	82,100	60,000
51	NPRC Twin Oaks LLC	Hattiesburg. MS	3/18/2022	44,850	35,620
52	NPRC Lancaster LLC	Birmingham, AL	3/18/2022	37,550	29,227
53	NPRC Rutland LLC	Macon, GA	3/18/2022	29,750	23,938
54	Southport Owner LLC (Southport Crossing)	Indianapolis, IN	3/29/2022	48,100	36,075
55	TP Cheyenne, LLC	Cheyenne, WY	5/26/2022	27,500	17,656
56	TP Pueblo, LLC	Pueblo, CO	5/26/2022	31,500	20,166
57	TP Stillwater, LLC	Stillwater, OK	5/26/2022	26,100	15,328
58	TP Kokomo, LLC	Kokomo, IN	5/26/2022	20,500	12,753
59	Terraces at Perkins Rowe JV LLC	Baton Rouge, LA	11/14/2022	41,400	29,566
60	NPRC Apex Holdings LLC	Cincinnati, OH	1/19/2024	34,225	27,712
61	NPRC Parkton Holdings LLC	Cincinnati, OH	1/19/2024	45,775	37,090
				$ 2,629,676	$ 2,280,833

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.

NPRC is a significant subsidiary due to income for the years ended June 30, 2024, June 30, 2023 and June 30, 2022. We have attached the audited combined consolidated financial statements of NPRC for the years ended December 31, 2023 and December 31, 2022 as Exhibit 99.1 and for the years ended December 31, 2022 and December 31, 2021 as Exhibit 99.2.

InterDent, Inc. ("InterDent") was identified as a significant subsidiary due to income for the year ended June 30, 2023, but was not identified as a significant subsidiary for the years ended June 30, 2024 and June 30, 2022.

Summarized financial information for this investment is below:

Balance Sheet (1)	June 30, 2024	June 30, 2023
Current assets	$ 49,766	$ 50,431
Non-current assets	135,000	145,524
Current liabilities	74,041	73,997
Non-current liabilities	361,494	342,763

Summary Statement of Operations (1)	For the six months ended 6/30/2024	For the years ended December 31, 2023	2022	2021
Total revenue	$ 161,043	$ 320,763	$ 318,429	$ 334,704
Gross profit	26,528	54,580	58,499	75,053
Net (loss)	$ (18,903)	$ (26,033)	$ (17,497)	$ (3,183)

(1) The fiscal year end of the portfolio company is December 31st compared to PSEC's June 30th fiscal year end. All amounts are unaudited.

First Tower Finance Company LLC ("First Tower Finance") was identified as a significant subsidiary due to income for the years ended June 30, 2024 and June 30, 2022, but was not identified as a significant subsidiary for the year ended June 30, 2023.

Summarized financial information for this investment is below:

Balance Sheet (1)	June 30, 2024	June 30, 2023
Current assets	$ 711,036	$ 730,154
Non-current assets	175,870	176,435
Current liabilities	501,718	523,752
Non-current liabilities	555,309	515,664

Summary Statement of Operations (1)	For the six months ended 6/30/2024	For the years ended December 31, 2023	2022	2021
Total income	$ 147,884	$ 303,397	$ 300,333	$ 271,550
Gross profit	19,493	35,243	49,870	105,438
Net (loss)	$ (22,365)	$ (45,542)	$ (44,574)	$ (3,992)

(1) The fiscal year end of the portfolio company is December 31st compared to PSEC's June 30th fiscal year end. All amounts are unaudited.

Note 4. Revolving Credit Facility

On May 15, 2007, we formed our wholly owned subsidiary, 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 June 28, 2024, we completed an extension and upsizing of the revolving credit facility (the "Revolving Credit Facility"). The lenders have extended commitments of $2,066,500 as of June 30, 2024. The Revolving Credit Facility includes an accordion feature which allows commitments to be increased up to $2,250,000 in the aggregate. The extension and upsizing of the Revolving Credit Facility extended the maturity date to June 28, 2029 and the revolving period through June 28, 2028, 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 June 30, 2024, we were in compliance with the applicable covenants of the Revolving Credit Facility.

The interest rate on borrowings under the Revolving Credit Facility is one-month SOFR plus 205 basis points. Additionally, the lenders charge a fee on the unused portion of the revolving credit facility amount equal to either 40 basis points if more than 60% of the revolving credit facility amount is drawn, 70 basis points if more than 35% and an amount less than or equal to 60% of the revolving credit facility amount is drawn, or 150 basis points if an amount less than or equal to 35% of the revolving credit facility amount is drawn. The Revolving Credit Facility requires us to pledge assets as collateral in order to borrow under the Revolving Credit Facility. As of June 30, 2024, the investments, including cash and cash equivalents, used as collateral for the Revolving Credit Facility, had an aggregate fair value of $2,851,606, which represents 36.5% 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 $2,066,500. The release of any assets from PCF requires the approval of the facility agent.

For the year ended June 30, 2024, and June 30, 2023, 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:

	Year Ended June 30,		
	2024	2023	2022
Average stated interest rate	7.36 %	5.89 %	2.41%
Average outstanding balance	$ 1,037,466	$ 971,222	629,858

As of June 30, 2024 and June 30, 2023, we had $830,124 and $697,325, respectively, available to us for borrowing under the Revolving Credit Facility, net of $794,796 and $1,014,703 outstanding borrowings as of the respective balance sheet dates.

In connection with the origination and amendments of the Revolving Credit Facility, we incurred $37,707 of fees, all of which are being amortized over the term of the facility. As of June 30, 2024 and June 30, 2023, $22,975 and $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 years ended June 30, 2024, 2023, and 2022, we recorded $87,585, $64,851, and $23,981, respectively, of interest costs, unused fees and amortization of financing costs on the Revolving Credit Facility as interest expense.

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 year ended June 30, 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.

During the year ended June 30, 2023, 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.

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, 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 June 30, 2024 and 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 June 30, 2024(1)(2)		110.7420
Conversion price at June 30, 2024(2)(3)	$	9.03
Last conversion price calculation date		3/1/2024
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).

(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 June 30, 2024 and June 30, 2023, $395 and $964 of the original issue discount and $254 and $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 years ended June 30, 2024, 2023, and 2022, we recorded $10,884, $10,980, and $14,888, respectively, of interest costs and amortization of financing costs on the Convertible Notes as interest expense.

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.

During the year ended June 30, 2023, we commenced various tender offers to purchase for cash any and all outstanding aggregate principal amount of the 2023 Notes at prices ranging from 98.00% to 98.75%, plus accrued and unpaid interest. As a result, $2,104 aggregate principal amount of the 2023 Notes were validly tendered and accepted, and we recognized a realized loss of $30 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, the outstanding aggregate principal amount of the 2023 Notes was $284,219. On March 15, 2023, we repaid the remaining outstanding principal amount of $282,115 of the 2023 Notes, plus interest, at maturity.

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 year ended June 30, 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 June 30, 2023, the outstanding aggregate principal amount of the 6.375% 2024 Notes was $81,240. On January 16, 2024, we repaid the remaining outstanding principal amount of $81,240 of the 6.375% 2024 Notes, plus interest, at maturity.

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.

During the year ended June 30, 2022, 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 year ended June 30, 2022. Following the redemption, none of the 2029 Notes remained outstanding.

2026 Notes

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 June 30, 2024 and 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 June 30, 2024 and June 30, 2023, the outstanding aggregate principal amount of the 3.364% 2026 Notes were $300,000 and $300,000, respectively.

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 June 30, 2024 and 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 $13,138 and debt issuance costs of $12,709, which are being amortized over the term of the notes. As of June 30, 2024 and June 30, 2023, $6,462 and $8,770 of the original issue discount and $5,971 and $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 years ended June 30, 2024, 2023, and 2022, we recorded $42,702, $57,361, and $61,775, respectively, of interest costs and amortization of financing costs on the Public Notes as interest expense.

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 June 30, 2024 and June 30, 2023, $504,028 and $358,105 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 year ended June 30, 2024, we issued $156,840 aggregate principal amount of Prospect Capital InterNotes® for net proceeds of $154,511. These notes were issued with stated interest rates ranging from 5.75% to 8.00% with a weighted average interest rate of 7.14%. These notes will mature between July 15, 2026 and November 15, 2043. The following table summarizes the Prospect Capital InterNotes® issued during the year ended June 30, 2024:

Tenor at Origination (in years)	Principal Amount	Interest Rate Range	Weighted Average Interest Rate	Maturity Date Range
3	$ 54,209	5.75% – 7.25%	6.72%	July 15, 2026 – June 15, 2027
5	47,685	6.75% – 7.75%	7.20%	November 15, 2028 – June 15, 2029
6	899	6.00% – 6.25%	6.02%	July 15, 2029 – November 15, 2029
7	6,467	7.50% – 8.00%	7.87%	November 15, 2030 – December 15, 2030
10	45,674	6.25% – 8.00%	7.54%	July 15, 2033 – June 15, 2034
20	1,906	6.50% – 7.50%	6.58%	July 15, 2043 – November 15, 2043
	$ 156,840			

During the year ended June 30, 2023, we issued $17,867 aggregate principal amount of our Prospect Capital InterNotes® for net proceeds of $17,616. These notes were issued with a stated interest rates ranging from 4.50% to 6.50% with a weighted average interest rate of 5.53%. These notes will mature between October 15, 2025 and June 15, 2043. The following table summarizes the Prospect Capital InterNotes® issued during the year ended June 30, 2023:

Tenor at Origination (in years)	Principal Amount	Interest Rate Range	Weighted Average Interest Rate	Maturity Date Range
3	$ 8,731	5.00% – 5.75%	5.53%	October 15, 2025 – June 15, 2026
5	2,635	4.50% – 5.50%	4.50%	July 15, 2027 – October 15, 2027
6	2,717	5.75% – 6.00%	5.78%	December 15, 2028 – June 15, 2029
10	3,413	4.88% – 6.25%	6.03%	September 15, 2032 – June 15, 2033
20	371	6.50%	6.50%	May 15, 2043 – June 15, 2043
	$ 17,867			

During the year ended June 30, 2024, we repaid $10,255 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 year ended June 30, 2024 was $248.

The following table summarizes the Prospect Capital InterNotes® outstanding as of June 30, 2024:

Tenor at Origination (in years)	Principal Amount	Interest Rate Range	Weighted Average Interest Rate	Maturity Date Range
3	$ 64,439	2.50% – 7.25%	6.46%	February 15, 2025 – June 15, 2027
5	143,554	2.25% – 7.75%	4.60%	January 15, 2026 – June 15, 2029
6	18,348	3.00% – 6.25%	3.56%	June 15, 2027 – November 15, 2029
7	34,601	2.75% – 8.00%	4.05%	January 15, 2028 – December 15, 2030
8	3,215	3.40% – 3.50%	3.45%	June 15, 2029 – July 15, 2029
10	123,477	3.15% – 8.00%	5.30%	August 15, 2029 – June 15, 2034
12	13,748	3.70% – 4.00%	3.95%	June 15, 2033 – July 15, 2033
15	14,016	3.50% – 4.50%	3.84%	July 15, 2036 – February 15, 2037
18	2,949	4.50% – 5.50%	4.82%	January 15, 2031 – April 15, 2031
20	3,864	5.75% – 7.50%	6.23%	November 15, 2032 – November 15, 2043
25	7,494	6.25% – 6.50%	6.37%	November 15, 2038 – May 15, 2039
30	74,323	4.00% – 6.63%	5.34%	November 15, 2042 – March 15, 2052
Principal Outstanding	$ 504,028			
Less Discounts				
Unamortized Debt Issuance	(7,999)			
Carrying Amount	$ 496,029			

During the year ended June 30, 2023, we repaid $7,326 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 year ended June 30, 2023 was $181.

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

Tenor at Origination (in years)	Principal Amount	Interest Rate Range	Weighted Average Interest Rate	Maturity Date Range
3	$ 10,892	1.50% - 5.75%	4.87%	January 15, 2024 – June 15, 2026
5	96,914	2.25% - 5.50%	3.30%	January 15, 2026 – October 15, 2027
6	17,524	3.00% - 6.00%	3.43%	June 15, 2027 – June 15, 2029
7	28,887	2.75% - 4.25%	3.17%	January 15, 2028 – February 15, 2029
8	3,236	3.40% - 3.50%	3.45%	June 15, 2029 – July 15, 2029
10	79,944	3.15% - 6.25%	3.97%	August 15, 2029 – June 15, 2033
12	14,241	3.70% - 4.00%	3.95%	June 15, 2033 – July 15, 2033
15	14,647	3.50% - 4.50%	3.84%	July 15, 2036 – February 15, 2037
18	3,020	4.50% - 5.00%	4.73%	January 15, 2031 – April 15, 2031
20	1,958	5.75% - 6.50%	5.89%	November 15, 2032 – June 15, 2043
25	7,800	6.25% - 6.50%	6.37%	November 15, 2038 – May 15, 2039
30	79,042	4.00% - 6.63%	5.31%	November 15, 2042 – March 15, 2052
Principal Outstanding	$ 358,105			
Less Discounts				
Unamortized debt issuance	(6,688)			
Carrying Amount	$ 351,417			

During the years ended June 30, 2024, 2023, and 2022, we recorded $19,075, $15,012, and $16,772, respectively, of interest costs and amortization of financings costs on the Prospect Capital InterNotes® as interest expense.

Note 8. Fair Value and Maturity of Debt Outstanding

As of June 30, 2024, our asset coverage ratio stood at 315.5% based on the outstanding principal amount of our senior securities representing indebtedness of $2,454,992 and our asset coverage ratio on our senior securities that are stock was 184.8%. As of June 30, 2023, our asset coverage ratio stood at 297.0% based on the outstanding principal amount of our senior securities representing indebtedness of $2,610,216 and our asset coverage ratio on our senior securities that are stock was 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 June 30, 2024 (All figures in this item are in thousands except per unit data):

	Total Amount Outstanding(1)	Asset Coverage per Unit(2)	Involuntary Liquidating Preference per Unit	Average Market Value per Unit(3)
Credit Facility				
Fiscal 2024 (as of June 30, 2024)	$ 794,796	$ 9,746	—	—
Fiscal 2023 (as of June 30, 2023)	1,014,703	7,639	—	—
Fiscal 2022 (as of June 30, 2022)	839,464	9,015	—	—
Fiscal 2021 (as of June 30, 2021)	356,937	17,408	—	—
Fiscal 2020 (as of June 30, 2020)	237,536	22,000	—	—
Fiscal 2019 (as of June 30, 2019)	167,000	34,298	—	—
Fiscal 2018 (as of June 30, 2018)	37,000	155,503	—	—
Fiscal 2017 (as of June 30, 2017)	—	—	—	—
Fiscal 2016 (as of June 30, 2016)	—	—	—	—

Fiscal 2015 (as of June 30, 2015)		368,700		18,136	—	—
Fiscal 2014 (as of June 30, 2014)		92,000		69,470	—	—
2015 Notes(4)						
Fiscal 2015 (as of June 30, 2015)	$	150,000	$	2,241	—	—
Fiscal 2014 (as of June 30, 2014)		150,000		2,305	—	—
2016 Notes(5)						
Fiscal 2016 (as of June 30, 2016)	$	167,500	$	2,269	—	—
Fiscal 2015 (as of June 30, 2015)		167,500		2,241	—	—
Fiscal 2014 (as of June 30, 2014)		167,500		2,305	—	—
2017 Notes(6)						
Fiscal 2017 (as of June 30, 2017)	$	50,734	$	2,251	—	—
Fiscal 2016 (as of June 30, 2016)		129,500		2,269	—	—
Fiscal 2015 (as of June 30, 2015)		130,000		2,241	—	—
Fiscal 2014 (as of June 30, 2014)		130,000		2,305	—	—
2018 Notes(7)						
Fiscal 2017 (as of June 30, 2017)	$	85,419	$	2,251	—	—
Fiscal 2016 (as of June 30, 2016)		200,000		2,269	—	—
Fiscal 2015 (as of June 30, 2015)		200,000		2,241	—	—
Fiscal 2014 (as of June 30, 2014)		200,000		2,305	—	—
2019 Notes(9)						
Fiscal 2018 (as of June 30, 2018)	$	101,647	$	2,452	—	—
Fiscal 2017 (as of June 30, 2017)		200,000		2,251	—	—
Fiscal 2016 (as of June 30, 2016)		200,000		2,269	—	—
Fiscal 2015 (as of June 30, 2015)		200,000		2,241	—	—
Fiscal 2014 (as of June 30, 2014)		200,000		2,305	—	—
5.00% 2019 Notes(10)						
Fiscal 2018 (as of June 30, 2018)	$	153,536	$	2,452	—	—
Fiscal 2017 (as of June 30, 2017)		300,000		2,251	—	—
Fiscal 2016 (as of June 30, 2016)		300,000		2,269	—	—
Fiscal 2015 (as of June 30, 2015)		300,000		2,241	—	—
Fiscal 2014 (as of June 30, 2014)		300,000		2,305	—	—
2020 Notes(13)						
Fiscal 2019 (as of June 30, 2019)	$	224,114	$	2,365	—	—
Fiscal 2018 (as of June 30, 2018)		392,000		2,452	—	—
Fiscal 2017 (as of June 30, 2017)		392,000		2,251	—	—
Fiscal 2016 (as of June 30, 2016)		392,000		2,269	—	—
Fiscal 2015 (as of June 30, 2015)		392,000		2,241	—	—
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
2022 Notes(17)						
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 2019 (as of June 30, 2019)		328,500		2,365	—	—

Fiscal 2018 (as of June 30, 2018)			328,500		2,452	—	—
Fiscal 2017 (as of June 30, 2017)			225,000		2,251	—	—
2023 Notes(11)(18)							
Fiscal 2022 (as of June 30, 2022)	$		284,219	$	2,733	—	—
Fiscal 2021 (as of June 30, 2021)			284,219		2,740	—	—
Fiscal 2020 (as of June 30, 2020)			319,145		2,408	—	—
Fiscal 2019 (as of June 30, 2019)			318,863		2,365	—	—
Fiscal 2018 (as of June 30, 2018)			318,675		2,452	—	—
Fiscal 2017 (as of June 30, 2017)			248,507		2,251	—	—
Fiscal 2016 (as of June 30, 2016)			248,293		2,269	—	—
Fiscal 2015 (as of June 30, 2015)			248,094		2,241	—	—
Fiscal 2014 (as of June 30, 2014)			247,881		2,305	—	—
2024 Notes(14)							
Fiscal 2020 (as of June 30, 2020)	$		233,788	$	2,408	—	$ 959
Fiscal 2019 (as of June 30, 2019)			234,443		2,365	—	1,002
Fiscal 2018 (as of June 30, 2018)			199,281		2,452	—	1,029
Fiscal 2017 (as of June 30, 2017)			199,281		2,251	—	1,027
Fiscal 2016 (as of June 30, 2016)			161,364		2,269	—	951
6.375% 2024 Notes(11)(19)							
Fiscal 2023 (as of June 30, 2023)			81,240		2,970	—	—
Fiscal 2022 (as of June 30, 2022)			81,240		2,733	—	—
Fiscal 2021 (as of June 30, 2021)			81,389		2,740	—	—
Fiscal 2020 (as of June 30, 2020)			99,780		2,408	—	—
Fiscal 2019 (as of June 30, 2019)			99,726		2,365	—	—
2025 Notes							
Fiscal 2024 (as of June 30, 2024)	$		156,168	$	3,155	—	—
Fiscal 2023 (as of June 30, 2023)			156,168		2,970	—	—
Fiscal 2022 (as of June 30, 2022)			156,168		2,733	—	—
Fiscal 2021 (as of June 30, 2021)			156,168		2,740	—	—
Fiscal 2020 (as of June 30, 2020)			201,250		2,408	—	—
Fiscal 2019 (as of June 30, 2019)			201,250		2,365	—	—
2026 Notes							
Fiscal 2024 (as of June 30, 2024)	$		400,000	$	3,155	—	—
Fiscal 2023 (as of June 30, 2023)			400,000		2,970	—	—
Fiscal 2022 (as of June 30, 2022)			400,000		2,733	—	—
Fiscal 2021 (as of June 30, 2021)			400,000		2,740	—	—
3.364% 2026 Notes							
Fiscal 2024 (as of June 30, 2024)	$		300,000	$	3,155	—	—
Fiscal 2023 (as of June 30, 2023)			300,000		2,970	—	—
Fiscal 2022 (as of June 30, 2022)			300,000		2,733	—	—
Fiscal 2021 (as of June 30, 2021)			300,000		2,740	—	—
3.437% 2028 Notes							
Fiscal 2024 (as of June 30, 2024)	$		300,000	$	3,155	—	—
Fiscal 2023 (as of June 30, 2023)			300,000		2,970	—	—
Fiscal 2022 (as of June 30, 2022)			300,000		2,733	—	—
2028 Notes(15)							

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
2029 Notes(16)				
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
Prospect Capital InterNotes®				
Fiscal 2024 (as of June 30, 2024)	$ 504,028	$ 3,155	—	—
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	—	—
Floating Rate Preferred Stock				
Fiscal 2024 (as of June 30, 2024)	$ 129,198	$ 46	$ 25	$ —
6.50% Preferred Stock				
Fiscal 2024 (as of June 30, 2024)	$ 704,044	$ 46	$ 25	$ —
Fiscal 2023 (as of June 30, 2023)	533,216	47	25	—
5.50% Preferred Stock				
Fiscal 2024 (as of June 30, 2024)	$ 772,133	$ 46	$ 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	—
5.35% Preferred Stock				
Fiscal 2024 (as of June 30, 2024)	$ 131,279	$ 46	$ 25	$ 17.25
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(11)(12)				
Fiscal 2024 (as of June 30, 2024)	$ 4,191,646	$ 1,848	—	—
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).

(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 $34,771 as of June 30, 2024 as Senior Securities for purposes of Section 18 of the 1940 Act, our asset coverage per unit would be $1,833.

(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.

(19) We redeemed the 6.375% 2024 Notes on January 16, 2024.

The following table shows our outstanding debt as of June 30, 2024:

	Principal Outstanding	Unamortized Discount & Debt Issuance Costs	Net Carrying Value	Fair Value	Effective Interest Rate
Revolving Credit Facility	$ 794,796	$ 22,975	$ 794,796 (1)	$ 794,796 (2)	1M SOFR + 2.05% (5)
2025 Notes	156,168	649	155,519	155,632 (3)	6.63 % (6)
Convertible Notes	156,168		155,519	155,632	
2026 Notes	400,000	3,263	396,737	381,344 (3)	3.98 % (6)
3.364% 2026 Notes	300,000	3,388	296,612	275,601 (3)	3.60 % (6)
3.437% 2028 Notes	300,000	5,782	294,218	256,050 (3)	3.64 % (6)
Public Notes	1,000,000		987,567	912,995	
Prospect Capital InterNotes®	504,028	7,999	496,029	479,748 (4)	6.33 % (7)
Total	$ 2,454,992		$ 2,433,911	$2,343,171	

(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 because the revolver is a floating rate facility that reprices to 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.

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

	Principal Outstanding	Unamortized Discount & Debt Issuance Costs	Net Carrying Value		Fair Value		Effective Interest Rate	
Revolving Credit Facility	$ 1,014,703	$ 15,569	$ 1,014,703	(1)	$ 1,014,703	(2)	1M SOFR + 2.05 %	(5)
2025 Notes	156,168	1,577	154,591		154,107	(3)	6.63 %	(6)
Convertible Notes	156,168		154,591		154,107			
6.375% 2024 Notes	81,240	108	81,132		80,818	(3)	6.57 %	(6)
2026 Notes	400,000	5,244	394,756		354,896	(3)	3.98 %	(6)
3.364% 2026 Notes	300,000	4,730	295,270		252,282	(3)	3.60 %	(6)
3.437% 2028 Notes	300,000	7,021	292,979		230,472	(3)	3.64 %	(6)
Public Notes	1,081,240		1,064,137		918,468			
Prospect Capital InterNotes®	358,105	6,688	351,417		313,538	(4)	5.77 %	(7)
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 because the revolver is a floating rate facility that reprices to 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.

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 June 30, 2024:

		Payments Due by Fiscal Year ending June 30,					
	Total	2025	2026	2027	2028	2029	After 5 Years
Revolving Credit Facility	$ 794,796	$ —	$ —	$ —	$ —	$ 794,796	$ —
Convertible Notes	156,168	156,168	—	—	—	—	—
Public Notes	1,000,000	—	400,000	300,000	—	300,000	—
Prospect Capital InterNotes®	504,028	1,499	38,319	128,065	15,254	72,829	248,062
Total Contractual Obligations	$ 2,454,992	$ 157,667	$ 438,319	$ 428,065	$ 15,254	$1,167,625	$ 248,062

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 10, 2023, we filed a registration statement on Form N-2 (File No. 333-269714) that was effective upon filing pursuant to Rule 462(e) under the Securities Act, 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 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, February 10, 2023, and December 29, 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 80,000,000 shares, par value $0.001 per share, of preferred stock, with a liquidation preference of $25.00 per share. Such convertible preferred stock may 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, February 10, 2023 and December 28, 2023 (two filings) 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, 60,000,000, 160,000,000, and 40,000,000 shares, respectively, of the Company's authorized and unissued shares of common stock into shares of preferred stock as "Convertible Preferred Stock." As part of this offering, we also issue our Floating Rate Series A4 Preferred Stock ("Series A4 Preferred Stock"), and the Floating Rate Series M4 Preferred Stock ("Series M4 Preferred Stock", and together with the Series A4 Preferred Stock, the "Floating Rate Preferred Stock"), which are not convertible.

On October 30, 2020, and as amended on February 18, 2022, October 7, 2022 and 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 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, the 6.50% Preferred Stock, and the Floating Rate 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 (i) holders of the Floating Rate Preferred Stock will have dividends on their Floating Rate Preferred Stock reinvested in additional shares of Floating Rate Preferred Stock at a price per share of $25.00 and (ii) 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 $23.75 (95% of the stated value of $25.00 per share), if they elect.

Each series of 5.50% Preferred Stock, 6.50% Preferred Stock, and Floating Rate 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. Shares of the Floating Rate Preferred Stock do not have a Holder Optional Conversion feature.

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 the two year anniversary of the date on which a share of Floating Rate 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 and for listed shares of Floating Rate Preferred Stock, two years from the earliest date on which any series that has been listed was first issued (the earlier of such dates as applicable to a series of Preferred Stock, the "Redemption Eligibility Date"), such share of 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 to be redeemed plus unpaid dividends accrued to, but not including, the date fixed for redemption.

Shares of the Floating Rate Preferred Stock are redeemable, at the option of the holder of such Floating Rate Preferred Stock, on a monthly basis (the "Holder Optional Redemption"). For all shares of Floating Rate Preferred Stock duly submitted for redemption on or before a monthly Holder Redemption Deadline (defined in the prospectus supplement dated December 29, 2023), the HOR Settlement Amount (as defined below) is determined on any business day after such Holder Redemption Deadline but before the Holder Redemption Deadline occurring two months thereafter (such date, the "Holder Redemption Exercise Date"). Within such period, we may select the Holder Redemption Exercise Date in our sole discretion. We will settle

any Holder Optional Redemption by paying the HOR Settlement Amount in cash. In addition, the aggregate amount of Holder Optional Redemptions by the holder of Floating Rate Preferred Stock is subject to the following redemption limits: (i) no more than 2% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per calendar month; (ii) no more than 5% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per fiscal quarter and (iii) no more than 20% of the outstanding Floating Rate Preferred Stock, in aggregate, as of the end of the most recent fiscal quarter will be redeemed per Annual Redemption Period. An "Annual Redemption Period" means our then current fiscal quarter and the three fiscal quarters immediately preceding our then current fiscal quarter. A share of Series A4 Preferred Stock is subject to an early redemption fee if it is redeemed by its holder within five years of issuance. Redemption capacity of the Floating Rate Preferred Stock will be allocated on a pro rata basis based on the number of shares of Floating Rate Preferred Stock, as applicable, submitted in the event that a monthly redemption is oversubscribed, based on any of the foregoing redemption limits. We may waive the foregoing redemption limits in our sole discretion at any time.

For the Series A4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, minus (C) the Series A4 Preferred Stock Holder Optional Redemption fee applicable on the respective Holder Redemption Deadline.

For the Series M4 Preferred Stock, "HOR Settlement Amount" means (A) the stated value, plus (B) unpaid dividends accrued to, but not including, the Holder Redemption Exercise Date, but if a holder of Series M4 Preferred Stock exercises a Holder Optional Redemption within the first twenty-four months of issuance of such Series M4 Preferred Stock, the HOR Settlement Amount payable to such holder will be reduced by (i) during the first twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the six-month period prior to the Holder Redemption Exercise Date, and (ii) during the second twelve months of issuance of such Series M4 Preferred Stock, the aggregate amount of all dividends, whether paid or accrued, on such Series M4 Preferred Stock in the three-month period prior to the Holder Redemption Exercise Date (such amount, the "Series M4 Shares Clawback"). We are permitted to waive the Series M4 Shares Clawback through public announcement of the terms and duration of such waiver. Any such waiver would apply to any holder of Preferred Stock qualifying for the waiver and exercising a Holder Optional Redemption during the pendency of the term of such waiver. Although we have retained the right to waive the Series M4 Shares Clawback in the manner described above, we are not required to establish any such waivers and we may never establish any such waivers.

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. Shares of the Floating Rate Preferred Stock do not have an Issuer Optional Conversion feature. The Company actively manages its offerings of preferred stock and, although it may or may not be presently offering a particular series of its preferred stock, the Company may determine to issue any of its authorized series of preferred stock (and, in connection therewith, to relaunch the offering of any particular series, if previously terminated) based on its assessment of market conditions, demand, and appropriate cost of capital in light of the foregoing and the overall construction of its portfolio and capital structure.

During the year ended June 30, 2024, we exchanged an aggregate of 901,755 Series M1 Preferred Stock for an aggregate of 348,125 and 553,630 newly-issued Series M3 Preferred Stock and Series M4 Preferred Stock, respectively, pursuant to Section 3(a)(9) of the Securities Act. During the year ended June 30, 2024, we exchanged an aggregate of 338,068 Series M3 Preferred Stock for an aggregate of 338,068 newly-issued Series M4 Preferred Stock pursuant to the Securities Act. The Series M3 Preferred Stock and Series M4 Preferred Stock issued in the exchanges were issued in each case to an existing security holder of the Company exclusively in exchange for such holder's securities. No commission or other remuneration was paid or given for soliciting the exchange. Stockholders who exchange Series M1 Preferred Stock for Series M3 Preferred Stock or Series M4 Preferred Stock or Series M3 Preferred Stock for Series M4 Preferred Stock will receive unpaid dividends on their Series M1 Preferred Stock or Series M3 Preferred Stock accrued to, but not including, the Exchange Exercise Date in cash. Upon settlement, the carrying amount (including any premiums or discounts and a proportional amount of any issuance costs) of the Series M1 Preferred Stock or Series M3 Preferred Stock are reclassified to Series M3 Preferred Stock or Series M4 Preferred stock, respectively, with no gain or loss recognized.

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. On June 16, 2022, our Board of Directors authorized the repurchase of up to 1.5 million shares our Series A Preferred Stock and further on October 11, 2023, authorized any and all outstanding Series A Preferred Stock to be repurchased. 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 year ended June 30, 2024, we repurchased 80,303 shares of Series A Preferred Stock for a total cost of approximately $1,279, including fees and commissions paid to the broker, representing an average repurchase price of $15.76 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was $1,937, resulted in a gain applicable to common stock holders of approximately $657 during the year ended June 30, 2024. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

During the year ended June 30, 2023, we repurchased 37,346 shares of Series A Preferred Stock for a total cost of approximately $579, including fees and commissions paid to the broker, representing an average repurchase price of $15.42 per share. The difference in the consideration transferred and the net carrying value of the Series A Preferred Stock repurchased, which was $900, resulted in a gain applicable to common stock holders of approximately $321 during the year ended June 30, 2023. The repurchased shares reverted to authorized but unissued shares of Series A Preferred Stock and thus the Company holds no treasury stock.

On October 30, 2023, we commenced a tender offer (the "Series A Preferred Stock Tender Offer") to purchase for cash any and all of 5,882,351 shares of outstanding Series A Preferred Stock at a price of $15.88, plus accrued and unpaid dividends for a total consideration of $16.00 per share. The Series A Preferred Stock Tender Offer expired at 5:00 p.m., New York City time, on November 29, 2023 and as a result, $15,780 aggregate liquidation amount of the Series A Preferred Stock were validly tendered and accepted, and we recognized a realized gain of $5,197 from the purchase of 631,194 shares of Series A Preferred

Stock in the amount of the difference between the consideration transferred and the net carrying amount of the Series A Preferred 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 of Directors 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 our Board of Directors 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.

The Floating Rate Preferred Stock is redeemable at the election of the Holder at any time; therefore, is probable of redemption outside of the Company's control. As a result, the Floating Rate Preferred Stock is classified within temporary equity on our *Consolidated Statement of Assets and Liabilities* as of June 30, 2024 and is accreted to redemption value upon issuance. Accretion to redemption value is treated as an adjustment to net increase (decrease) in net assets resulting from operations applicable to common stockholders on our *Consolidates Statement of Operations.*

For so long as the Series A Preferred Stock and the Floating Rate Preferred Stock are 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 June 30, 2024 and 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 our Board of Directors, 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 Floating Rate Preferred Stock will pay a monthly dividend, when, and if authorized by, or under authority granted by, our Board of Directors, and declared by us out of funds legally available therefor, at an annualized floating rate equal to one-month Term SOFR (as defined in the Prospectus Supplement dated December 29, 2023) plus 2.00%, subject to a minimum annualized dividend rate of 6.50% (the "Cap Rate") and a maximum annualized dividend rate of 8.00%, each with respect to the stated value of $25.00 per share of the Floating Rate Preferred Stock (computed on the basis of a 360-day year consisting of twelve 30-day months). The floating dividend rate on the Floating Rate Preferred Stock will reset upon each dividend authorization by our Board of Directors, and will reset to the applicable rate as determined two U.S. Government Securities Business Days (as defined in the Prospectus Supplement dated December 29, 2023) prior to such authorization, as adjusted for the terms herein. The applicable floating dividend rate on the Floating Rate Preferred Stock is presently expected to reset approximately once every three months.

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

During the year ended June 30, 2024 and June 30, 2023, we distributed approximately $46,080 and $47,084, respectively, to our 5.50% Preferred Stock holders. During the year ended June 30, 2024 and June 30, 2023, we distributed approximately $42,498 and $16,048 to our 6.50% Preferred Stock holders. During the year ended June 30, 2024 and June 30, 2023, we distributed approximately $7,462 and $8,024 to our 5.35% Series A Preferred Stock holders. During the year ended June 30, 2024, we distributed approximately $2,082 respectively, to our Floating Rate Preferred Stock holders. During the year ended June 30, 2023, we made no distributions on our Floating Rate Preferred Stock because there was no Floating Rate Preferred Stock outstanding as of June 30, 2023.

Our distributions to our 5.50% Preferred Stock holders, 6.50% Preferred Stock holders, Floating Rate Preferred Stock holders and 5.35% Series A Preferred Stock holders for the year ended June 30, 2024 and June 30, 2023, are summarized in the following table:

Declaration Date	Record Date	Payment Date	Amount ($ per share), before pro ration for partial periods	Amount Distributed
5.50% Preferred Stock holders				
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
8/29/2023	9/20/2023	10/2/2023	0.114583	3,907
8/29/2023	10/18/2023	11/1/2023	0.114583	3,883
8/29/2023	11/15/2023	12/1/2023	0.114583	3,879
11/8/2023	12/20/2023	1/2/2024	0.114583	3,854
11/8/2023	1/17/2024	2/1/2024	0.114583	3,845
11/8/2023	2/21/2024	3/1/2024	0.114583	3,831
2/8/2024	3/20/2024	4/1/2024	0.114583	3,821
2/8/2024	4/17/2024	5/1/2024	0.114583	3,755
2/8/2024	5/22/2024	6/3/2024	0.114583	3,699
5/8/2024	6/18/2024	7/1/2024	0.114583	3,677
			Distributions for the year ended June 30, 2024	$ 46,080

5/9/2022	7/20/2022	8/1/2022	$	0.114583	$ 3,104
5/9/2022	8/17/2022	9/1/2022		0.114583	3,721
8/29/2022	9/21/2022	10/3/2022		0.114583	3,928
8/29/2022	10/19/2022	11/1/2022		0.114583	4,077
8/29/2022	11/16/2022	12/1/2022		0.114583	4,056
11/9/2022	12/21/2022	1/3/2023		0.114583	4,051
11/9/2022	1/18/2023	2/1/2023		0.114583	4,045
11/9/2022	2/15/2023	3/1/2023		0.114583	4,039
2/8/2023	3/22/2023	4/3/2023		0.114583	4,036
2/8/2023	4/19/2023	5/1/2023		0.114583	4,030
2/8/2023	5/18/2023	6/1/2023		0.114583	4,004
5/9/2023	6/21/2023	7/3/2023		0.114583	3,993
				Distributions for the year ended June 30, 2023	$ 47,084
6.50% Preferred Stock holders					
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
8/29/2023	9/20/2023	10/2/2023		0.135417	3,279
8/29/2023	10/18/2023	11/1/2023		0.135417	3,375
8/29/2023	11/15/2023	12/1/2023		0.135417	3,512
11/8/2023	12/20/2023	1/2/2024		0.135417	3,627
11/8/2023	1/17/2024	2/1/2024		0.135417	3,719
11/8/2023	2/21/2024	3/1/2024		0.135417	3,749
2/8/2024	3/20/2024	4/1/2024		0.135417	3,777
2/8/2024	4/17/2024	5/1/2024		0.135417	3,753
2/8/2024	5/22/2024	6/3/2024		0.135417	3,807
5/8/2024	6/18/2024	7/1/2024		0.135417	3,811
				Distributions for the year ended June 30, 2024	$ 42,498
11/9/2022	11/16/2022	12/1/2022		0.135417	$ 978
11/9/2022	12/21/2022	1/3/2023		0.135417	1,433
11/9/2022	1/18/2023	2/1/2023		0.135417	1,675
11/9/2022	2/15/2023	3/1/2023		0.135417	1,959
2/8/2023	3/22/2023	4/3/2023		0.135417	2,201
2/8/2023	4/19/2023	5/1/2023		0.135417	2,395
2/8/2023	5/18/2023	6/1/2023		0.135417	2,600
5/9/2023	6/21/2023	7/1/2023		0.135417	2,807
				Distributions for the year ended June 30, 2023	$ 16,048
Floating Rate Preferred Stock holders					
1/25/2024	2/21/2024	3/1/2024	$	0.152830	$ 81
2/8/2024	3/20/2024	4/1/2024		0.152564	227
2/8/2024	4/17/2024	5/1/2024		0.152564	436
2/8/2024	5/22/2024	6/3/2024		0.152564	585
5/8/2024	6/18/2024	7/1/2024		0.152550	753
				Distributions for the year ended June 30, 2024	$ 2,082

5.35% Preferred Stock holders					
5/9/2023	7/19/2023	8/1/2023	$ 0.334375	$	1,983
8/29/2023	10/18/2023	11/1/2023	0.334375		1,967
11/8/2023	1/17/2024	2/1/2024	0.334375		1,756
2/8/2024	4/17/2024	5/1/2024	0.334375		1,756
			Distributions for the year ended June 30, 2024	$	7,462
5/9/2022	7/20/2022	8/1/2022	$ 0.334375	$	2,006
8/29/2022	10/19/2022	11/1/2022	0.334375		2,006
11/9/2022	1/18/2023	2/1/2023	0.334375		2,006
2/8/2023	4/19/2023	5/1/2023	0.334375		2,006
			Distributions for the year ended June 30, 2023	$	8,024

The above table includes dividends paid during the year ended June 30, 2024. It does not include distributions previously declared to the 5.50% Preferred Stock holders, 6.50% Preferred Stock holders, Floating Rate 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 June 30, 2024:

- $0.114583 per share (before pro ration for partial period holders of record) for 5.50% Preferred Stock holders of record on July 17, 2024 with a payment date of August 1, 2024.
- $0.114583 per share (before pro ration for partial period holders of record) for 5.50% Preferred Stock holders of record on August 15, 2024 with a payment date of September 3, 2024.
- $0.135417 per share (before pro ration for partial period holders of record) for 6.50% Preferred Stock holders of record on July 17, 2024 with a payment date of August 1, 2024.
- $0.135417 per share (before pro ration for partial period holders of record) for 6.50% Preferred Stock holders of record on August 15, 2024 with a payment date of September 3, 2024.
- $0.152550 per share (before pro ration for partial period holders of record) for Floating Rate Preferred Stock holders of record on July 17, 2024 with a payment date of August 1, 2024.
- $0.152550 per share (before pro ration for partial period holders of record) for Floating Rate Preferred Stock holders of record on August 15, 2024 with a payment date of September 3, 2024.
- $0.334375 per share (before pro ration for partial period holders of record) for 5.35% Series A Preferred Stock holders of record on July 17, 2024 with a payment date of August 1, 2024.

As of June 30, 2024, we have accrued approximately $1, $21 and $1,171 in dividends that have not yet been paid for our 6.50% Preferred Stock holders, Floating Rate Preferred Stock holders and 5.35% Series A Preferred Stock holders, respectively.

The following table shows our outstanding Preferred Stock as of June 30, 2024:

Series	Maximum Offering Size (Shares)	Maximum Aggregate Liquidation Preference of Offering	Inception to Date Preferred Shares Issued via Offering	Inception to Date Liquidation Preference Issued via Offering	Preferred Stock Outstanding	Liquidation Preference Outstanding
Series A1	80,000,000 (1)	$ 2,000,000 (1)	31,448,021	$ 786,201	28,932,457 (4)	$ 723,311
Series M1	80,000,000 (1)	2,000,000 (1)	4,110,318	102,758	1,788,851 (4)	44,721
Series M2	80,000,000 (1)	2,000,000 (1)	—	—	—	—
Series A3	80,000,000 (1)	2,000,000 (1)	24,932,955	623,324	24,810,648 (4)	620,266
Series M3	80,000,000 (1)	2,000,000 (1)	3,473,259	86,831	3,351,101 (4)	83,778
Series A4	80,000,000 (1)	2,000,000 (1)	3,765,322	94,133	3,766,166 (5)	94,154
Series M4	80,000,000 (1)	2,000,000 (1)	509,948	12,749	1,401,747 (5)	35,044
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)	4,100
Series A	6,000,000	150,000	6,000,000	150,000	5,251,157 (6)	131,279
Total	96,187,000 (3)	$ 2,404,675 (3)	74,426,823	$ 1,860,671	69,466,127	$ 1,736,653 (7)

(1) The maximum offering of 80,000,000 shares and $2,000,000 aggregate liquidation preference is for any combination of Series A1, Series M1, Series M2, Series A3, Series M3, Series A4, and Series M4 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 June 30, 2024 is 96,187,000 shares, par value $0.001 per share, with an aggregate liquidation preference of $2,404,675, 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 net of Preferred Stock conversions to common stock through the Holder Optional Conversion 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 additional shares issued through the Preferred Stock DRIP and net of Preferred Stock redemptions through the Holder Optional Redemption and Optional Redemption Upon Death of Holder. Refer to subsequent tables for respective fiscal year activity.
(6) Preferred Stock shares outstanding is calculated as shares issued under the respective offering program net of shares repurchased via open market purchases and shares retired via the Tender Offer. Refer to subsequent tables for respective fiscal year activity.
(7) Does not foot due to rounding.

The following table shows our outstanding Preferred Stock as of June 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	Preferred Stock Shares Outstanding	Liquidation Preference of Shares Outstanding
Series A1	72,000,000 (1)	$ 1,800,000 (1)	31,448,021	$ 786,201	30,965,138 (4)	$ 774,128
Series M1	72,000,000 (1)	1,800,000 (1)	4,110,318	102,758	3,681,591 (4)	92,040
Series M2	72,000,000 (1)	1,800,000 (1)	—	—	—	—
Series A3	72,000,000 (1)	1,800,000 (1)	18,855,269	471,382	18,829,837 (4)	470,746
Series M3	72,000,000 (1)	1,800,000 (1)	2,514,615	62,865	2,498,788 (4)	62,470
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	5,962,654 (5)	149,066
Total	88,187,000 (3)	$ 2,204,675 (3)	63,115,223	$ 1,577,881	62,102,009 (6)	$ 1,552,550

(1) The maximum offering of 72,000,000 shares and $1,800,000 aggregate liquidation preference is for any combinations 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 June 30, 2023 is 88,187,000 shares, par value $0.001 per share, with an aggregate liquidation preference of $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 Conversion 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.

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 June 30, 2024.

Series A1, Series A2, 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 A4 and Series M4 shares outstanding are net of dividend reinvestments paid and redemptions 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 year ended June 30, 2024:

Series	June 30, 2023 Shares Outstanding	Shares Issued	Shares issued through Preferred Stock DRIP	Exchanges	Redemptions/ Repurchases[1]	June 30, 2024 Shares Outstanding
Series A1	30,965,138	—	67,567	—	(2,100,248)	28,932,457
Series M1	3,681,591	—	2,714	(901,755)	(993,699)	1,788,851
Series A3	18,829,837	6,077,686	66,810	—	(163,686)	24,810,648 (2)
Series M3	2,498,788	958,644	5,174	10,057	(121,562)	3,351,101
Series A4	—	3,765,322	844	—	—	3,766,166
Series M4	—	509,948	102	891,698	—	1,401,747 (2)
Series A2	164,000	—	—	—	—	164,000
Series A	5,962,654	—	—	—	(711,497)	5,251,157
Total	62,102,009 (2)	11,311,600 (3)	143,210 (2)	—	(4,090,692)	69,466,127 (2)

(1) During the year ended June 30, 2024, 3,379,195 shares of the 5.50% Preferred Stock and 6.50% Preferred Stock were converted to common shares via Holder Optional Redemptions and Optional Redemptions Upon Death of Holder, 80,303 of the 5.35% Series A Preferred Stock were repurchased via open market purchases, and 631,194 of the 5.35% Series A Preferred Stock were retired via the Tender Offer.
(2) Does not foot or crossfoot due to fractional share rounding.
(3) During the year ended June 30, 2024, we issued 11,311,600 shares of Preferred Stock for net proceeds of $250,775 with a liquidation value of $282,790.

The following tables show such activity during the year ended June 30, 2023:

Series	June 30, 2022 Shares Outstanding	Shares Issued	Shares issued through Preferred Stock DRIP	Shares Converted to Common[1]	June 30, 2023 Shares Outstanding
Series A1	20,794,645	10,610,836	48,680	(489,022)	30,965,138 (3)
Series M1	2,626,238	1,469,566	1,425	(415,638)	3,681,591
Series A3	—	18,855,269	9,605	(35,037)	18,829,837
Series M3	—	2,514,615	918	(16,745)	2,498,788
Series A2	187,000	—	—	(23,000)	164,000
Series A	6,000,000	—	—	(37,346)	5,962,654
Total	29,607,882 (3)	33,450,286 (2)	60,629 (3)	(1,016,788)	62,102,009 (3)

(1) During the year ended June 30, 2023, 978,442 5.50% Preferred Stock and 6.50% Preferred Stock were converted to common shares via Holder Optional Redemptions and Optional Redemptions Upon Death of Holder and 37,346 of the 5.35% Series A Preferred Stock were repurchased via open market purchases
(2) During the year ended June 30, 2023, we issued 33,450,286 shares of Preferred Stock for net proceeds of $748,223 with a liquidation value of $836,257.
(3) Does not foot or crossfoot due to fractional share rounding.

Common Stock

Our common stockholders' equity accounts as of June 30, 2024 and 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"), pursuant to 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 year ended June 30, 2024 and June 30, 2023. As of June 30, 2024, 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 year ended June 30, 2024 and June 30, 2023, 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 our Board of Directors for such distribution (which shall be the last business day before the payment date).

On June 10, 2024 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).

During the year ended June 30, 2024 and June 30, 2023, we distributed approximately $297,633 and $287,241, respectively, to our common stockholders. The following table summarizes our distributions to common stockholders declared and payable for the year ended June 30, 2024 and June 30, 2023:

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
8/29/2023	9/27/2023	10/19/2023	0.06	24,517
8/29/2023	10/27/2023	11/20/2023	0.06	24,611
11/8/2023	11/28/2023	12/19/2023	0.06	24,692
11/8/2023	12/27/2023	1/18/2024	0.06	24,753
11/8/2023	1/29/2024	2/20/2024	0.06	24,823
2/8/2024	2/27/2024	3/20/2024	0.06	24,896
2/8/2024	3/27/2024	4/18/2024	0.06	24,966
2/8/2024	4/26/2024	5/21/2024	0.06	25,049
5/8/2024	5/29/2024	6/18/2024	0.06	25,107
5/8/2024	6/26/2024	7/18/2024	0.06	25,484
	Total declared and payable for the year ended June 30, 2024			$ 297,633
5/9/2022	7/27/2022	8/18/2022	$ 0.06	$ 23,635
5/9/2022	8/29/2022	9/21/2022	0.06	23,670
8/29/2022	9/28/2022	10/20/2022	0.06	23,767
8/29/2022	10/27/2022	11/17/2022	0.06	23,857
11/9/2022	11/28/2022	12/20/2022	0.06	23,888
11/9/2022	12/28/2022	1/19/2023	0.06	23,925
11/9/2022	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
2/8/2023	4/26/2023	5/18/2023	0.06	24,085
5/9/2023	5/26/2023	6/21/2023	0.06	24,171
5/9/2023	6/28/2023	7/20/2023	0.06	24,234
	Total declared and payable for the year ended June 30, 2023			$ 287,241

Dividends and distributions to common stockholders are recorded on the ex-dividend date. As such, the table above includes distributions with record dates during year ended June 30, 2024 and June 30, 2023. 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 June 30, 2024:

- $0.06 per share for July 2024 holders of record on July 29, 2024 with a payment date of August 21, 2024.
- $0.06 per share for August 2024 holders of record on August 28, 2024 with a payment date of September 19, 2024.

During the year ended June 30, 2024 and June 30, 2023, we issued 6,736,142 and 7,474,975 shares of our common stock, respectively, in connection with the common stock dividend reinvestment plan.

As of June 30, 2024, 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.

Note 10. Other Income

Other income consists of structuring fees, amendment fees, overriding royalty interests, 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 years ended June 30, 2024, 2023, and 2022:

	Years Ended June 30,		
	2024	2023	2022
Structuring and amendment fees (refer to Note 3)	$ 27,666	$ 18,131	$ 43,683
Royalty, net profit and revenue interests	51,001	64,262	66,819
Administrative agent fees	730	630	692
Total other income	$ 79,397	$ 83,023	$ 111,194

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 stock dividends plus net gain (loss) on repurchase and accretion to redemption value of redeemable 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, the 6.50% Preferred Stock (Refer to Note 9) and, beginning on July 1, 2022, for the 2025 Notes (Refer to Note 5).

Diluted earnings per share excludes all dilutive potential common shares if their effect is anti-dilutive.

During the year ended June 30, 2024, conversion of our Convertible Notes and 3,711,904 shares of our issued and outstanding Convertible Preferred Stock has an anti-dilutive effect and therefore, conversion is not assumed. The remaining 55,335,151 shares of issued and outstanding Convertible Preferred Stock were dilutive during the year ended June 30, 2024; therefore, the effects of their assumed conversion is reflected in the diluted earnings per share below.

The following information sets forth the computation of basic and diluted earnings per common share during the years ended June 30, 2024, 2023, and 2022:

	For the Year Ended June 30,		
	2024	2023	2022
Net increase (decrease) in net assets resulting from operations - basic	$ 147,416	$ (172,473)	$ 556,649
Adjustment for dividends on Convertible Preferred Stock	80,100	—	25,935
Adjustment for Incentive Fee on Convertible Instruments	(16,020)	—	—
Net increase (decrease) in net assets resulting from operations - diluted	$ 211,496	$ (172,473)	$ 582,584
Weighted average common shares outstanding - basic	412,703,365	398,514,965	390,571,648
Weighted average common shares from assumed conversion of Convertible Preferred Stock	212,573,371	—	43,220,123
Weighted average shares of common stock outstanding - diluted	625,276,736	398,514,965	433,791,771
Earnings (loss) per share - basic	$ 0.36	$ (0.43)	$ 1.43
Earnings (loss) per share - diluted	$ 0.34	$ (0.43)	$ 1.34

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, 2023, 2022, and 2021 were as follows:

	Tax Year Ended August 31,		
	2023	2022	2021
Ordinary income	$ 243,085	$ 231,984	$ 251,171
Capital gain	—	49,719	—
Return of capital	44,838	—	25,784
Total distributions paid to common stockholders	$ 287,923	$ 281,703	$ 276,955

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, 2023, 2022, and 2021 were as follows:

	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, 2024, the tax character of distributions paid to stockholders through August 31, 2024 is expected to be ordinary income and return of capital. However, due to the difference between our fiscal and tax year ends, the final determination of the tax character of distributions between ordinary income and return of capital will not be made until we file our tax return for the tax year ending August 31, 2024.

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, 2023, 2022, and 2021:

	Tax Year Ended August 31,		
	2023	2022	2021
Net (decrease) increase in net assets resulting from operations	$ (88,043)	$ 735,337	$ 428,106
Net realized losses on investments	40,795	22,375	16,173
Net unrealized losses (gains) on investments	480,916	(405,414)	(143,654)
Other temporary book-to-tax differences[1]	(148,147)	(66,363)	(47,330)
Permanent differences	27	30	(20)
Taxable income before deductions for distributions	$ 285,548 [1]	$ 285,965	$ 253,275

(1) Temporary book-to-tax differences include timing recognition of CLO income, flow-through investment income/loss, and dividend income from portfolio companies

As of our most recent tax year ended 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 our most recent tax year ended August 31, 2023, we had a capital loss carryforward of $100,954 available for use in later tax years.

As of June 30, 2024, the cost basis of investments for tax purposes was $7,429,121 resulting in an estimated net unrealized gain of $289,122. As of June 30, 2023, the cost basis of investments for tax purposes was $8,028,254 resulting in an estimated net unrealized loss of $303,323. As of June 30, 2024, the gross unrealized gains and losses were $1,381,820 and $1,092,698, 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 June 30, 2024 and June 30, 2023 was calculated based on the book cost of investments as of June 30, 2024 and June 30, 2023, respectively, with cumulative book-to-tax adjustments for investments through August 31, 2023 and 2022, respectively.

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 total distributable earnings by $30 and decreased capital in excess of par value by $30. Due to the difference between our fiscal and tax year end, the reclassifications for the taxable year ended August 31, 2023, once finalized, were recorded in the fiscal year ending June 30, 2024 and the reclassifications for the taxable year ended August 31, 2022 were recorded in the fiscal year ended June 30, 2023.

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 $157,001, $155,084, and $140,370 during the years ended June 30, 2024, 2023, and 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;

- 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.

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 $80,548, $87,435, and $79,491 during the years ended June 30, 2024, 2023, and 2022, respectively. No capital gains incentive fee was incurred during the years ended June 30, 2024, 2023, and 2022. Income incentive fee for the year ended June 30, 2022 includes a $264 adjustment for fees earned in prior periods that were neither expensed nor paid to the Investment Adviser. No such adjustment was made during the years ended June 30, 2024 and 2023, respectively.

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 to Portfolio Companies* 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.

The allocation of net overhead expense from Prospect Administration was $25,781, $20,578, and $13,797 for the years ended June 30, 2024, 2023, and 2022, respectively. Prospect Administration received estimated payments of $4,410, $2,664, and $6,336 directly from our portfolio companies and certain funds managed by the Investment Adviser for legal, tax, and other administrative services during the years ended June 30, 2024, 2023, and 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 year ended June 30, 2023. 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.

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 arrangement 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 contractual 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 years ended June 30, 2024, 2023, and 2022, we received payments of $10,459, $9,324, and $7,567, respectively, from our portfolio companies for contractual 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 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.

We reimburse CLO investment valuation services fees initially incurred by Priority Income Fund, Inc. During the years ended June 30, 2024, 2023, and 2022, we recognized expenses related to valuation services of $80, $85, and $112 respectively. Additionally, we both incur and reimburse for expenses related to marketing, insurance, legal fees, offering costs and general and administrative expenses that are allocated between Prospect and Priority Income Fund, Inc. During the years ended June 30, 2024 the net amount reimbursed to us for these expenses was $177. No such fees were incurred during the years ended June 30, 2023 and June 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 $35,103 in first lien term loans (the "Spartan Term Loans") due to us as of June 30, 2024. 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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income			
Interest Income from CP Energy	$ 11,452	$ 7,969	$ 5,424
Interest Income from Spartan	4,840	3,510	1,884
Total Interest Income	$ 16,292	$ 11,479	$ 7,308
Other Income			
Administrative Agent	$ —	$ —	$ 6
Total Other Income	$ —	$ —	$ 6
Reimbursement of Legal, Tax, etc. (1)	$ 99	$ 237	$ 9

(1) Paid from CP Energy to 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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 7,469	$ 12,500	$ 15,681
Interest Income Capitalized as PIK			
CP Energy	$ 8,455	$ 7,958	$ 5,277
Spartan	3,954	3,506	1,311
Total Interest Income Capitalized as PIK	$ 12,409	$ 11,464	$ 6,588

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (2)	$ 3,923	$ 41
Other Receivables (3)	539	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 99.8% 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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 8,207	$ 8,040	$ 15,106
Other Income			
Structuring Fee	$ —	$ 123	$ —
Total Other Income	$ —	$ 123	$ —
Managerial Assistance (1)	$ 700	$ 700	$ 700
Reimbursement of Legal, Tax, etc.(2)	6	69	3

(1) No income recognized by Prospect. 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.)

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ 6,200	$ —
Accreted Original Issue Discount	1,105	824	609
Interest Income Capitalized as PIK	4,882	7,237	8,990
Repayment of Loan Receivable	—	—	1,295

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ —	$ 22
Other Receivables (4)	—	40

(3) Interest income recognized but not yet paid.
(4) 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").

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 3,470	$ 4,086	$ 7,695
Managerial Assistance (1)	250	188	250
Reimbursement of Legal, Tax, etc.(2)	6	94	490

(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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income Capitalized as PIK	$ —	$ 3,391	$ 10,646
Repayment of loan receivable	1,861	—	—

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ 1,387	$ 2,035
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."

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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 62,675	$ 63,364	$ 74,501
Other Income			
Structuring Fee	$ —	$ —	$ 7,898
Total Other Income	$ —	$ —	$ 7,898
Managerial Assistance (1)	$ 2,400	$ 2,400	$ 1,800
Reimbursement of Legal, Tax, etc. (2)	—	—	45

(1) No income recognized by Prospect. MA payments were paid from First Tower to Prospect and subsequently remitted to PA.
(2) Paid from First Tower to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to First Tower (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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ —	$ 22,123
Interest Income Capitalized as PIK	29,385	40,688	20,546
Repayment of Loan Receivable	319	987	11,153

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ 2,461	$ 165
Other Receivables (4)	1	1

(3) Interest income recognized but not yet paid.
(4) 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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ 650	$ 1,000

	As of	
	June 30, 2024	June 30, 2023
Other Receivables (1)	$ —	$ 6

(1) Represents amounts due from Freedom Marine to Prospect for reimbursement of expenses paid by Prospect on behalf of Freedom Marine.

InterDent, Inc.

Prospect owns 100% of the equity of InterDent, Inc. ("InterDent").

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 36,946	$ 32,523	$ 26,517
Other Income			
Structuring Fee	$ —	$ —	$ 200
Total Other Income	$ —	$ —	$ 200
Managerial Assistance (1)	$ 1,463	$ 1,463	$ 1,097
Reimbursement of Legal, Tax, etc.(2)	23	—	1,493

(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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ —	$ 17,778
Interest Income Capitalized as PIK	23,249	20,681	18,345
Repayment of Loan Receivable	—	950	246

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ 318	$ 97
Other Receivables (4)	1	3

(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 owns 100% of the membership interest of Kickapoo Ranch Pet Resort ("Kickapoo"). Kickapoo is a luxury pet boarding facility.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 92	$ —	$ —
Dividend Income	80	150	25
Other Income			
Structuring Fee	$ 75	$ —	$ —
Total Other Income	$ 75	$ —	$ —

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 1,500	$ —	$ —

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (1)	$ 2	$ —
Other Receivables (2)	—	13

(1) Interest income recognized but not yet paid.
(2) 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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 8,988	$ 8,177	$ 7,317
Interest Income from Broda Canada	—	—	—
Total Interest Income	$ 8,988	$ 8,177	$ 7,317
Other Income			
Structuring Fee	$ 130	$ —	$ —
Total Other Income	$ 130	$ —	$ —
Managerial Assistance (1)	$ 300	$ 300	$ 150
Reimbursement of Legal, Tax, etc.(2)	23	—	17
Realized (Loss) Gain	(1)	(2)	12

(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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 5,150	$ —	$ —
Interest Income Capitalized as PIK	—	2,692	4,956
Repayment of Loan Receivable	—	3,265	—

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ 79	$ 24
Other Receivables (4)	5	33

(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").

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.

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").

During the year ended June 30, 2024, we provided $248,344 of debt financing and $4,600 of equity financing to NPRC to fund real estate capital expenditures, provide working capital, and to fund purchases of rated secured structured notes.

During the year ended June 30, 2024, we received partial repayments of $108,950 of our loans previously outstanding with NPRC and its wholly owned subsidiary.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 99,538	$ 95,004	$ 63,818
Other Income			
Structuring Fee	$ 16,470	$ 261	$ 3,648
Royalty, net profit and revenue interests	50,329	63,531	66,124
Total Other Income	$ 66,799	$ 63,792	$ 69,772
Managerial Assistance (1)	$ 3,525	$ 2,100	$ 2,100
Reimbursement of Legal, Tax, etc.(2)	1,664	1,948	3,884

(1) No income recognized by Prospect. MA payments were paid from NPRC to Prospect and subsequently remitted to PA.
(2) Paid from NPRC to PA as reimbursement for legal, tax, and portfolio level accounting services provided directly to NPRC (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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions (3)	$ 252,944	$ 213,469	$ 410,867
Interest Income Capitalized as PIK	1,004	488	—
Repayment of Loan Receivable	108,950	109,352	301,382
Return of Capital	—	4,000	—

(3) During the year ended June 30, 2024, Prospect provided $4,600 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.

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (4)	$ 785	$ 3
Other Receivables (5)	(2)	100

(4) Interest income recognized but not yet paid.
(5) Represents amounts due to/from NPRC to Prospect for reimbursement of expenses paid by Prospect on behalf of NPRC.

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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 5,111	$ 4,306	$ 4,108
Dividend Income (1)	—	—	2,650
Other Income			
Structuring Fee	$ 147	$ —	$ 405
Total Other Income	$ 147	$ —	$ 405
Managerial Assistance (2)	$ 100	$ 400	$ 400
Reimbursement of Legal, Tax, etc. (3)	3	—	11

(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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 5,350	$ —	$ —
Interest Income Capitalized as PIK	4,622	2,337	—

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (4)	$ 501	$ 13
Other Receivables (5)	1	—

(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 92.77% of the fully-diluted equity of NMMB, Inc. (f/k/a NMMB Acquisition, Inc.) ("NMMB") as of June 30, 2024 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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 4,255	$ 3,754	$ 1,206
Dividend Income (1)	657	2,510	8,383
Other Income			
Structuring Fee	$ —	$ —	$ 450
Total Other Income	$ —	$ —	$ 450
Managerial Assistance (2)	$ 400	$ 400	$ 400
Realized (Loss) Gain	1,040	(2,510)	3,946
Reimbursement of Legal, Tax, etc. (3)	1	4	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.
(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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ —	$ 25,000
Repayment of loan receivable	—	—	13,021

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (4)	$ 35	$ 11
Other Receivables (5)	1	—

(4) Interest income recognized but not yet paid.
(5) Represents amounts due from NMMB to Prospect for reimbursement of expenses paid by Prospect on behalf of NMMB.

Pacific World Corporation

Prospect owns 100% of the preferred equity of Pacific World Corporation ("Pacific World"), which represents a 99.98% and 99.97% ownership interest of Pacific World as of June 30, 2024 and June 30, 2023, respectively. As a result, Prospect's investment in Pacific World is classified as a control investment.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 10,164	$ 8,052	$ 4,779
Other Income			
Structuring Fee	$ 812	$ 105	$ —
Total Other Income	$ 812	$ 105	$ —
Reimbursement of Legal, Tax, etc.	$ 5	$ —	$ —

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 32,500	$ 11,000	$ 6,500
Interest Income Capitalized as PIK	9,021	7,479	4,651

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (1)	$ 79	$ 30
Other Receivables (2)	155	153

(1) Interest income recognized but not yet paid.
(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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 5,358	$ 4,467	$ 3,051
Dividend Income (1)	—	—	441
Other Income			
Advisory Fee	$ 106	$ 158	$ 125
Total Other Income	$ 106	$ 158	$ 125
Managerial Assistance (2)	$ 180	$ 180	$ 180
Reimbursement of Legal, Tax, etc.(3)	17	18	48

(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) 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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 3,700	$ —	$ 5,000

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (4)	$ 45	$ 13
Other Receivables (5)	—	5

(4) Interest income recognized but not yet paid.
(5) 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 Adviser. 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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 4,030	$ 3,280	$ 2,354
Managerial Assistance (1)	10	10	10
Reimbursement of Legal, Tax, etc. (2)	3,345	—	—

(1) No income recognized by Prospect. MA payments were paid from UTP to Prospect and subsequently remitted to PA.
(2) Paid from UTP to PA as reimbursement for legal, tax, and 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).

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ 2,500	$ —	$ —
Repayment of Loan Receivable	49	32	33

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ 34	$ 10
Other Receivables (4)	1	—

(3) Interest income recognized but not yet paid.
(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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income	$ 1,990	$ 1,039	$ 203
Reimbursement of Legal, Tax, etc.	—	81	—

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ 9,900	$ —
Interest Income Capitalized as PIK	1,545	775	—

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (1)	$ 153	$ 5
Other Receivables (2)	147	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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Interest Income			
Interest Income from Valley	$ 1,389	$ 1,508	$ 1,112
Interest Income from Valley Electric	10,927	7,895	6,419
Total Interest Income	$ 12,316	$ 9,403	$ 7,531
Dividend Income (1)	$ —	$ 547	$ 3,150
Other Income			
Structuring Fee	$ —	$ 380	$ —
Royalty, net profit and revenue interests	$ 666	$ 666	$ 926
Total Other Income	$ 666	$ 1,046	$ 926
Managerial Assistance (2)	$ 600	$ 600	$ 600
Reimbursement of Legal, Tax, etc. (4)	—	85	72

(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.

	Year Ended		
	June 30, 2024	June 30, 2023	June 30, 2022
Additions	$ —	$ 19,000	$ 13,000
Interest Income Capitalized as PIK	4,763	3,341	22
Repayment of loan receivable	—	(548)	14,698

	As of	
	June 30, 2024	June 30, 2023
Interest Receivable (3)	$ 2,974	$ 33
Other Receivables (4)	2	—

(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 June 30, 2024.

Note 16. Financial Highlights

The following is a schedule of financial highlights for each of the five years ended in the period ended June 30, 2024:

	Year Ended June 30,				
	2024	2023	2022	2021	2020
Per Share Data					
Net asset value per common share at beginning of year	$ 9.24	$ 10.48	$ 9.81	$ 8.18	$ 9.01
Net investment income(1)	1.02	1.06	0.88	0.75	0.72
Net realized and change in unrealized gains (losses)(1)	(0.42)	(1.31)	0.61	1.77	(0.76)
Net increase (decrease) from operations	0.60	(0.25)	1.49	2.51 (5)	(0.04)
Distributions of net investment income to preferred stockholders	(0.24) (4)	(0.17) (8)	(0.05)	— (7)	—
Distributions of capital gains to preferred stockholders	— (4)(7)	— (8)(7)	(0.01)	—	—
Total distributions to preferred stockholders	(0.24)	(0.17)	(0.06)	—	—
Net increase (decrease) from operations applicable to common stockholders	0.36	(0.43) (5)	1.43	2.51	(0.04)
Distributions of net investment income to common stockholders	(0.70) (4)	(0.60) (8)	(0.60)	(0.63)	(0.49)
Distributions of capital gains to common stockholders	— (4)	(0.02) (8)	(0.11)	—	—
Return of capital to common stockholders	(0.02) (4)	(0.10) (8)	(0.01)	(0.09)	(0.23)
Total distributions to common stockholders	(0.72)	(0.72)	(0.72)	(0.72)	(0.72)
Common stock transactions(2)	(0.15)	(0.10)	(0.05)	(0.11)	(0.07)
Offering costs from issuance of preferred stock	—	—	(0.03)	(0.04)	—
Reclassification of preferred stock issuance costs	—	—	0.03	—	—
Net asset value per common share at end of year	$ 8.74 (5)	$ 9.24 (5)	$ 10.48 (5)	$ 9.81 (5)	$ 8.18
Per share market value at end of year	$ 5.53	$ 6.20	$ 6.99	$ 8.39	$ 5.11
Total return based on market value(3)	1.47%	(1.37%)	(8.59%)	85.53%	(11.35%)
Total return based on net asset value(3)	7.61%	(1.96%)	17.21%	35.52%	2.84%
Shares of common stock outstanding at end of year	424,846,963	404,033,549	393,164,437	388,419,573	373,538,499
Weighted average shares of common stock outstanding	412,703,365	398,514,965	390,571,648	382,705,106	368,094,299
Ratios/Supplemental Data					
Net assets at end of year	$3,711,733	$3,732,665	$4,119,123	$3,945,517	$3,055,861
Portfolio turnover rate	7.56%	6.05%	15.92%	14.64%	16.46%
Ratio of operating expenses to average net assets applicable to common shares(6)	11.84%	11.01%	9.00%	9.98%	11.37%
Ratio of net investment income to average net assets applicable to common shares(6)	11.25%	10.75%	8.44%	8.24%	8.44%

(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 (losses) from the repurchases and redemptions 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) 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, 2024. Refer to Note 12.

(5) Does not foot due to rounding.

(6) The amounts reflected for the respective fiscal periods do not reflect the effect of dividend payments to preferred shareholders.

(7) Amount is less than $0.01.

(8) 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, 2023 and our Form 10-Q filing for December 31, 2023. 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. 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 July 30, 2024, we increased total commitments to the Revolving Credit Facility by $55 million to $2.1215 billion in the aggregate. Aggregate commitments are from an expanded group of 48 banks.

On August 6, 2024, we funded a $127,000 first lien senior secured term loan to support the refinancing of Global Tel*Link Corporation (d/b/a ViaPath Technologies.). In connection with the refinancing, our $9,497 first lien term loan and $122,670 second lien term loan to Global Tel*Link Corporation (d/b/a ViaPath Technologies.) were fully repaid at par.

During the period of July 1, 2024, through August 28, 2024, we issued $73,483 in aggregate principal amount of Prospect Capital InterNotes® for net proceeds of $72,410, with $6,659 of such aggregate principal amount scheduled to settle on August 29, 2024.

On August 28, 2024, we announced the declaration of monthly dividends for our Floating Rate Preferred Stock for holders of record on the following dates based on an annualized rate equal to 7.27601% 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), authorized on August 27, 2024, as follows:

Monthly Cash Floating Rate Preferred Shareholder Distribution	Record Date	Payment Date	Monthly Amount ($ per share), before pro ration for partial periods
September 2024	9/18/2024	10/1/2024	$0.151584
October 2024	10/16/2024	11/1/2024	$0.151584
November 2024	11/20/2024	12/2/2024	$0.151584

On August 28, 2024, 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), as follows:

Monthly Cash 5.50% Preferred Shareholder Distribution	Record Date	Payment Date	Monthly Amount ($ per share), before pro ration for partial periods
September 2024	9/18/2024	10/1/2024	$0.114583
October 2024	10/16/2024	11/1/2024	$0.114583
November 2024	11/20/2024	12/2/2024	$0.114583

On August 28, 2024, 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), as follows:

Monthly Cash 6.50% Preferred Shareholder Distribution	Record Date	Payment Date	Monthly Amount ($ per share), before pro ration for partial periods
September 2024	9/18/2024	10/1/2024	$0.135417
October 2024	10/16/2024	11/1/2024	$0.135417
November 2024	11/20/2024	12/2/2024	$0.135417

On August 28, 2024, 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)
August 2024 - October 2024	10/16/2024	11/1/2024	$0.334375

On August 28, 2024, 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)
September 2024	9/26/2024	10/22/2024	$0.0600
October 2024	10/29/2024	11/19/2024	$0.0600

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2024, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective 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. 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 the desired control objectives, and management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

Report of Management on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of June 30, 2024. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management performed an assessment of the effectiveness of the Company's internal control over financial reporting as of June 30, 2024, based upon criteria in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of June 30, 2024 based on Internal Control—Integrated Framework (2013) issued by COSO.

Attestation Report of Independent Registered Public Accounting Firm

Our independent registered public accounting firm, Deloitte & Touche LLP, as auditor of our consolidated financial statements included in this Annual Report on Form 10-K, has issued an attestation report on the effectiveness of our internal control over financial reporting as of June 30, 2024.

Inherent Limitations on Effectiveness of Controls

A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all control issues or misstatements. Accordingly, our controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our control system are met. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become adequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Prospect Capital Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Prospect Capital Corporation (the "Company") as of June 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended June 30, 2024 of the Company and our report dated August 28, 2024, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 28, 2024

Item 9B. Other Information

During the years ended June 30, 2024, 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.

We have adopted insider trading policies and procedures governing the purchase, sale, and disposition of the our securities by our officers and directors that are reasonably designed to promote compliance with insider trading laws, rules and regulations.

The below table sets forth each class of our outstanding securities as of August 27, 2024:

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
Common Stock	1,352,100,000	0	428,988,217 shares
Preferred Stock	647,900,000	0	70,580,985 shares
2025 Notes	201,250	0	156,168
2026 Notes	400,000	0	400,000
3.364% 2026 Notes	300,000	0	300,000
3.437% 2028 Notes	300,000	0	300,000
Prospect Capital InterNotes®	1,000,000	0	569,257 (1)

(1) Prospect Capital InterNotes® amount outstanding includes settlements occurring on or before the filing date of the 10-K for the year ended June 30, 2024.

Financial Highlights

The financial highlights for each of the five years ended June 30, 2024 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, 2019, June 30, 2018, June 30, 2017, June 30, 2016, and June 30, 2015:

	Year Ended June 30,				
	2019	**2018**	**2017**	**2016**	**2015**
Per Share Data					
Net asset value at beginning of year	$ 9.35	$ 9.32	$ 9.62	$ 10.31	$ 10.56
Net investment income(1)	0.85	0.79	0.85	1.04	1.03
Net realized and change in unrealized (losses)(1)	(0.46)	0.04	(0.15)	(0.75)	(0.05)
Net increase from operations	0.39	0.83	0.70	0.29	0.98
Distributions of net investment income	(0.72)	(0.77)	(1.00)	(1.00)	(1.19)
Common stock transactions(2)	(0.01)	(0.03)	(4) —	0.02	(0.04)
Net asset value at end of year	$ 9.01	$ 9.35	$ 9.32	$ 9.62	$ 10.31
Per share market value at end of year	$ 6.53	$ 6.71	$ 8.12	$ 7.82	$ 7.37
Total return based on market value(3)	8.23%	(7.42%)	16.80%	21.84%	(20.84%)
Total return based on net asset value(3)	7.17%	12.39%	8.98%	7.15%	11.47%
Shares of common stock outstanding at end of year	367,131,025	364,409,938	360,076,933	357,107,231	359,090,759
Weighted average shares of common stock outstanding	365,984,541	361,456,075	358,841,714	356,134,297	353,648,522
Ratios/Supplemental Data					
Net assets at end of year	$ 3,306,275	$ 3,407,047	$ 3,354,952	$ 3,435,917	$ 3,703,049
Portfolio turnover rate	10.86%	30.70%	23.65%	15.98%	21.89%
Ratio of operating expenses to average net assets	11.65%	11.08%	11.57%	11.95%	11.66%
Ratio of net investment income to average net assets	9.32%	8.57%	8.96%	10.54%	9.87%

(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 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not Applicable.

PART III

We will file a definitive Proxy Statement for our 2024 Annual Meeting of Stockholders (the "2024 Proxy Statement") with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2024 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Item 10 is hereby incorporated by reference from our 2024 Proxy Statement.

Item 11. Executive Compensation

The information required by Item 11 is hereby incorporated by reference from our 2024 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Item 12 is hereby incorporated by reference from our 2024 Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Item 13 is hereby incorporated by reference from our 2024 Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 is hereby incorporated by reference from our 2024 Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

The following documents are filed as part of this Annual Report:

1. Financial Statements – See the Index to Consolidated Financial Statements in Item 8 of this report.

2. Financial Statement Schedules – The financial statements of National Property REIT Corp. required by Rule 3-09 of Regulation S-X will be provided as Exhibit 99.1 and Exhibit 99.2 to this report.

3. 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(112)
3.4	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation (113)
3.5	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation (115)
3.6	Certificate of Correction to the Articles Supplementary of Prospect Capital Corporation(116)
3.7	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(137)
3.8	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(148)
3.9	Certificate of Correction to Articles Supplementary of Prospect Capital Corporation(149)
3.10	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(181)
3.11	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(200)
3.12	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(216)
3.13	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(217)
3.14	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(235)
3.15	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(278)
3.16	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(279)
3.17	Articles Supplementary to the Articles of Amendment and Restatement of Prospect Capital Corporation(285)
4.1	Form of Share Certificate(3)
4.2	Form of Indenture(5)
4.3	Indenture dated as of February 16, 2012, by and between the Registrant and American Stock Transfer & Trust Company, LLC, as Trustee(6)
4.4	Agreement of Resignation, Appointment and Acceptance dated as of March 12, 2012, by and among the Registrant, American Stock Transfer & Trust Company, LLC, as Retiring Trustee, and U.S. Bank National Association, as Successor Trustee (the "U.S. Bank Indenture")(7)
4.5	Twenty-Second Supplemental Indenture dated as of November 23, 2012, to the U.S. Bank Indenture and Form of 6.625% Prospect Capital InterNote® due 2042(8)
4.6	Twenty-Fourth Supplemental Indenture dated as of November 29, 2012, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2032(9)
4.7	Twenty-Fifth Supplemental Indenture dated as of November 29, 2012, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2042(9)
4.8	Twenty-Eighth Supplemental Indenture dated as of December 6, 2012, to the U.S. Bank Indenture and Form of 6.375% Prospect Capital InterNote® due 2042(10)
4.9	Thirty-First Supplemental Indenture dated as of December 13, 2012, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2042(11)
4.10	Thirty-Fourth Supplemental Indenture dated as of December 20, 2012, to the U.S. Bank Indenture and Form of 6.125% Prospect Capital InterNote® due 2042(12)
4.11	Thirty-Sixth Supplemental Indenture dated as of December 28, 2012, to the U.S. Bank Indenture and Form of 5.000% Prospect Capital InterNote® due 2030(13)
4.12	Thirty-Seventh Supplemental Indenture dated as of December 28, 2012, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2042(13)
4.13	Thirty-Ninth Supplemental Indenture dated as of January 4, 2013, to the U.S. Bank Indenture and Form of 4.875% Prospect Capital InterNote® due 2031(14)

4.14	Fortieth Supplemental Indenture dated as of January 4, 2013, to the U.S. Bank Indenture and Form of 5.875% Prospect Capital InterNote® due 2043(14)
4.15	Forty-Second Supplemental Indenture dated as of January 10, 2013, to the U.S. Bank Indenture and Form of 4.750% Prospect Capital InterNote® due 2031(15)
4.16	Forty-Third Supplemental Indenture dated as of January 10, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2043(15)
4.17	Forty-Fifth Supplemental Indenture dated as of January 17, 2013, to the U.S. Bank Indenture and Form of 4.625% Prospect Capital InterNote® due 2031(16)
4.18	Forty-Sixth Supplemental Indenture dated as of January 17, 2013, to the U.S. Bank Indenture and Form of 5.625% Prospect Capital InterNote® due 2043(16)
4.19	Forty-Eighth Supplemental Indenture dated as of January 25, 2013, to the U.S. Bank Indenture and Form of 4.500% Prospect Capital InterNote® due 2031(17)
4.20	Forty-Ninth Supplemental Indenture dated as of January 25, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(17)
4.21	Fifty-First Supplemental Indenture dated as of January 31, 2013, to the U.S. Bank Indenture and Form of 4.500% Prospect Capital InterNote® due 2031(18)
4.22	Fifty-Second Supplemental Indenture dated as of January 31, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(18)
4.23	Fifty-Fourth Supplemental Indenture dated as of February 7, 2013, to the U.S. Bank Indenture and Form of 4.500% Prospect Capital InterNote® due 2031(19)
4.24	Fifty-Fifth Supplemental Indenture dated as of February 7, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(19)
4.25	Fifty-Seventh Supplemental Indenture dated as of February 22, 2013, to the U.S. Bank Indenture and Form of 4.500% Prospect Capital InterNote® due 2031(20)
4.26	Fifty-Eighth Supplemental Indenture dated as of February 22, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(20)
4.27	Sixtieth Supplemental Indenture dated as of February 28, 2013, to the U.S. Bank Indenture and Form of 4.500% Prospect Capital InterNote® due 2031(21)
4.28	Sixty-First Supplemental Indenture dated as of February 28, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(21)
4.29	Sixty-Third Supplemental Indenture dated as of March 7, 2013, to the U.S. Bank Indenture and Form of 4.500% Prospect Capital InterNote® due 2031(22)
4.30	Sixty-Fourth Supplemental Indenture dated as of March 7, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(22)
4.31	Sixty-Sixth Supplemental Indenture dated as of March 14, 2013, to the U.S. Bank Indenture and Form of 4.125% to 6.000% Prospect Capital InterNote® due 2031(23)
4.32	Sixty-Seventh Supplemental Indenture dated as of March 14, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(23)
4.33	Seventieth Supplemental Indenture dated as of March 21, 2013, to the U.S. Bank Indenture and Form of 4.125% to 6.000% Prospect Capital InterNote® due 2031(24)
4.34	Seventy-First Supplemental Indenture dated as of March 21, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(24)
4.35	Seventy-Fourth Supplemental Indenture dated as of March 28, 2013, to the U.S. Bank Indenture and Form of 4.125% to 6.000% Prospect Capital InterNote® due 2031(25)
4.36	Seventy-Fifth Supplemental Indenture dated as of March 28, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2043(25)
4.37	Seventy-Eighth Supplemental Indenture dated as of April 4, 2013, to the U.S. Bank Indenture and Form of 4.625% to 6.500% Prospect Capital InterNote® due 2031(26)
4.38	Seventy-Ninth Supplemental Indenture dated as of April 4, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2043(26)
4.39	Eighty-Second Supplemental Indenture dated as of April 11, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2031(27)
4.40	Eighty-Third Supplemental Indenture dated as of April 11, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2043(27)
4.41	Eighty-Sixth Supplemental Indenture dated as of April 18, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2031(28)
4.42	Eighty-Seventh Supplemental Indenture dated as of April 18, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2043(28)
4.43	Eighty-Ninth Supplemental Indenture dated as of April 25, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2031(29)

4.44	Ninetieth Supplemental Indenture dated as of April 25, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2043(29)
4.45	Ninety-Second Supplemental Indenture dated as of May 2, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(30)
4.46	Ninety-Third Supplemental Indenture dated as of May 2, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(30)
4.47	Ninety-Fifth Supplemental Indenture dated as of May 9, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(31)
4.48	Ninety-Sixth Supplemental Indenture dated as of May 9, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(31)
4.49	Ninety-Eighth Supplemental Indenture dated as of May 23, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(32)
4.50	Ninety-Ninth Supplemental Indenture dated as of May 23, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(32)
4.51	One Hundredth Supplemental Indenture dated as of May 23, 2013, to the U.S. Bank Indenture and Form of 5.000% to 7.000% Prospect Capital InterNote® due 2028(32)
4.52	One Hundred-Second Supplemental Indenture dated as of May 31, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(33)
4.53	One Hundred-Third Supplemental Indenture dated as of May 31, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(33)
4.54	One Hundred-Fifth Supplemental Indenture dated as of June 6, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(34)
4.55	One Hundred-Sixth Supplemental Indenture dated as of June 6, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(34)
4.56	One Hundred-Seventh Supplemental Indenture dated as of June 6, 2013, to the U.S. Bank Indenture and Form of 5.000% to 7.000% Prospect Capital InterNote® due 2028(34)
4.57	One Hundred-Ninth Supplemental Indenture dated as of June 13, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(35)
4.58	One Hundred-Tenth Supplemental Indenture dated as of June 13, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(35)
4.59	One Hundred-Twelfth Supplemental Indenture dated as of June 20, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(36)
4.60	One Hundred-Thirteenth Supplemental Indenture dated as of June 20, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(36)
4.61	One Hundred-Fifteenth Supplemental Indenture dated as of June 27, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2031(37)
4.62	One Hundred-Sixteenth Supplemental Indenture dated as of June 27, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(37)
4.63	One Hundred-Eighteenth Supplemental Indenture dated as of July 5, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2031(38)
4.64	One Hundred-Nineteenth Supplemental Indenture dated as of July 5, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(38)
4.65	One Hundred-Twentieth Supplemental Indenture dated as of July 5, 2013, to the U.S. Bank Indenture and Form of 6.750% Prospect Capital InterNote® due 2043(38)
4.66	One Hundred Twenty-Second Supplemental Indenture dated as of July 11, 2013, to the U.S. Bank Indenture and Form of 5.500% Prospect Capital InterNote® due 2031(39)
4.67	One Hundred Twenty-Third Supplemental Indenture dated as of July 11, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(39)
4.68	One Hundred Twenty-Fourth Supplemental Indenture dated as of July 11, 2013, to the U.S. Bank Indenture and Form of 6.750% Prospect Capital InterNote® due 2043(39)
4.69	One Hundred Twenty-Sixth Supplemental Indenture dated as of July 18, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(40)
4.70	One Hundred Twenty-Seventh Supplemental Indenture dated as of July 18, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(40)
4.71	One Hundred Twenty-Eighth Supplemental Indenture dated as of July 18, 2013, to the U.S. Bank Indenture and Form of 6.750% Prospect Capital InterNote® due 2043(40)
4.72	One Hundred Thirtieth Supplemental Indenture dated as of July 25, 2013, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2031(41)
4.73	One Hundred Thirty-First Supplemental Indenture dated as of July 25, 2013, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2043(41)

4.74	One Hundred Thirty-Second Supplemental Indenture dated as of July 25, 2013, to the U.S. Bank Indenture and Form of 6.750% Prospect Capital InterNote® due 2043(41)
4.75	One Hundred Thirty-Fifth Supplemental Indenture dated as of August 1, 2013, to the U.S. Bank Indenture and Form of 6.125% Prospect Capital InterNote® due 2031(42)
4.76	One Hundred Thirty-Sixth Supplemental Indenture dated as of August 1, 2013, to the U.S. Bank Indenture and Form of 6.625% Prospect Capital InterNote® due 2043(42)
4.77	One Hundred Thirty-Ninth Supplemental Indenture dated as of August 8, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2031(43)
4.78	One Hundred Fortieth Supplemental Indenture dated as of August 8, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(43)
4.79	One Hundred Forty-Third Supplemental Indenture dated as of August 15, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(44)
4.80	One Hundred Forty-Fourth Supplemental Indenture dated as of August 15, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(44)
4.81	One Hundred Forty-Seventh Supplemental Indenture dated as of August 22, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(46)
4.82	One Hundred Forty-Eighth Supplemental Indenture dated as of August 22, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(46)
4.83	One Hundred Fifty-First Supplemental Indenture dated as of September 6, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(47)
4.84	One Hundred Fifty-Second Supplemental Indenture dated as of September 6, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(47)
4.85	One Hundred Fifty-Fifth Supplemental Indenture dated as of September 12, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(48)
4.86	One Hundred Fifty-Sixth Supplemental Indenture dated as of September 12, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(48)
4.87	One Hundred Fifty-Ninth Supplemental Indenture dated as of September 19, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(49)
4.88	One Hundred Sixtieth Supplemental Indenture dated as of September 19, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(49)
4.89	One Hundred Sixty-Third Supplemental Indenture dated as of September 26, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(50)
4.90	One Hundred Sixty-Fourth Supplemental Indenture dated as of September 26, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(50)
4.91	One Hundred Sixty-Seventh Supplemental Indenture dated as of October 3, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(51)
4.92	One Hundred Sixty-Eighth Supplemental Indenture dated as of October 3, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(51)
4.93	One Hundred Seventy-First Supplemental Indenture dated as of October 10, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(52)
4.94	One Hundred Seventy-Second Supplemental Indenture dated as of October 10, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(52)
4.95	One Hundred Seventy-Fifth Supplemental Indenture dated as of October 18, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(53)
4.96	One Hundred Seventy-Sixth Supplemental Indenture dated as of October 18, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(53)
4.97	One Hundred Eightieth Supplemental Indenture dated as of October 24, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2033(54)
4.98	One Hundred Eighty-First Supplemental Indenture dated as of October 24, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2043(54)
4.99	One Hundred Eighty-Fifth Supplemental Indenture dated as of October 31, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(55)
4.100	One Hundred Eighty-Sixth Supplemental Indenture dated as of October 31, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(55)
4.101	One Hundred Ninetieth Supplemental Indenture dated as of November 7, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(56)
4.102	One Hundred Ninety-First Supplemental Indenture dated as of November 7, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(56)
4.103	One Hundred Ninety-Fifth Supplemental Indenture dated as of November 15, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(57)

4.104	One Hundred Ninety-Sixth Supplemental Indenture dated as of November 15, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(57)
4.105	Two Hundredth Supplemental Indenture dated as of November 21, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2028(58)
4.106	Two Hundred First Supplemental Indenture dated as of November 21, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(58)
4.107	Two Hundred Fifth Supplemental Indenture dated as of November 29, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2025(59)
4.108	Two Hundred Sixth Supplemental Indenture dated as of November 29, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(59)
4.109	Two Hundred Tenth Supplemental Indenture dated as of December 5, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2025(60)
4.110	Two Hundred Eleventh Supplemental Indenture dated as of December 5, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(60)
4.111	Two Hundred Fifteenth Supplemental Indenture dated as of December 12, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2025(61)
4.112	Two Hundred Sixteenth Supplemental Indenture dated as of December 12, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(61)
4.113	Two Hundred Twentieth Supplemental Indenture dated as of December 19, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2025(62)
4.114	Two Hundred Twenty-First Supplemental Indenture dated as of December 19, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(62)
4.115	Two Hundred Twenty-Fifth Supplemental Indenture dated as of December 27, 2013, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2025(63)
4.116	Two Hundred Twenty-Sixth Supplemental Indenture dated as of December 27, 2013, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2038(63)
4.117	Two Hundred Thirtieth Supplemental Indenture dated as of January 3, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(64)
4.118	Two Hundred Thirty-First Supplemental Indenture dated as of January 3, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(64)
4.119	Two Hundred Thirty-Fifth Supplemental Indenture dated as of January 9, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(65)
4.120	Two Hundred Thirty-Sixth Supplemental Indenture dated as of January 9, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(65)
4.121	Two Hundred Fortieth Supplemental Indenture dated as of January 16, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(66)
4.122	Two Hundred Forty-First Supplemental Indenture dated as of January 16, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(66)
4.123	Two Hundred Forty-Fifth Supplemental Indenture dated as of January 24, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(67)
4.124	Two Hundred Forty-Sixth Supplemental Indenture dated as of January 24, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(67)
4.125	Two Hundred Fiftieth Supplemental Indenture dated as of January 30, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(68)
4.126	Two Hundred Fifty-First Supplemental Indenture dated as of January 30, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(68)
4.127	Two Hundred Fifty-Fifth Supplemental Indenture dated as of February 6, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(69)
4.128	Two Hundred Fifty-Sixth Supplemental Indenture dated as of February 6, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(69)
4.129	Two Hundred Sixtieth Supplemental Indenture dated as of February 13, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(70)
4.130	Two Hundred Sixty-First Supplemental Indenture dated as of February 13, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(70)
4.131	Two Hundred Sixty-Fifth Supplemental Indenture dated as of February 21, 2014, to the U.S. Bank Indenture and Form of 6.000% Prospect Capital InterNote® due 2026(71)
4.132	Two Hundred Sixty-Sixth Supplemental Indenture dated as of February 21, 2014, to the U.S. Bank Indenture and Form of 6.500% Prospect Capital InterNote® due 2039(71)
4.133	Two Hundred Seventy-First Supplemental Indenture dated as of February 27, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2026(72)

4.134	Two Hundred Seventy-Second Supplemental Indenture dated as of February 27, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(72)
4.135	Two Hundred Seventy-Sixth Supplemental Indenture dated as of March 6, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2026(73)
4.136	Two Hundred Seventy-Seventh Supplemental Indenture dated as of March 6, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(73)
4.137	Two Hundred Eighty-First Supplemental Indenture dated as of March 13, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2026(74)
4.138	Two Hundred Eighty-Second Supplemental Indenture dated as of March 13, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(74)
4.139	Two Hundred Eighty-Seventh Supplemental Indenture dated as of March 20, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2026(75)
4.140	Two Hundred Eighty-Eighth Supplemental Indenture dated as of March 20, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(75)
4.141	Two Hundred Ninety-Second Supplemental Indenture dated as of March 27, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2026(76)
4.142	Two Hundred Ninety-Third Supplemental Indenture dated as of March 27, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(76)
4.143	Two Hundred Ninety-Seventh Supplemental Indenture dated as of April 3, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2024(77)
4.144	Two Hundred Ninety-Eighth Supplemental Indenture dated as of April 3, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(77)
4.145	Three Hundred Second Supplemental Indenture dated as of April 10, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2024(78)
4.146	Three Hundred Third Supplemental Indenture dated as of April 10, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(78)
4.147	Three Hundred Seventh Supplemental Indenture dated as of April 17, 2014, to the U.S. Bank Indenture and Form of 5.750% Prospect Capital InterNote® due 2024(79)
4.148	Three Hundred Eighth Supplemental Indenture dated as of April 17, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(79)
4.149	Three Hundred Eighteenth Supplemental Indenture dated as of May 1, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(80)
4.150	Three Hundred Twenty-Third Supplemental Indenture dated as of May 8, 2014, to the U.S. Bank Indenture and Form of 6.250% Prospect Capital InterNote® due 2039(81)
4.151	Supplemental Indenture dated as of February 7, 2019, to the U.S. Bank Indenture and Form of 6.875% Note due 2029(93)
4.152	Supplemental Indenture dated as of March 1, 2019, to the U.S. Bank Indenture, and Form of 6.375% Convertible Note due 2025(94)
4.153	Seven Hundred Nineteenth Supplemental Indenture dated as of August 1, 2019, to the U.S. Bank Indenture, and Form of 4.250% to 6.750% Prospect Capital InterNote® due 2029(96)
4.154	Seven Hundred Twenty-Third Supplemental Indenture dated as of August 8, 2019, to the U.S. Bank Indenture, and Form of 4.250% to 6.750% Prospect Capital InterNote® due 2029(97)
4.155	Seven Hundred Twenty-Seventh Supplemental Indenture dated as of August 15, 2019, to the U.S. Bank Indenture, and Form of 4.000% to 6.500% Prospect Capital InterNote® due 2029(98)
4.156	Seven Hundred Thirtieth Supplemental Indenture dated as of August 22, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(99)
4.157	Seven Hundred Thirty-First Supplemental Indenture dated as of August 22, 2019, to the U.S. Bank Indenture, and Form of 3.750% to 6.250% Prospect Capital InterNote® due 2029(99)
4.158	Seven Hundred Thirty-Fourth Supplemental Indenture dated as of September 26, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(101)
4.159	Seven Hundred Thirty-Fifth Supplemental Indenture dated as of September 26, 2019, to the U.S. Bank Indenture, and Form of 3.750% to 6.250% Prospect Capital InterNote® due 2029(101)
4.160	Seven Hundred Thirty-Eighth Supplemental Indenture dated as of October 3, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(102)
4.161	Seven Hundred Thirty-Ninth Supplemental Indenture dated as of October 3, 2019, to the U.S. Bank Indenture, and Form of 3.750% to 6.250% Prospect Capital InterNote® due 2029(102)
4.162	Seven Hundred Forty-Second Supplemental Indenture dated as of October 10, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(103)
4.163	Seven Hundred Forty-Third Supplemental Indenture dated as of October 10, 2019, to the U.S. Bank Indenture, and Form of 3.750% to 6.250% Prospect Capital InterNote® due 2029(103)

4.164	Seven Hundred Forty-Sixth Supplemental Indenture dated as of October 18, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(104)
4.165	Seven Hundred Forty-Ninth Supplemental Indenture dated as of October 24, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(106)
4.166	Seven Hundred Fifty-Second Supplemental Indenture dated as of October 31, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(106)
4.167	Seven Hundred Seventieth Supplemental Indenture dated as of December 19, 2019, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(107)
4.168	Seven Hundred Ninety-Fourth Supplemental Indenture dated as of February 12, 2020, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2030(108)
4.169	Nine Hundred Fourteenth Supplemental Indenture dated as of January 7, 2021, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2031(118)
4.170	Nine Hundred Seventeenth Supplemental Indenture dated as of January 14, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2028(119)
4.171	Nine Hundred Eighteenth Supplemental Indenture dated as of January 14, 2021, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2031(119)
4.172	Supplemental Indenture, dated as of January 22, 2021, by and between Prospect Capital Corporation and U.S. Bank National Association, as Trustee(120)
4.173	Form of Global Note of 3.706% Notes due 2026(121)
4.174	Nine Hundred Twenty-Third Supplemental Indenture dated as of January 28, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(122)
4.175	Nine Hundred Twenty-Fourth Supplemental Indenture dated as of January 28, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2028(122)
4.176	Nine Hundred Twenty-Fifth Supplemental Indenture dated as of January 28, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2031(122)
4.177	Nine Hundred Twenty-Sixth Supplemental Indenture dated as of February 4, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(123)
4.178	Nine Hundred Twenty-Seventh Supplemental Indenture dated as of February 4, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(123)
4.179	Nine Hundred Twenty-Eighth Supplemental Indenture dated as of February 4, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(123)
4.180	Nine Hundred Twenty-Ninth Supplemental Indenture dated as of February 11, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(124)
4.181	Nine Hundred Thirtieth Supplemental Indenture dated as of February 11, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(124)
4.182	Nine Hundred Thirty-First Supplemental Indenture dated as of February 11, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(124)
4.183	Nine Hundred Thirty-Second Supplemental Indenture dated as of February 25, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(125)
4.184	Nine Hundred Thirty-Third Supplemental Indenture dated as of February 25, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(125)
4.185	Nine Hundred Thirty-Fourth Supplemental Indenture dated as of February 25, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(125)
4.186	Nine Hundred Thirty-Fifth Supplemental Indenture dated as of March 4, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(127)
4.187	Nine Hundred Thirty-Sixth Supplemental Indenture dated as of March 4, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(127)
4.188	Nine Hundred Thirty-Seventh Supplemental Indenture dated as of March 4, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(127)
4.189	Nine Hundred Thirty-Eighth Supplemental Indenture dated as of March 11, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(128)
4.190	Nine Hundred Thirty-Ninth Supplemental Indenture dated as of March 11, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(128)
4.191	Nine Hundred Fortieth Supplemental Indenture dated as of March 11, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(128)
4.192	Nine Hundred Forty-First Supplemental Indenture dated as of March 18, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(129)
4.193	Nine Hundred Forty-Second Supplemental Indenture dated as of March 18, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(129)

4.194	Nine Hundred Forty-Third Supplemental Indenture dated as of March 18, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(129)
4.195	Nine Hundred Forty-Fourth Supplemental Indenture dated as of March 25, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(130)
4.196	Nine Hundred Forty-Fifth Supplemental Indenture dated as of March 25, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(130)
4.197	Nine Hundred Forty-Sixth Supplemental Indenture dated as of March 25, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(130)
4.198	Nine Hundred Forty-Seventh Supplemental Indenture dated as of April 1, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(131)
4.199	Nine Hundred Forty-Eighth Supplemental Indenture dated as of April 1, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(131)
4.200	Nine Hundred Forty-Ninth Supplemental Indenture dated as of April 1, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(131)
4.201	Nine Hundred Fiftieth Supplemental Indenture dated as of April 8, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(132)
4.202	Nine Hundred Fifty-First Supplemental Indenture dated as of April 8, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(132)
4.203	Nine Hundred Fifty-Second Supplemental Indenture dated as of April 8, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(132)
4.204	Nine Hundred Fifty-Third Supplemental Indenture dated as of April 15, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(133)
4.205	Nine Hundred Fifty-Fourth Supplemental Indenture dated as of April 15, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(133)
4.206	Nine Hundred Fifty-Fifth Supplemental Indenture dated as of April 15, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(133)
4.207	Nine Hundred Fifty-Sixth Supplemental Indenture dated as of April 22, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(134)
4.208	Nine Hundred Fifty-Seventh Supplemental Indenture dated as of April 22, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(134)
4.209	Nine Hundred Fifty-Eighth Supplemental Indenture dated as of April 22, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(134)
4.210	Nine Hundred Fifty-Ninth Supplemental Indenture dated as of April 29, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(135)
4.211	Nine Hundred Sixtieth Supplemental Indenture dated as of April 29, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(135)
4.212	Nine Hundred Sixty-First Supplemental Indenture dated as of April 29, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(135)
4.213	Nine Hundred Sixty-Second Supplemental Indenture dated as of May 6, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(136)
4.214	Nine Hundred Sixty-Third Supplemental Indenture dated as of May 6, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(136)
4.215	Nine Hundred Sixty-Fourth Supplemental Indenture dated as of May 6, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(136)
4.216	Nine Hundred Sixty-Fifth Supplemental Indenture dated as of May 20, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(137)
4.217	Nine Hundred Sixty-Sixth Supplemental Indenture dated as of May 20, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(137)
4.218	Nine Hundred Sixty-Seventh Supplemental Indenture dated as of May 20, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(137)
4.219	Nine Hundred Sixty-Eighth Supplemental Indenture dated as of May 27, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(140)
4.220	Nine Hundred Sixty-Ninth Supplemental Indenture dated as of May 27, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(140)
4.221	Nine Hundred Seventieth Supplemental Indenture dated as of May 27, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(140)
4.222	Supplemental Indenture, dated as of May 27, 2021, by and between Prospect Capital Corporation and U.S. Bank National Association, as Trustee(141)
4.223	Form of Global Note of 3.364% Notes due 2026 (141)

4.224	Nine Hundred Seventy-First Supplemental Indenture dated as of June 4, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2027(142)
4.225	Nine Hundred Seventy-Second Supplemental Indenture dated as of June 4, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2029(142)
4.226	Nine Hundred Seventy-Third Supplemental Indenture dated as of June 4, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(142)
4.227	Nine Hundred Seventy-Fourth Supplemental Indenture dated as of June 10, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2027(143)
4.228	Nine Hundred Seventy-Fifth Supplemental Indenture dated as of June 10, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2029(143)
4.229	Nine Hundred Seventy-Sixth Supplemental Indenture dated as of June 10, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(143)
4.230	Nine Hundred Seventy-Seventh Supplemental Indenture dated as of June 17, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2027(144)
4.231	Nine Hundred Seventy-Eighth Supplemental Indenture dated as of June 17, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2029(144)
4.232	Nine Hundred Seventy-Ninth Supplemental Indenture dated as of June 17, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2031(144)
4.233	Nine Hundred Eightieth Supplemental Indenture dated as of June 24, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2027(145)
4.234	Nine Hundred Eighty-First Supplemental Indenture dated as of June 24, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2029(145)
4.235	Nine Hundred Eighty-Second Supplemental Indenture dated as of June 24, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2031(145)
4.236	Nine Hundred Eighty-Third Supplemental Indenture dated as of June 24, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2033(145)
4.237	Nine Hundred Eighty-Fourth Supplemental Indenture dated as of July 1, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2027(146)
4.238	Nine Hundred Eighty-Fifth Supplemental Indenture dated as of July 1, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2029(146)
4.239	Nine Hundred Eighty-Sixth Supplemental Indenture dated as of July 1, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2031(146)
4.240	Nine Hundred Eighty-Seventh Supplemental Indenture dated as of July 1, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2033(146)
4.241	Nine Hundred Eighty-Eighth Supplemental Indenture dated as of July 9, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(147)
4.242	Nine Hundred Eighty-Ninth Supplemental Indenture dated as of July 9, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(147)
4.243	Nine Hundred Ninetieth Supplemental Indenture dated as of July 9, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2033(147)
4.244	Nine Hundred Ninety-First Supplemental Indenture dated as of July 9, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2036(147)
4.245	Nine Hundred Ninety-Second Supplemental Indenture dated as of July 15, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(148)
4.246	Nine Hundred Ninety-Third Supplemental Indenture dated as of July 15, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(148)
4.247	Nine Hundred Ninety-Fourth Supplemental Indenture dated as of July 15, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(148)
4.248	Nine Hundred Ninety-Fifth Supplemental Indenture dated as of July 15, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2033(148)
4.249	Nine Hundred Ninety-Sixth Supplemental Indenture dated as of July 15, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2036(148)
4.250	Nine Hundred Ninety-Seventh Supplemental Indenture dated as of July 22, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(151)
4.251	Nine Hundred Ninety-Eighth Supplemental Indenture dated as of July 22, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(151)
4.252	Nine Hundred Ninety-Ninth Supplemental Indenture dated as of July 22, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(151)
4.253	One Thousandth Supplemental Indenture dated as of July 22, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2036(151)

4.254	One Thousand First Supplemental Indenture dated as of July 22, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(151)
4.255	One Thousand Second Supplemental Indenture dated as of July 29, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(152)
4.256	One Thousand Third Supplemental Indenture dated as of July 29, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(152)
4.257	One Thousand Fourth Supplemental Indenture dated as of July 29, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(152)
4.258	One Thousand Fifth Supplemental Indenture dated as of July 29, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2036(152)
4.259	One Thousand Sixth Supplemental Indenture dated as of July 29, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(152)
4.260	One Thousand Seventh Supplemental Indenture dated as of August 5, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(153)
4.261	One Thousand Eighth Supplemental Indenture dated as of August 5, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(153)
4.262	One Thousand Ninth Supplemental Indenture dated as of August 5, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(153)
4.263	One Thousand Tenth Supplemental Indenture dated as of August 5, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2036(153)
4.264	One Thousand Eleventh Supplemental Indenture dated as of August 5, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(153)
4.265	One Thousand Twelfth Supplemental Indenture dated as of August 12, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(154)
4.266	One Thousand Thirteenth Supplemental Indenture dated as of August 12, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(154)
4.267	One Thousand Fourteenth Supplemental Indenture dated as of August 12, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(154)
4.268	One Thousand Fifteenth Supplemental Indenture dated as of August 12, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2036(154)
4.269	One Thousand Sixteenth Supplemental Indenture dated as of August 12, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(154)
4.270	One Thousand Seventeenth Supplemental Indenture dated as of August 19, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(155)
4.271	One Thousand Eighteenth Supplemental Indenture dated as of August 19, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(155)
4.272	One Thousand Nineteenth Supplemental Indenture dated as of August 19, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(155)
4.273	One Thousand Twentieth Supplemental Indenture dated as of August 19, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2036(155)
4.274	One Thousand Twenty-First Supplemental Indenture dated as of August 19, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(155)
4.275	One Thousand Twenty-Second Supplemental Indenture dated as of August 26, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(156)
4.276	One Thousand Twenty-Third Supplemental Indenture dated as of August 26, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(156)
4.277	One Thousand Twenty-Fourth Supplemental Indenture dated as of August 26, 2021, to the U.S. Bank Indenture, and Form of 3.400% Prospect Capital InterNote® due 2031(156)
4.278	One Thousand Twenty-Fifth Supplemental Indenture dated as of August 26, 2021, to the U.S. Bank Indenture, and Form of 3.700% Prospect Capital InterNote® due 2036(156)
4.279	One Thousand Twenty-Sixth Supplemental Indenture dated as of August 26, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(156)
4.280	One Thousand Twenty-Seventh Supplemental Indenture dated as of September 10, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(157)
4.281	One Thousand Twenty-Eighth Supplemental Indenture dated as of September 10, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(157)
4.282	One Thousand Twenty-Ninth Supplemental Indenture dated as of September 10, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(157)
4.283	One Thousand Thirtieth Supplemental Indenture dated as of September 10, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(157)

4.284	One Thousand Thirty-First Supplemental Indenture dated as of September 10, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(157)
4.285	One Thousand Thirty-Second Supplemental Indenture dated as of September 16, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(158)
4.286	One Thousand Thirty-Third Supplemental Indenture dated as of September 16, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(158)
4.287	One Thousand Thirty-Fourth Supplemental Indenture dated as of September 16, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(158)
4.288	One Thousand Thirty-Fifth Supplemental Indenture dated as of September 16, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(158)
4.289	One Thousand Thirty-Sixth Supplemental Indenture dated as of September 16, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(158)
4.290	One Thousand Thirty-Seventh Supplemental Indenture dated as of September 23, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(159)
4.291	One Thousand Thirty-Eighth Supplemental Indenture dated as of September 23, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(159)
4.292	One Thousand Thirty-Ninth Supplemental Indenture dated as of September 23, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(159)
4.293	One Thousand Fortieth Supplemental Indenture dated as of September 23, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(159)
4.294	One Thousand Forty-First Supplemental Indenture dated as of September 23, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(159)
4.295	One Thousand Forty-Second Supplemental Indenture dated as of September 30, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(161)
4.296	One Thousand Forty-Third Supplemental Indenture dated as of September 30, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(161)
4.297	One Thousand Forty-Fourth Supplemental Indenture dated as of September 30, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(161)
4.298	One Thousand Forty-Fifth Supplemental Indenture dated as of September 30, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(161)
4.299	One Thousand Forty-Sixth Supplemental Indenture dated as of September 30, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(161)
4.300	One Thousand Forty-Seventh Supplemental Indenture dated as of October 7, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(163)
4.301	One Thousand Forty-Eighth Supplemental Indenture dated as of October 7, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(163)
4.302	One Thousand Forty-Ninth Supplemental Indenture dated as of October 7, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(163)
4.303	One Thousand Fiftieth Supplemental Indenture dated as of October 7, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(163)
4.304	One Thousand Fifty-First Supplemental Indenture dated as of October 7, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(163)
4.305	One Thousand Fifty-Second Supplemental Indenture dated as of October 15, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(164)
4.306	One Thousand Fifty-Third Supplemental Indenture dated as of October 15, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(164)
4.307	One Thousand Fifty-Fourth Supplemental Indenture dated as of October 15, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(164)
4.308	One Thousand Fifty-Fifth Supplemental Indenture dated as of October 15, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(164)
4.309	One Thousand Fifty-Sixth Supplemental Indenture dated as of October 15, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(164)
4.310	One Thousand Fifty-Seventh Supplemental Indenture dated as of October 21, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(165)
4.311	One Thousand Fifty-Eighth Supplemental Indenture dated as of October 21, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(165)
4.312	One Thousand Fifty-Ninth Supplemental Indenture dated as of October 21, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(165)
4.313	One Thousand Sixtieth Supplemental Indenture dated as of October 21, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(165)

4.314	One Thousand Sixty-First Supplemental Indenture dated as of October 21, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(165)
4.315	One Thousand Sixty-Second Supplemental Indenture dated as of October 28, 2021, to the U.S. Bank Indenture, and Form of 2.250% Prospect Capital InterNote® due 2026(166)
4.316	One Thousand Sixty-Third Supplemental Indenture dated as of October 28, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2028(166)
4.317	One Thousand Sixty-Fourth Supplemental Indenture dated as of October 28, 2021, to the U.S. Bank Indenture, and Form of 3.150% Prospect Capital InterNote® due 2031(166)
4.318	One Thousand Sixty-Fifth Supplemental Indenture dated as of October 28, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2036(166)
4.319	One Thousand Sixty-Sixth Supplemental Indenture dated as of October 28, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(166)
4.320	One Thousand Sixty-Seventh Supplemental Indenture dated as of November 4, 2021, to the U.S. Bank Indenture, and Form of 2.400% Prospect Capital InterNote® due 2026(167)
4.321	One Thousand Sixty-Eighth Supplemental Indenture dated as of November 4, 2021, to the U.S. Bank Indenture, and Form of 2.800% Prospect Capital InterNote® due 2028(167)
4.322	One Thousand Sixty-Ninth Supplemental Indenture dated as of November 4, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2031(167)
4.323	One Thousand Seventieth Supplemental Indenture dated as of November 4, 2021, to the U.S. Bank Indenture, and Form of 3.600% Prospect Capital InterNote® due 2036(167)
4.324	One Thousand Seventy-First Supplemental Indenture dated as of November 4, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(167)
4.325	One Thousand Seventy-Second Supplemental Indenture dated as of November 18, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(168)
4.326	One Thousand Seventy-Third Supplemental Indenture dated as of November 18, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(168)
4.327	One Thousand Seventy-Fourth Supplemental Indenture dated as of November 18, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2031(168)
4.328	One Thousand Seventy-Fifth Supplemental Indenture dated as of November 18, 2021, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2036(168)
4.329	One Thousand Seventy-Sixth Supplemental Indenture dated as of November 18, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(168)
4.330	One Thousand Seventy-Seventh Supplemental Indenture dated as of November 26, 2021, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2026(169)
4.331	One Thousand Seventy-Eighth Supplemental Indenture dated as of November 26, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2028(169)
4.332	One Thousand Seventy-Ninth Supplemental Indenture dated as of November 26, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2031(169)
4.333	One Thousand Eightieth Supplemental Indenture dated as of November 26, 2021, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2036(169)
4.334	One Thousand Eighty-First Supplemental Indenture dated as of November 26, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(169)
4.335	One Thousand Eighty-Second Supplemental Indenture dated as of December 2, 2021, to the U.S. Bank Indenture, and Form of 2.750% Prospect Capital InterNote® due 2026(170)
4.336	One Thousand Eighty-Third Supplemental Indenture dated as of December 2, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2028(170)
4.337	One Thousand Eighty-Fourth Supplemental Indenture dated as of December 2, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2031(170)
4.338	One Thousand Eighty-Sixth Supplemental Indenture dated as of December 2, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(170)
4.339	One Thousand Eighty-Seventh Supplemental Indenture dated as of December 9, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(171)
4.340	One Thousand Eighty-Eighth Supplemental Indenture dated as of December 9, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2028(171)
4.341	One Thousand Eighty-Ninth Supplemental Indenture dated as of December 9, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2031(171)
4.342	One Thousand Ninetieth Supplemental Indenture dated as of December 9, 2021, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2036(171)
4.343	One Thousand Ninety-First Supplemental Indenture dated as of December 9, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(171)

4.344	One Thousand Ninety-Second Supplemental Indenture dated as of December 16, 2021, to the U.S. Bank Indenture, and Form of 3.000% Prospect Capital InterNote® due 2026(172)
4.345	One Thousand Ninety-Third Supplemental Indenture dated as of December 16, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2028(172)
4.346	One Thousand Ninety-Fourth Supplemental Indenture dated as of December 16, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2031(172)
4.347	One Thousand Ninety-Fifth Supplemental Indenture dated as of December 16, 2021, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2036(172)
4.348	One Thousand Ninety-Sixth Supplemental Indenture dated as of December 16, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2051(172)
4.349	One Thousand Ninety-Seventh Supplemental Indenture dated as of December 23, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2026(173)
4.350	One Thousand Ninety-Eighth Supplemental Indenture dated as of December 23, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(173)
4.351	One Thousand Ninety-Ninth Supplemental Indenture dated as of December 23, 2021, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2031(173)
4.352	One Thousand One Hundredth Supplemental Indenture dated as of December 23, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2036(173)
4.353	One Thousand One Hundred First Supplemental Indenture dated as of December 23, 2021, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2051(173)
4.354	One Thousand One Hundred Second Supplemental Indenture dated as of December 30, 2021, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2026(174)
4.355	One Thousand One Hundred Third Supplemental Indenture dated as of December 30, 2021, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2028(174)
4.356	One Thousand One Hundred Fifth Supplemental Indenture dated as of December 30, 2021, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2036(174)
4.357	One Thousand One Hundred Sixth Supplemental Indenture dated as of December 30, 2021, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2051(174)
4.358	One Thousand One Hundred Seventh Supplemental Indenture dated as of January 6, 2022, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2027(175)
4.359	One Thousand One Hundred Eighth Supplemental Indenture dated as of January 6, 2022, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2029(175)
4.360	One Thousand One Hundred Ninth Supplemental Indenture dated as of January 6, 2022, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2032(175)
4.361	One Thousand One Hundred Tenth Supplemental Indenture dated as of January 6, 2022, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2037(175)
4.362	One Thousand One Hundred Eleventh Supplemental Indenture dated as of January 6, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2052(175)
4.363	One Thousand One Hundred Twelfth Supplemental Indenture dated as of January 13, 2022, to the U.S. Bank Indenture, and Form of 3.250% Prospect Capital InterNote® due 2027(176)
4.364	One Thousand One Hundred Thirteenth Supplemental Indenture dated as of January 13, 2022, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2029(176)
4.365	One Thousand One Hundred Fourteenth Supplemental Indenture dated as of January 13, 2022, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2032(176)
4.366	One Thousand One Hundred Fifteenth Supplemental Indenture dated as of January 13, 2022, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2037(176)
4.367	One Thousand One Hundred Sixteenth Supplemental Indenture dated as of January 13, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2052(176)
4.368	One Thousand One Hundred Seventeenth Supplemental Indenture dated as of January 21, 2022, to the U.S. Bank Indenture, and Form of 3.500% Prospect Capital InterNote® due 2027(177)
4.369	One Thousand One Hundred Eighteenth Supplemental Indenture dated as of January 21, 2022, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2029(177)
4.370	One Thousand One Hundred Nineteenth Supplemental Indenture dated as of January 21, 2022, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2032(177)
4.371	One Thousand One Hundred Twentieth Supplemental Indenture dated as of January 21, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2037(177)
4.372	One Thousand One Hundred Twenty-First Supplemental Indenture dated as of January 21, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2052(177)
4.373	One Thousand One Hundred Twenty-Second Supplemental Indenture dated as of January 27, 2022, to the U.S. Bank Indenture, and Form of 3.625% Prospect Capital InterNote® due 2027(178)

4.374	One Thousand One Hundred Twenty-Third Supplemental Indenture dated as of January 27, 2022, to the U.S. Bank Indenture, and Form of 3.875% Prospect Capital InterNote® due 2029(178)
4.375	One Thousand One Hundred Twenty-Fourth Supplemental Indenture dated as of January 27, 2022, to the U.S. Bank Indenture, and Form of 4.125% Prospect Capital InterNote® due 2032(178)
4.376	One Thousand One Hundred Twenty-Fifth Supplemental Indenture dated as of January 27, 2022, to the U.S. Bank Indenture, and Form of 4.375% Prospect Capital InterNote® due 2037(178)
4.377	One Thousand One Hundred Twenty-Sixth Supplemental Indenture dated as of January 27, 2022, to the U.S. Bank Indenture, and Form of 4.625% Prospect Capital InterNote® due 2052(178)
4.378	One Thousand One Hundred Twenty-Seventh Supplemental Indenture dated as of February 3, 2022, to the U.S. Bank Indenture, and Form of 3.750% Prospect Capital InterNote® due 2027(179)
4.379	One Thousand One Hundred Twenty-Eighth Supplemental Indenture dated as of February 3, 2022, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2029(179)
4.380	One Thousand One Hundred Twenty-Ninth Supplemental Indenture dated as of February 3, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2032(179)
4.381	One Thousand One Hundred Thirtieth Supplemental Indenture dated as of February 3, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2037(179)
4.382	One Thousand One Hundred Thirty-First Supplemental Indenture dated as of February 10, 2022, to the U.S. Bank Indenture, and Form of 4.000% Prospect Capital InterNote® due 2027(180)
4.383	One Thousand One Hundred Thirty-Second Supplemental Indenture dated as of February 10, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2029(180)
4.384	One Thousand One Hundred Thirty-Third Supplemental Indenture dated as of February 10, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2032(180)
4.385	One Thousand One Hundred Thirty-Fourth Supplemental Indenture dated as of February 25, 2022, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2025(185)
4.386	One Thousand One Hundred Thirty-Fifth Supplemental Indenture dated as of February 25, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2027(185)
4.387	One Thousand One Hundred Thirty-Sixth Supplemental Indenture dated as of February 25, 2022, to the U.S. Bank Indenture, and Form of 4.375% Prospect Capital InterNote® due 2032(185)
4.388	One Thousand One Hundred Thirty-Seventh Supplemental Indenture dated as of February 25, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2052(185)
4.389	One Thousand One Hundred Thirty-Eighth Supplemental Indenture dated as of March 3, 2022, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2025(186)
4.390	One Thousand One Hundred Thirty-Ninth Supplemental Indenture dated as of March 3, 2022, to the U.S. Bank Indenture, and Form of 4.250% Prospect Capital InterNote® due 2027(186)
4.391	One Thousand One Hundred Fortieth Supplemental Indenture dated as of March 3, 2022, to the U.S. Bank Indenture, and Form of 4.375% Prospect Capital InterNote® due 2032(186)
4.392	One Thousand One Hundred Forty-First Supplemental Indenture dated as of March 3, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2052(186)
4.393	One Thousand One Hundred Forty-Second Supplemental Indenture dated as of March 10, 2022, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2025(187)
4.394	One Thousand One Hundred Forty-Third Supplemental Indenture dated as of March 10, 2022, to the U.S. Bank Indenture, and Form of 4.375% Prospect Capital InterNote® due 2027(187)
4.395	One Thousand One Hundred Forty-Fourth Supplemental Indenture dated as of March 10, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2052(187)
4.396	One Thousand One Hundred Forty-Fifth Supplemental Indenture dated as of March 17, 2022, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2025(188)
4.397	One Thousand One Hundred Forty-Sixth Supplemental Indenture dated as of March 17, 2022, to the U.S. Bank Indenture, and Form of 4.375% Prospect Capital InterNote® due 2027(188)
4.398	One Thousand One Hundred Forty-Seventh Supplemental Indenture dated as of March 17, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2052(188)
4.399	One Thousand One Hundred Forty-Eighth Supplemental Indenture dated as of March 24, 2022, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2025(189)
4.400	One Thousand One Hundred Forty-Ninth Supplemental Indenture dated as of March 24, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(189)
4.401	One Thousand One Hundred Fiftieth Supplemental Indenture dated as of March 31, 2022, to the U.S. Bank Indenture, and Form of 2.500% Prospect Capital InterNote® due 2025(190)
4.402	One Thousand One Hundred Fifty-First Supplemental Indenture dated as of March 31, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(190)
4.403	One Thousand One Hundred Fifty-Second Supplemental Indenture dated as of April 7, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(191)

4.404	One Thousand One Hundred Fifty-Third Supplemental Indenture dated as of April 7, 2022, to the U.S. Bank Indenture, and Form of 4.250% to 5.250% Prospect Capital InterNote® due 2032(191)
4.405	One Thousand One Hundred Fifty-Fourth Supplemental Indenture dated as of April 14, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(192)
4.406	One Thousand One Hundred Fifty-Fifth Supplemental Indenture dated as of April 14, 2022, to the U.S. Bank Indenture, and Form of 4.250% to 5.250% Prospect Capital InterNote® due 2032(192)
4.407	One Thousand One Hundred Fifty-Sixth Supplemental Indenture dated as of April 21, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(193)
4.408	One Thousand One Hundred Fifty-Seventh Supplemental Indenture dated as of April 21, 2022, to the U.S. Bank Indenture, and Form of 4.250% to 5.250% Prospect Capital InterNote® due 2032(193)
4.409	One Thousand One Hundred Fifty-Eighth Supplemental Indenture dated as of April 28, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(194)
4.410	One Thousand One Hundred Sixtieth Supplemental Indenture dated as of May 5, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(195)
4.411	One Thousand One Hundred Sixty-First Supplemental Indenture dated as of May 5, 2022, to the U.S. Bank Indenture, and Form of 4.250% to 5.250% Prospect Capital InterNote® due 2032(195)
4.412	One Thousand One Hundred Sixty-Second Supplemental Indenture dated as of May 19, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(196)
4.413	One Thousand One Hundred Sixty-Third Supplemental Indenture dated as of May 26, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(197)
4.414	One Thousand One Hundred Sixty-Fourth Supplemental Indenture dated as of June 3, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(198)
4.415	One Thousand One Hundred Sixty-Fifth Supplemental Indenture dated as of June 9, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(199)
4.416	One Thousand One Hundred Sixty-Sixth Supplemental Indenture dated as of June 16, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(202)
4.417	One Thousand One Hundred Sixty-Seventh Supplemental Indenture dated as of June 24, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(203)
4.418	One Thousand One Hundred Sixty-Eighth Supplemental Indenture dated as of June 30, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(204)
4.419	One Thousand One Hundred Sixty-Ninth Supplemental Indenture dated as of July 8, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(205)
4.420	One Thousand One Hundred Seventieth Supplemental Indenture dated as of July 14, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(206)
4.421	One Thousand One Hundred Seventy-First Supplemental Indenture dated as of July 21, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(207)
4.422	One Thousand One Hundred Seventy-Second Supplemental Indenture dated as of July 28, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(208)
4.423	One Thousand One Hundred Seventy-Third Supplemental Indenture dated as of August 4, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(209)
4.424	One Thousand One Hundred Seventy-Fourth Supplemental Indenture dated as of August 11, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(210)
4.425	Supplemental Indenture, dated as of September 30, 2021, by and between Prospect Capital Corporation and U.S. Bank National Association, as Trustee (162)
4.426	Form of Global Note of 3.437% Notes due 2028 (162)
4.427	One Thousand One Hundred Seventy-Fifth Supplemental Indenture dated as of August 18, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(211)
4.428	One Thousand One Hundred Seventy-Sixth Supplemental Indenture dated as of August 25, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(212)
4.429	One Thousand One Hundred Seventy-Seventh Supplemental Indenture dated as of September 22, 2022, to the U.S. Bank Indenture, and Form of 4.500% Prospect Capital InterNote® due 2027(213)
4.430	One Thousand One Hundred Eighty-First Supplemental Indenture dated as of October 20, 2022, to the U.S. Bank Indenture, and Form of 5.000% Prospect Capital InterNote® due 2025(219)
4.431	One Thousand One Hundred Eighty-Second Supplemental Indenture dated as of October 20, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2027(219)
4.432	One Thousand One Hundred Eighty-Third Supplemental Indenture dated as of October 27, 2022, to the U.S. Bank Indenture, and Form of 5.375% Prospect Capital InterNote® due 2025(220)
4.433	One Thousand One Hundred Eighty-Fourth Supplemental Indenture dated as of October 27, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2027(220)

4.434	One Thousand One Hundred Eighty-Fifth Supplemental Indenture dated as of November 3, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(221)
4.435	One Thousand One Hundred Eighty-Sixth Supplemental Indenture dated as of November 10, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(222)
4.436	One Thousand One Hundred Eighty-Seventh Supplemental Indenture dated as of November 25, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(223)
4.437	One Thousand One Hundred Eighty-Eighth Supplemental Indenture dated as of December 1, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(224)
4.438	One Thousand One Hundred Eighty-Ninth Supplemental Indenture dated as of December 8, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(225)
4.439	One Thousand One Hundred Ninetieth Supplemental Indenture dated as of December 15, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(226)
4.440	One Thousand One Hundred Ninety-First Supplemental Indenture dated as of December 22, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(227)
4.441	One Thousand One Hundred Ninety-Second Supplemental Indenture dated as of December 22, 2022, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2028(227)
4.442	One Thousand One Hundred Ninety-Third Supplemental Indenture dated as of December 30, 2022, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2025(228)
4.443	One Thousand One Hundred Ninety-Fourth Supplemental Indenture dated as of December 30, 2022, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2028(228)
4.444	One Thousand One Hundred Ninety-Fifth Supplemental Indenture dated as of December 30, 2022, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2032(228)
4.445	One Thousand One Hundred Ninety-Sixth Supplemental Indenture dated as of January 6, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(229)
4.446	One Thousand One Hundred Ninety-Seventh Supplemental Indenture dated as of January 6, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(229)
4.447	One Thousand One Hundred Ninety-Eighth Supplemental Indenture dated as of January 6, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(229)
4.448	One Thousand One Hundred Ninety-Ninth Supplemental Indenture dated as of January 12, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(230)
4.449	One Thousand Two Hundredth Supplemental Indenture dated as of January 12, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(230)
4.450	One Thousand Two Hundred First Supplemental Indenture dated as of January 12, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(230)
4.451	One Thousand Two Hundred Second Supplemental Indenture dated as of January 20, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(231)
4.452	One Thousand Two Hundred Third Supplemental Indenture dated as of January 20, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(231)
4.453	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(231)
4.454	One Thousand Two Hundred Fifth Supplemental Indenture dated as of January 26, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(232)
4.455	One Thousand Two Hundred Sixth Supplemental Indenture dated as of January 26, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(232)
4.456	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(232)
4.457	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(233)
4.458	One Thousand Two Hundred Ninth Supplemental Indenture dated as of February 2, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(233)
4.459	One Thousand Two Hundred Tenth Supplemental Indenture dated as of February 2, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(233)
4.460	One Thousand Two Hundred Eleventh Supplemental Indenture dated as of February 9, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(234)
4.461	One Thousand Two Hundred Twelfth Supplemental Indenture dated as of February 9, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(234)
4.462	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(234)
4.463	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(238)

4.464	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(238)
4.465	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(238)
4.466	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(239)
4.467	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(239)
4.468	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(239)
4.469	One Thousand Two Hundred Twentieth Supplemental Indenture dated as of March 9, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(240)
4.470	One Thousand Two Hundred Twenty-First Supplemental Indenture dated as of March 9, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(240)
4.471	One Thousand Two Hundred Twenty-Second Supplemental Indenture dated as of March 9, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(240)
4.472	One Thousand Two Hundred Twenty-Third Supplemental Indenture dated as of March 16, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(241)
4.473	One Thousand Two Hundred Twenty-Fourth Supplemental Indenture dated as of March 16, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(241)
4.474	One Thousand Two Hundred Twenty-Fifth Supplemental Indenture dated as of March 16, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(241)
4.475	One Thousand Two Hundred Twenty-Sixth Supplemental Indenture dated as of March 23, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(242)
4.476	One Thousand Two Hundred Twenty-Seventh Supplemental Indenture dated as of March 23, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(242)
4.477	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(242)
4.478	One Thousand Two Hundred Twenty-Ninth Supplemental Indenture dated as of March 30, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(243)
4.479	One Thousand Two Hundred Thirtieth Supplemental Indenture dated as of March 30, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(243)
4.480	One Thousand Two Hundred Thirty-First Supplemental Indenture dated as of March 30, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(243)
4.481	One Thousand Two Hundred Thirty-Second Supplemental Indenture dated as of April 6, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(244)
4.482	One Thousand Two Hundred Thirty-Third Supplemental Indenture dated as of April 6, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(244)
4.483	One Thousand Two Hundred Thirty-Fourth Supplemental Indenture dated as of April 6, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(244)
4.484	One Thousand Two Hundred Thirty-Fifth Supplemental Indenture dated as of April 13, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(245)
4.485	One Thousand Two Hundred Thirty-Sixth Supplemental Indenture dated as of April 13, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(245)
4.486	One Thousand Two Hundred Thirty-Seventh Supplemental Indenture dated as of April 13, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(245)
4.487	One Thousand Two Hundred Thirty-Eighth Supplemental Indenture dated as of April 20, 2023, to the U.S. Bank Indenture, and Form of 5.500% Prospect Capital InterNote® due 2026(246)
4.488	One Thousand Two Hundred Thirty-Ninth Supplemental Indenture dated as of April 20, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2029(246)
4.489	One Thousand Two Hundred Fortieth Supplemental Indenture dated as of April 20, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2033(246)
4.490	One Thousand Two Hundred Forty-First Supplemental Indenture dated as of April 27, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(247)
4.491	One Thousand Two Hundred Forty-Second Supplemental Indenture dated as of April 27, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2029(247)
4.492	One Thousand Two Hundred Forty-Third Supplemental Indenture dated as of April 27, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(247)
4.493	One Thousand Two Hundred Forty-Fourth Supplemental Indenture dated as of May 4, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(248)

4.494	One Thousand Two Hundred Forty-Fifth Supplemental Indenture dated as of May 4, 2023, to the U.S. Bank Indenture, and Form of 5.950% Prospect Capital InterNote® due 2029(248)
4.495	One Thousand Two Hundred Forty-Sixth Supplemental Indenture dated as of May 4, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(248)
4.496	One Thousand Two Hundred Forty-Seventh Supplemental Indenture dated as of May 11, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(249)
4.497	One Thousand Two Hundred Forty-Eighth Supplemental Indenture dated as of May 11, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(249)
4.498	One Thousand Two Hundred Forty-Ninth Supplemental Indenture dated as of May 11, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(249)
4.499	One Thousand Two Hundred Fiftieth Supplemental Indenture dated as of May 11, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(249)
4.500	One Thousand Two Hundred Fifty-First Supplemental Indenture dated as of May 25, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(250)
4.501	One Thousand Two Hundred Fifty-Second Supplemental Indenture dated as of May 25, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(250)
4.502	One Thousand Two Hundred Fifty-Third Supplemental Indenture dated as of May 25, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(250)
4.503	One Thousand Two Hundred Fifty-Fourth Supplemental Indenture dated as of May 25, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(250)
4.504	One Thousand Two Hundred Fifty-Fifth Supplemental Indenture dated as of June 2, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(251)
4.505	One Thousand Two Hundred Fifty-Sixth Supplemental Indenture dated as of June 2, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(251)
4.506	One Thousand Two Hundred Fifty-Eighth Supplemental Indenture dated as of June 2, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(251)
4.507	One Thousand Two Hundred Fifty-Ninth Supplemental Indenture dated as of June 8, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(252)
4.508	One Thousand Two Hundred Sixtieth Supplemental Indenture dated as of June 8, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(252)
4.509	One Thousand Two Hundred Sixty-First Supplemental Indenture dated as of June 8, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(252)
4.510	One Thousand Two Hundred Sixty-Second Supplemental Indenture dated as of June 8, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(252)
4.511	One Thousand Two Hundred Sixty-Fourth Supplemental Indenture dated as of June 15, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(254)
4.512	One Thousand Two Hundred Sixty-Fifth Supplemental Indenture dated as of June 15, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(254)
4.513	One Thousand Two Hundred Sixty-Sixth Supplemental Indenture dated as of June 15, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(254)
4.514	One Thousand Two Hundred Sixty-Seventh Supplemental Indenture dated as of June 23, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(255)
4.515	One Thousand Two Hundred Sixty-Eighth Supplemental Indenture dated as of June 23, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(255)
4.516	One Thousand Two Hundred Sixty-Ninth Supplemental Indenture dated as of June 23, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(255)
4.517	One Thousand Two Hundred Seventieth Supplemental Indenture dated as of June 23, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(255)
4.518	One Thousand Two Hundred Seventy-First Supplemental Indenture dated as of June 29, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(256)
4.519	One Thousand Two Hundred Seventy-Third Supplemental Indenture dated as of June 29, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(256)
4.520	One Thousand Two Hundred Seventy-Fourth Supplemental Indenture dated as of June 29, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(256)
4.521	One Thousand Two Hundred Seventy-Fifth Supplemental Indenture dated as of July 7, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(257)
4.522	One Thousand Two Hundred Seventy-Sixth Supplemental Indenture dated as of July 7, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(257)
4.523	One Thousand Two Hundred Seventy-Seventh Supplemental Indenture dated as of July 7, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(257)

4.524	One Thousand Two Hundred Seventy-Eighth Supplemental Indenture dated as of July 7, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(257)
4.525	One Thousand Two Hundred Eightieth Supplemental Indenture dated as of July 13, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(258)
4.526	One Thousand Two Hundred Eighty-First Supplemental Indenture dated as of July 13, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(258)
4.527	One Thousand Two Hundred Eighty-Second Supplemental Indenture dated as of July 13, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(258)
4.528	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 2026(259)
4.529	One Thousand Two Hundred Eighty-Fourth Supplemental Indenture dated as of July 20, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(259)
4.530	One Thousand Two Hundred Eighty-Fifth Supplemental Indenture dated as of July 20, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(259)
4.531	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(259)
4.532	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 2026(260)
4.533	One Thousand Two Hundred Eighty-Eighth Supplemental Indenture dated as of July 27, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(260)
4.534	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(260)
4.535	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(260)
4.536	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 2026(261)
4.537	One Thousand Two Hundred Ninety-Third Supplemental Indenture dated as of August 3, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(261)
4.538	One Thousand Two Hundred Ninety-Fourth Supplemental Indenture dated as of August 3, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(261)
4.539	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 2026(262)
4.540	One Thousand Two Hundred Ninety-Sixth Supplemental Indenture dated as of August 10, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(262)
4.541	One Thousand Two Hundred Ninety-Seventh Supplemental Indenture dated as of August 10, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(262)
4.542	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(262)
4.543	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 2026(263)
4.544	One Thousand Three Hundredth Supplemental Indenture dated as of August 17, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(263)
4.545	One Thousand Three Hundred First Supplemental Indenture dated as of August 17, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(263)
4.546	One Thousand Three Hundred Second Supplemental Indenture dated as of August 17, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(263)
4.547	One Thousand Three Hundred Third Supplemental Indenture dated as of August 24, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(264)
4.548	One Thousand Three Hundred Sixth Supplemental Indenture dated as of August 24, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(264)
4.549	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 2026(265)
4.550	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(265)
4.551	One Thousand Three Hundred Twelfth Supplemental Indenture dated as of September 28, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(266)
4.552	One Thousand Three Hundred Thirteenth Supplemental Indenture dated as of September 28, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(266)
4.553	One Thousand Three Hundred Fourteenth Supplemental Indenture dated as of September 28, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(266)

4.554	One Thousand Three Hundred Sixteenth Supplemental Indenture dated as of October 5, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(267)
4.555	One Thousand Three Hundred Seventeenth Supplemental Indenture dated as of October 5, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(267)
4.556	One Thousand Three Hundred Eighteenth Supplemental Indenture dated as of October 5, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(267)
4.557	One Thousand Three Hundred Twenty-Third Supplemental Indenture dated as of October 19, 2023, to the U.S. Bank Indenture, and Form of 5.750% Prospect Capital InterNote® due 2026(268)
4.558	One Thousand Three Hundred Twenty-Sixth Supplemental Indenture dated as of October 19, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(268)
4.559	One Thousand Three Hundred Twenty-Eighth Supplemental Indenture dated as of October 26, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2029(269)
4.560	One Thousand Three Hundred Twenty-Ninth Supplemental Indenture dated as of October 26, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2033(269)
4.561	One Thousand Three Hundred Thirtieth Supplemental Indenture dated as of October 26, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2043(269)
4.562	One Thousand Three Hundred Thirty-Fifth Supplemental Indenture dated as of November 9, 2023, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2026(270)
4.563	One Thousand Three Hundred Thirty-Sixth Supplemental Indenture dated as of November 9, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2029(270)
4.564	One Thousand Three Hundred Thirty-Seventh Supplemental Indenture dated as of November 9, 2023, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2033(270)
4.565	One Thousand Three Hundred Thirty-Eighth Supplemental Indenture dated as of November 9, 2023, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2043(270)
4.566	One Thousand Three Hundred Thirty-Ninth Supplemental Indenture dated as of November 24, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2026(271)
4.567	One Thousand Three Hundred Fortieth Supplemental Indenture dated as of November 24, 2023, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2028(271)
4.568	One Thousand Three Hundred Forty-First Supplemental Indenture dated as of November 24, 2023, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2033(271)
4.569	One Thousand Three Hundred Forty-Second Supplemental Indenture dated as of November 30, 2023, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2026(272)
4.570	One Thousand Three Hundred Forty-Third Supplemental Indenture dated as of November 30, 2023, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2028(272)
4.571	One Thousand Three Hundred Forty-Fourth Supplemental Indenture dated as of November 30, 2023, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2033(272)
4.572	One Thousand Three Hundred Forty-Fifth Supplemental Indenture dated as of December 7, 2023, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2026(273)
4.573	One Thousand Three Hundred Forty-Sixth Supplemental Indenture dated as of December 7, 2023, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2028(273)
4.574	One Thousand Three Hundred Forty-Seventh Supplemental Indenture dated as of December 7, 2023, to the U.S. Bank Indenture, and Form of 8.000% Prospect Capital InterNote® due 2033(273)
4.575	One Thousand Three Hundred Forty-Eighth Supplemental Indenture dated as of December 14, 2023, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2026(274)
4.576	One Thousand Three Hundred Forty-Ninth Supplemental Indenture dated as of December 14, 2023, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2028(274)
4.577	One Thousand Three Hundred Fiftieth Supplemental Indenture dated as of December 14, 2023, to the U.S. Bank Indenture, and Form of 8.000% Prospect Capital InterNote® due 2033(274)
4.578	One Thousand Three Hundred Fifty-First Supplemental Indenture dated as of December 21, 2023, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2026(275)
4.579	One Thousand Three Hundred Fifty-Second Supplemental Indenture dated as of December 21, 2023, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2028(275)
4.580	One Thousand Three Hundred Fifty-Third Supplemental Indenture dated as of December 21, 2023, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2030(275)
4.581	One Thousand Three Hundred Fifty-Fourth Supplemental Indenture dated as of December 21, 2023, to the U.S. Bank Indenture, and Form of 8.000% Prospect Capital InterNote® due 2033(275)
4.582	One Thousand Three Hundred Fifty-Fifth Supplemental Indenture dated as of December 29, 2023, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2026(276)
4.583	One Thousand Three Hundred Fifty-Sixth Supplemental Indenture dated as of December 29, 2023, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2028(276)

4.584	One Thousand Three Hundred Fifty-Seventh Supplemental Indenture dated as of December 29, 2023, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2033(276)
4.585	One Thousand Three Hundred Fifty-Eighth Supplemental Indenture dated as of January 5, 2024, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2027(281)
4.586	One Thousand Three Hundred Fifty-Ninth Supplemental Indenture dated as of January 5, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(281)
4.587	One Thousand Three Hundred Sixtieth Supplemental Indenture dated as of January 5, 2024, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2034(281)
4.588	One Thousand Three Hundred Sixty-First Supplemental Indenture dated as of January 11, 2024, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2027(282)
4.589	One Thousand Three Hundred Sixty-Second Supplemental Indenture dated as of January 11, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(282)
4.590	One Thousand Three Hundred Sixty-Third Supplemental Indenture dated as of January 11, 2024, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2034(282)
4.591	One Thousand Three Hundred Sixty-Fourth Supplemental Indenture dated as of January 19, 2024, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2027(283)
4.592	One Thousand Three Hundred Sixty-Fifth Supplemental Indenture dated as of January 19, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(283)
4.593	One Thousand Three Hundred Sixty-Sixth Supplemental Indenture dated as of January 19, 2024, to the U.S. Bank Indenture, and Form of 7.750% Prospect Capital InterNote® due 2034(283)
4.594	One Thousand Three Hundred Sixty-Seventh Supplemental Indenture dated as of January 25, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(284)
4.595	One Thousand Three Hundred Sixty-Eighth Supplemental Indenture dated as of January 25, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(284)
4.596	One Thousand Three Hundred Sixty-Ninth Supplemental Indenture dated as of January 25, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(284)
4.597	One Thousand Three Hundred Seventieth Supplemental Indenture dated as of February 1, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(286)
4.598	One Thousand Three Hundred Seventy-First Supplemental Indenture dated as of February 1, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(286)
4.599	One Thousand Three Hundred Seventy-Second Supplemental Indenture dated as of February 1, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(286)
4.600	One Thousand Three Hundred Seventy-Third Supplemental Indenture dated as of February 8, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(287)
4.601	One Thousand Three Hundred Seventy-Fourth Supplemental Indenture dated as of February 8, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(287)
4.602	One Thousand Three Hundred Seventy-Fifth Supplemental Indenture dated as of February 8, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(287)
4.603	One Thousand Three Hundred Seventy-Sixth Supplemental Indenture dated as of February 23, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(288)
4.604	One Thousand Three Hundred Seventy-Seventh Supplemental Indenture dated as of February 23, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(288)
4.605	One Thousand Three Hundred Seventy-Eighth Supplemental Indenture dated as of February 23, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(288)
4.606	One Thousand Three Hundred Seventy-Ninth Supplemental Indenture dated as of February 29, 2024, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2027(289)
4.607	One Thousand Three Hundred Eightieth Supplemental Indenture dated as of February 29, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2029(289)
4.608	One Thousand Three Hundred Eighty-First Supplemental Indenture dated as of February 29, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034(289)
4.609	One Thousand Three Hundred Eighty-Second Supplemental Indenture dated as of March 7, 2024, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2027(290)
4.610	One Thousand Three Hundred Eighty-Third Supplemental Indenture dated as of March 7, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2029(290)
4.611	One Thousand Three Hundred Eighty-Fourth Supplemental Indenture dated as of March 7, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034(290)
4.612	One Thousand Three Hundred Eighty-Fifth Supplemental Indenture dated as of March 14, 2024, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2027(291)
4.613	One Thousand Three Hundred Eighty-Sixth Supplemental Indenture dated as of March 14, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2029(291)

4.614	One Thousand Three Hundred Eighty-Seventh Supplemental Indenture dated as of March 14, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034(291)
4.615	One Thousand Three Hundred Eighty-Eighth Supplemental Indenture dated as of March 21, 2024, to the U.S. Bank Indenture, and Form of 6.000% Prospect Capital InterNote® due 2027(292)
4.616	One Thousand Three Hundred Eighty-Ninth Supplemental Indenture dated as of March 21, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2029(292)
4.617	One Thousand Three Hundred Ninetieth Supplemental Indenture dated as of March 21, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034(292)
4.618	One Thousand Three Hundred Ninety-First Supplemental Indenture dated as of March 28, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(293)
4.619	One Thousand Three Hundred Ninety-Second Supplemental Indenture dated as of March 28, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(293)
4.620	One Thousand Three Hundred Ninety-Third Supplemental Indenture dated as of March 28, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(293)
4.621	One Thousand Three Hundred Ninety-Fourth Supplemental Indenture dated as of April 4, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(294)
4.622	One Thousand Three Hundred Ninety-Fifth Supplemental Indenture dated as of April 4, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(294)
4.623	One Thousand Three Hundred Ninety-Sixth Supplemental Indenture dated as of April 4, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(294)
4.624	One Thousand Three Hundred Ninety-Seventh Supplemental Indenture dated as of April 11, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(295)
4.625	One Thousand Three Hundred Ninety-Eighth Supplemental Indenture dated as of April 11, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(295)
4.626	One Thousand Three Hundred Ninety-Ninth Supplemental Indenture dated as of April 11, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(295)
4.627	One Thousand Four Hundredth Supplemental Indenture dated as of April 18, 2024, to the U.S. Bank Indenture, and Form of 6.250% Prospect Capital InterNote® due 2027(296)
4.628	One Thousand Four Hundred First Supplemental Indenture dated as of April 18, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(296)
4.629	One Thousand Four Hundred Second Supplemental Indenture dated as of April 18, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(296)
4.630	One Thousand Four Hundred Third Supplemental Indenture dated as of April 25, 2024, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2027(297)
4.631	One Thousand Four Hundred Fourth Supplemental Indenture dated as of April 25, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2029(297)
4.632	One Thousand Four Hundred Fifth Supplemental Indenture dated as of April 25, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(297)
4.633	One Thousand Four Hundred Sixth Supplemental Indenture dated as of May 2, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2027(298)
4.634	One Thousand Four Hundred Seventh Supplemental Indenture dated as of May 2, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2029(298)
4.635	One Thousand Four Hundred Eighth Supplemental Indenture dated as of May 2, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(298)
4.636	One Thousand Four Hundred Ninth Supplemental Indenture dated as of May 9, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(299)
4.637	One Thousand Four Hundred Tenth Supplemental Indenture dated as of May 9, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(299)
4.638	One Thousand Four Hundred Eleventh Supplemental Indenture dated as of May 9, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(299)
4.639	One Thousand Four Hundred Twelfth Supplemental Indenture dated as of May 23, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(300)
4.640	One Thousand Four Hundred Thirteenth Supplemental Indenture dated as of May 23, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(300)
4.641	One Thousand Four Hundred Fourteenth Supplemental Indenture dated as of May 23, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(300)
4.642	One Thousand Four Hundred Fifteenth Supplemental Indenture dated as of May 31, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(301)
4.643	One Thousand Four Hundred Sixteenth Supplemental Indenture dated as of May 31, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(301)

4.644	One Thousand Four Hundred Seventeenth Supplemental Indenture dated as of May 31, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(301)
4.645	One Thousand Four Hundred Eighteenth Supplemental Indenture dated as of June 6, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(302)
4.646	One Thousand Four Hundred Nineteenth Supplemental Indenture dated as of June 6, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(302)
4.647	One Thousand Four Hundred Twentieth Supplemental Indenture dated as of June 6, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(302)
4.648	One Thousand Four Hundred Twenty-First Supplemental Indenture dated as of June 13, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(303)
4.649	One Thousand Four Hundred Twenty-Second Supplemental Indenture dated as of June 13, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(303)
4.650	One Thousand Four Hundred Twenty-Third Supplemental Indenture dated as of June 13, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(303)
4.651	One Thousand Four Hundred Twenty-Fourth Supplemental Indenture dated as of June 21, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(304)
4.652	One Thousand Four Hundred Twenty-Fifth Supplemental Indenture dated as of June 21, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(304)
4.653	One Thousand Four Hundred Twenty-Sixth Supplemental Indenture dated as of June 21, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(304)
4.654	One Thousand Four Hundred Twenty-Seventh Supplemental Indenture dated as of June 27, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027(305)
4.655	One Thousand Four Hundred Twenty-Eighth Supplemental Indenture dated as of June 27, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029(305)
4.656	One Thousand Four Hundred Twenty-Ninth Supplemental Indenture dated as of June 27, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(305)
4.657	One Thousand Four Hundred Thirtieth Supplemental Indenture dated as of July 5, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027(307)
4.658	One Thousand Four Hundred Thirty-First Supplemental Indenture dated as of July 5, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029(311)
4.659	One Thousand Four Hundred Thirty-Second Supplemental Indenture dated as of July 5, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(307)
4.660	One Thousand Four Hundred Thirty-Third Supplemental Indenture dated as of July 11, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027(308)
4.661	One Thousand Four Hundred Thirty-Fourth Supplemental Indenture dated as of July 11, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029(308)
4.662	One Thousand Four Hundred Thirty-Fifth Supplemental Indenture dated as of July 11, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(308)
4.663	One Thousand Four Hundred Thirty-Sixth Supplemental Indenture dated as of July 18, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027(309)
4.664	One Thousand Four Hundred Thirty-Seventh Supplemental Indenture dated as of July 18, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029(309)
4.665	One Thousand Four Hundred Thirty-Eighth Supplemental Indenture dated as of July 18, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(309)
4.666	One Thousand Four Hundred Thirty-Ninth Supplemental Indenture dated as of July 25, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2027(310)
4.667	One Thousand Four Hundred Fortieth Supplemental Indenture dated as of July 25, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2029(310)
4.668	One Thousand Four Hundred Forty-First Supplemental Indenture dated as of July 25, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(310)
4.669	One Thousand Four Hundred Forty-Second Supplemental Indenture dated as of August 1, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2027(311)
4.670	One Thousand Four Hundred Forty-Third Supplemental Indenture dated as of August 1, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2029(311)
4.671	One Thousand Four Hundred Forty-Fourth Supplemental Indenture dated as of August 1, 2024, to the U.S. Bank Indenture, and Form of 7.500% Prospect Capital InterNote® due 2034(311)
4.672	One Thousand Four Hundred Forty-Fifth Supplemental Indenture dated as of August 8, 2024, to the U.S. Bank Indenture, and Form of 6.875% Prospect Capital InterNote® due 2027(312)
4.673	One Thousand Four Hundred Forty-Sixth Supplemental Indenture dated as of August 8, 2024, to the U.S. Bank Indenture, and Form of 7.125% Prospect Capital InterNote® due 2029(312)

4.674	One Thousand Four Hundred Forty-Seventh Supplemental Indenture dated as of August 8, 2024, to the U.S. Bank Indenture, and Form of 7.375% Prospect Capital InterNote® due 2034(312)
4.675	One Thousand Four Hundred Forty-Eighth Supplemental Indenture dated as of August 15, 2024, to the U.S. Bank Indenture, and Form of 6.500% Prospect Capital InterNote® due 2027(313)
4.676	One Thousand Four Hundred Forty-Ninth Supplemental Indenture dated as of August 15, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2029(313)
4.677	One Thousand Four Hundred Fiftieth Supplemental Indenture dated as of August 15, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2034(313)
4.678	One Thousand Four Hundred Fifty-First Supplemental Indenture dated as of August 22, 2024, to the U.S. Bank Indenture, and Form of 6.750% Prospect Capital InterNote® due 2027(314)
4.679	One Thousand Four Hundred Fifty-Second Supplemental Indenture dated as of August 22, 2024, to the U.S. Bank Indenture, and Form of 7.000% Prospect Capital InterNote® due 2029(314)
4.680	One Thousand Four Hundred Fifty-Third Supplemental Indenture dated as of August 22, 2024, to the U.S. Bank Indenture, and Form of 7.250% Prospect Capital InterNote® due 2034(314)
4.681	Description of Securities*
10.1	Investment Advisory Agreement between Registrant and Prospect Capital Management L.P.(3)
10.2	Administration Agreement between Registrant and Prospect Administration LLC(3)
10.3	Trademark License Agreement between the Registrant and Prospect Capital Investment Management, LLC(3)
10.4	Transfer Agency and Registrar Services Agreement(4)
10.5	Custody Agreement, dated as of April 24, 2013, by and between the Registrant and Israeli Discount Bank of New York Ltd.(45)
10.6	Custody Agreement, dated as of October 28, 2013, by and between the Registrant and Fifth Third Bank(65)
10.7	Custody Agreement, dated as of May 9, 2014, by and between the Registrant and Customers Bank(82)
10.8	Custody Agreement, dated as of May 9, 2014, by and between the Registrant and Peapack-Gladstone Bank(83)
10.9	Amended and Restated Custody Agreement, dated as of September 23, 2014, by and between the Registrant and U.S. Bank National Association(84)
10.10	Custody Agreement, dated as of October 10, 2014, by and between Prospect Yield Corporation, LLC and U.S. Bank National Association(84)
10.11	Debt Distribution Agreement, dated June 22, 2016(86)
10.12	Form of Debt Distribution Agreement(87)
10.13	Sixth Amended and Restated Selling Agent Agreement, dated November 10, 2016, by and among, the Registrant, Prospect Capital Management L.P., Prospect Administration LLC, Incapital LLC and the Agents named therein and added from time to time(88)
10.14	Underwriting Agreement, dated April 6, 2017, by and among Prospect Capital Corporation, Prospect Capital Management L.P., Prospect Administration LLC and Goldman, Sachs & Co.(89)
10.15	Underwriting Agreement, dated May 15, 2018, by and among Prospect Capital Corporation, Prospect Capital Management L.P., Prospect Administration LLC and Goldman Sachs & Co. LLC(90)
10.16	Sixth Amended and Restated Loan and Servicing Agreement, dated August 1, 2018, among Prospect Capital Funding LLC, Prospect Capital Corporation, the lenders from time to time party thereto, the managing agents from time to time party thereto, U.S. Bank National Association as Calculation Agent, Paying Agent and Documentation Agent, and KeyBank National Association as Facility Agent, Syndication Agent, Structuring Agent, Sole Lead Arranger and Sole Bookrunner(91)
10.17	Underwriting Agreement, dated November 28, 2018(92)
10.18	Debt Distribution Agreement, dated February 7, 2019(93)
10.19	Debt Distribution Agreement, dated February 7, 2019(323)
10.20	Debt Distribution Agreement, dated February 7, 2019(93)
10.21	Underwriting Agreement, dated February 27, 2019(94)
10.22	Selling Agent Agreement, dated May 10, 2019, by and among, the Registrant, Prospect Capital Management L.P., Prospect Administration LLC, Incapital LLC and the Agents named therein and added from time to time(95)
10.23	First Amendment to the Sixth Amended and Restated Loan and Servicing Agreement(100)
10.24	Selling Agent Agreement, dated February 13, 2020, by and among, the Registrant, Prospect Capital Management L.P., Prospect Administration LLC, Incapital LLC and the Agents named therein and added from time to time(109)
10.25	Dividend Reinvestment and Direct Stock Purchase Plan(110)
10.26	Equity Distribution Agreement, dated June 12, 2020(111)
10.27	Equity Distribution Agreement, dated June 12, 2020(111)
10.28	Equity Distribution Agreement, dated June 12, 2020(111)

10.29	Dealer Manager Agreement, dated as of August 3, 2020, by and between Prospect Capital Corporation and Preferred Capital Securities, LLC(114)
10.30	Escrow Agreement, by and between Preferred Capital Securities, LLC, Prospect Capital Corporation and UMB Bank, National Association(114)
10.31	Preferred Stock Dividend Reinvestment Plan(114)
10.32	Amended and Restated Preferred Stock Dividend Reinvestment Plan(117)
10.33	Amended and Restated Dealer Manager Agreement, dated as of February 25, 2021, by and between Prospect Capital Corporation and Preferred Capital Securities, LLC(126)
10.34	Amended and Restated Preferred Stock Dividend Reinvestment Plan(139)
10.35	Underwriting Agreement, dated September 23, 2021, by and among Prospect Capital Corporation, Prospect Capital Management L.P., Prospect Administration LLC, and RBC Capital Markets, LLC, Goldman Sachs & Co. LLC and BNP Paribas Securities Corp., as representatives of the several underwriters named in Schedule I thereto(160)
10.36	Seventh Amended and Restated Loan and Servicing Agreement, dated April 27, 2021, among Prospect Capital Funding LLC, Prospect Capital Corporation, the lenders from time to time party thereto, the managing agents from time to time party thereto, U.S. Bank National Association as Calculation Agent, Paying Agent and Documentation Agent, KeyBank National Association as Facility Agent, and KeyBank National Association as Syndication Agent, Structuring Agent, Sole Lead Arranger and Sole Bookrunner(166)
10.37	Amended and Restated Dealer Manager Agreement, dated February 18, 2022, by and among, the Company, Prospect Capital Management L.P., Prospect Administration LLC, InspereX LLC and the Agents named therein and added from time to time(182)
10.38	Escrow Agreement, by and between Prospect Capital Corporation and UMB Bank, National Association(183)
10.39	Amended and Restated Preferred Stock Dividend Reinvestment Plan(184)
10.40	Amendment No. 1 to Amended and Restated Dealer Manager Agreement, dated as of June 9, 2022, by and between Prospect Capital Corporation and Preferred Capital Securities, LLC(200)
10.41	First Amendment to the Seventh Amended and Restated Loan and Servicing Agreement, dated September 7, 2022, among Prospect Capital Funding LLC, Prospect Capital Corporation, the lenders from time to time party thereto, the managing agents from time to time party thereto, U.S. Bank National Association as Calculation Agent, Paying Agent and Documentation Agent, KeyBank National Association as Facility Agent, and KeyBank National Association as Syndication Agent, Structuring Agent, Sole Lead Arranger and Sole Bookrunner(213)
10.42	Amendment No. 1 to Amended and Restated Dealer Manager Agreement, dated October 7, 2022, between the Company, Preferred Capital Securities, LLC(215)
10.43	Amendment No. 1 to Amended and Restated Dealer Manager Agreement, dated October 7, 2022, by and among the Company, Prospect Capital Management L.P., Prospect Administration LLC, InspereX LLC and the Agents named therein and added from time to time(216)
10.44	Amendment No. 3 to Amended and Restated Dealer Manager Agreement, dated February 10, 2023, between the Company, Preferred Capital Securities, LLC(235)
10.45	Amended and Restated Preferred Stock Dividend Reinvestment Plan(237)
10.46	Amended and Restated Preferred Stock Dividend Reinvestment Plan(253)
10.47	Amendment No. 4 to Amended and Restated Dealer Manager Agreement, dated December 29, 2023, between the Company and Preferred Capital Securities, LLC(277)
10.48	Amended and Restated Preferred Stock Dividend Reinvestment Plan(280)
10.49	Second Amendment to the Seventh Amended and Restated Loan and Servicing Agreement, dated June 28, 2024(306)
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)
14	Code of Ethics(315)
21	Subsidiaries of the Registrant (included in the notes to the consolidated financial statements contained in this annual report)
22.1	Proxy Statement(316)
22.2	Published report regarding matters submitted to vote of security holders(317)
23.1	Consent of DELOITTE & TOUCHE LLP, Independent Registered Public Accounting Firm of Prospect Capital Corporation*
23.2	Consent of BDO USA, P.C., Independent Registered Public Accounting Firm of Prospect Capital Corporation*
23.3	Consent of DELOITTE & TOUCHE LLP, Certified Public Accountants of National Property REIT Corp.*
23.4	Consent of CohnReznick LLP, Certified Public Accountants of National Property REIT Corp.*
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)*

99.1	Audited Combined Consolidated Financial Statements of National Property REIT Corp. for the years ended December 31, 2023 and 2022*
99.2	Audited Combined Consolidated Financial Statements of National Property REIT Corp. for the years ended December 31, 2022 and 2021*

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* 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 from the Registrant's Pre-effective Amendment No. 2 to the Registration Statement on Form N-2, filed on July 6, 2004.

(4) Incorporated by reference from the Registrant's Pre-effective Amendment No. 3 to the Registration Statement on Form N-2, filed on July 23, 2004.

(5) Incorporated by reference from the Registrant's Registration Statement on Form N-2, filed on September 1, 2011.

(6) Incorporated by reference from the Registrant's Post-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on March 1, 2012.

(7) Incorporated by reference from the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2, filed on March 14, 2012.

(8) Incorporated by reference from the Registrant's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2, filed on November 23, 2012.

(9) Incorporated by reference from the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2, filed on November 29, 2012.

(10) Incorporated by reference from the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2, filed on December 6, 2012.

(11) Incorporated by reference from the Registrant's Post-Effective Amendment No. 5 to the Registration Statement on Form N-2, filed on December 13, 2012.

(12) Incorporated by reference from the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2, filed on December 20, 2012.

(13) Incorporated by reference from the Registrant's Post-Effective Amendment No. 8 to the Registration Statement on Form N-2, filed on December 28, 2012.

(14) Incorporated by reference from the Registrant's Post-Effective Amendment No. 9 to the Registration Statement on Form N-2, filed on January 4, 2013.

(15) Incorporated by reference from the Registrant's Post-Effective Amendment No. 10 to the Registration Statement on Form N-2, filed on January 10, 2013.

(16) Incorporated by reference from the Registrant's Post-Effective Amendment No. 11 to the Registration Statement on Form N-2, filed on January 17, 2013.

(17) Incorporated by reference from the Registrant's Post-Effective Amendment No. 12 to the Registration Statement on Form N-2, filed on January 25, 2013.

(18) Incorporated by reference from the Registrant's Post-Effective Amendment No. 13 to the Registration Statement on Form N-2, filed on January 31, 2013.

(19) Incorporated by reference from the Registrant's Post-Effective Amendment No. 14 to the Registration Statement on Form N-2, filed on February 7, 2013.

(20) Incorporated by reference from the Registrant's Post-Effective Amendment No. 16 to the Registration Statement on Form N-2, filed on February 22, 2013.

(21) Incorporated by reference from the Registrant's Post-Effective Amendment No. 17 to the Registration Statement on Form N-2, filed on February 28, 2013.

(22) Incorporated by reference from the Registrant's Post-Effective Amendment No. 18 to the Registration Statement on Form N-2, filed on March 7, 2013.

(23) Incorporated by reference from the Registrant's Post-Effective Amendment No. 19 to the Registration Statement on Form N-2, filed on March 14, 2013.

(24) Incorporated by reference from the Registrant's Post-Effective Amendment No. 21 to the Registration Statement on Form N-2, filed on March 21, 2013.

(25) Incorporated by reference from the Registrant's Post-Effective Amendment No. 22 to the Registration Statement on Form N-2, filed on March 28, 2013.

(26) Incorporated by reference from the Registrant's Post-Effective Amendment No. 23 to the Registration Statement on Form N-2, filed on April 4, 2013.

(27) Incorporated by reference from the Registrant's Post-Effective Amendment No. 24 to the Registration Statement on Form N-2, filed on April 11, 2013.

(28) Incorporated by reference from the Registrant's Post-Effective Amendment No. 25 to the Registration Statement on Form N-2, filed on April 18, 2013.

(29) Incorporated by reference from the Registrant's Post-Effective Amendment No. 26 to the Registration Statement on Form N-2, filed on April 25, 2013.

(30) Incorporated by reference from the Registrant's Post-Effective Amendment No. 27 to the Registration Statement on Form N-2, filed on May 2, 2013.

(31) Incorporated by reference from the Registrant's Post-Effective Amendment No. 29 to the Registration Statement on Form N-2, filed on May 9, 2013.

(32) Incorporated by reference from the Registrant's Post-Effective Amendment No. 30 to the Registration Statement on Form N-2, filed on May 23, 2013.

(33) Incorporated by reference from the Registrant's Post-Effective Amendment No. 31 to the Registration Statement on Form N-2, filed on May 31, 2013.

(34) Incorporated by reference from the Registrant's Post-Effective Amendment No. 32 to the Registration Statement on Form N-2, filed on June 6, 2013.

(35) Incorporated by reference from the Registrant's Post-Effective Amendment No. 33 to the Registration Statement on Form N-2, filed on June 13, 2013.

(36) Incorporated by reference from the Registrant's Post-Effective Amendment No. 34 to the Registration Statement on Form N-2, filed on June 20, 2013.

(37) Incorporated by reference from the Registrant's Post-Effective Amendment No. 35 to the Registration Statement on Form N-2, filed on June 27, 2013.

(38) Incorporated by reference from the Registrant's Post-Effective Amendment No. 36 to the Registration Statement on Form N-2, filed on July 5, 2013.

(39) Incorporated by reference from the Registrant's Post-Effective Amendment No. 37 to the Registration Statement on Form N-2, filed on July 11, 2013.

(40) Incorporated by reference from the Registrant's Post-Effective Amendment No. 38 to the Registration Statement on Form N-2, filed on July 18, 2013.

(41) Incorporated by reference from the Registrant's Post-Effective Amendment No. 39 to the Registration Statement on Form N-2, filed on July 25, 2013.

(42) Incorporated by reference from the Registrant's Post-Effective Amendment No. 40 to the Registration Statement on Form N-2, filed on August 1, 2013.

(43) Incorporated by reference from the Registrant's Post-Effective Amendment No. 41 to the Registration Statement on Form N-2, filed on August 8, 2013.

(44) Incorporated by reference from the Registrant's Post-Effective Amendment No. 42 to the Registration Statement on Form N-2, filed on August 15, 2013.

(45) Incorporated by reference to Exhibit 10.258 of the Registrant's Form 10-K, filed on August 21, 2013.

(46) Incorporated by reference from the Registrant's Post-Effective Amendment No. 43 to the Registration Statement on Form N-2, filed on August 22, 2013.

(47) Incorporated by reference from the Registrant's Post-Effective Amendment No. 45 to the Registration Statement on Form N-2, filed on September 6, 2013.

(48) Incorporated by reference from the Registrant's Post-Effective Amendment No. 46 to the Registration Statement on Form N-2, filed on September 12, 2013.

(49) Incorporated by reference from the Registrant's Post-Effective Amendment No. 47 to the Registration Statement on Form N-2, filed on September 19, 2013.

(50) Incorporated by reference from the Registrant's Post-Effective Amendment No. 48 to the Registration Statement on Form N-2, filed on September 26, 2013.

(51) Incorporated by reference from the Registrant's Post-Effective Amendment No. 49 to the Registration Statement on Form N-2, filed on October 3, 2013.

(52) Incorporated by reference from the Registrant's Post-Effective Amendment No. 50 to the Registration Statement on Form N-2, filed on October 10, 2013.

(53) Incorporated by reference from the Registrant's Post-Effective Amendment No. 51 to the Registration Statement on Form N-2, filed on October 18, 2013.

(54) Incorporated by reference from the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2, filed on October 24, 2013.

(55) Incorporated by reference from the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2, filed on October 31, 2013.

(56) Incorporated by reference from the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2, filed on November 7, 2013.

(57) Incorporated by reference from the Registrant's Post-Effective Amendment No. 7 to the Registration Statement on Form N-2, filed on November 15, 2013.

(58) Incorporated by reference from the Registrant's Post-Effective Amendment No. 8 to the Registration Statement on Form N-2, filed on November 21, 2013.

(59) Incorporated by reference from the Registrant's Post-Effective Amendment No. 9 to the Registration Statement on Form N-2, filed on November 29, 2013.

(60) Incorporated by reference from the Registrant's Post-Effective Amendment No. 10 to the Registration Statement on Form N-2, filed on December 5, 2013.

(61) Incorporated by reference from the Registrant's Post-Effective Amendment No. 11 to the Registration Statement on Form N-2, filed on December 12, 2013.

(62) Incorporated by reference from the Registrant's Post-Effective Amendment No. 12 to the Registration Statement on Form N-2, filed on December 19, 2013.

(63) Incorporated by reference from the Registrant's Post-Effective Amendment No. 13 to the Registration Statement on Form N-2, filed on December 27, 2013.

(64) Incorporated by reference from the Registrant's Post-Effective Amendment No. 14 to the Registration Statement on Form N-2, filed on January 3, 2014.

(65) Incorporated by reference from the Registrant's Post-Effective Amendment No. 15 to the Registration Statement on Form N-2, filed on January 9, 2014.

(66) Incorporated by reference from the Registrant's Post-Effective Amendment No. 16 to the Registration Statement on Form N-2, filed on January 16, 2014.

(67) Incorporated by reference from the Registrant's Post-Effective Amendment No. 17 to the Registration Statement on Form N-2, filed on January 24, 2014.

(68) Incorporated by reference from the Registrant's Post-Effective Amendment No. 18 to the Registration Statement on Form N-2, filed on January 30, 2014.

(69) Incorporated by reference from the Registrant's Post-Effective Amendment No. 19 to the Registration Statement on Form N-2, filed on February 6, 2014.

(70) Incorporated by reference from the Registrant's Post-Effective Amendment No. 20 to the Registration Statement on Form N-2, filed on February 13, 2014.

(71) Incorporated by reference from the Registrant's Post-Effective Amendment No. 22 to the Registration Statement on Form N-2, filed on February 21, 2014.

(72) Incorporated by reference from the Registrant's Post-Effective Amendment No. 23 to the Registration Statement on Form N-2, filed on February 27, 2014.

(73) Incorporated by reference from the Registrant's Post-Effective Amendment No. 24 to the Registration Statement on Form N-2, filed on March 6, 2014.

(74) Incorporated by reference from the Registrant's Post-Effective Amendment No. 26 to the Registration Statement on Form N-2, filed on March 13, 2014.

(75) Incorporated by reference from the Registrant's Post-Effective Amendment No. 27 to the Registration Statement on Form N-2, filed on March 20, 2014.

(76) Incorporated by reference from the Registrant's Post-Effective Amendment No. 28 to the Registration Statement on Form N-2, filed on March 27, 2014.

(77) Incorporated by reference from the Registrant's Post-Effective Amendment No. 29 to the Registration Statement on Form N-2, filed on April 3, 2014.

(78) Incorporated by reference from the Registrant's Post-Effective Amendment No. 31 to the Registration Statement on Form N-2, filed on April 10, 2014.

(79) Incorporated by reference from the Registrant's Post-Effective Amendment No. 32 to the Registration Statement on Form N-2, filed on April 17, 2014.

(80) Incorporated by reference from the Registrant's Post-Effective Amendment No. 34 to the Registration Statement on Form N-2, filed on May 1, 2014.

(81) Incorporated by reference from the Registrant's Post-Effective Amendment No. 35 to the Registration Statement on Form N-2, filed on May 8, 2014.

(82) Incorporated by reference to Exhibit 10.12 of the Registrant's Form 10-K, filed on August 25, 2014.

(83) Incorporated by reference to Exhibit 10.13 of the Registrant's Form 10-K, filed on August 25, 2014.

(84) Incorporated by reference from the Registrant's Pre-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on October 14, 2014.

(85) Incorporated by reference from the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2, filed on December 10, 2015.

(86) Incorporated by reference from the Registrant's Post-Effective Amendment No. 27 to the Registration Statement on Form N-2, filed on June 23, 2016.

(87) Incorporated by reference from the Registrant's Post-Effective Amendment No. 37 to the Registration Statement on Form N-2, filed on September 1, 2016.

(88) Incorporated by reference from the Registrant's Post-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on November 25, 2016.

(89) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on April 11, 2017.

(90) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on May 18, 2018.

(91) Incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed on August 6, 2018.

(92) Incorporated by reference from the Registrant's Post-Effective Amendment No. 5 to the Registration Statement on Form N-2, filed on December 6, 2018.

(93) Incorporated by reference from the Registrant's Post-Effective Amendment No. 15 to the Registration Statement on Form N-2, filed on February 20, 2019.

(94) Incorporated by reference from the Registrant's Post-Effective Amendment No. 18 to the Registration Statement on Form N-2, filed on March 1, 2019.

(95) Incorporated by reference from the Registrant's Post-Effective Amendment No. 29 to the Registration Statement on Form N-2, filed on May 17, 2019.

(96) Incorporated by reference from the Registrant's Post-Effective Amendment No. 40 to the Registration Statement on Form N-2, filed on August 1, 2019.

(97) Incorporated by reference from the Registrant's Post-Effective Amendment No. 41 to the Registration Statement on Form N-2, filed on August 8, 2019.

(98) Incorporated by reference from the Registrant's Post-Effective Amendment No. 42 to the Registration Statement on Form N-2, filed on August 15, 2019.

(99) Incorporated by reference from the Registrant's Post-Effective Amendment No. 43 to the Registration Statement on Form N-2, filed on August 22, 2019.

(100) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on September 11, 2019.

(101) Incorporated by reference from the Registrant's Post-Effective Amendment No. 1 to the Registration Statement on Form N-2, filed on September 26, 2019.

(102) Incorporated by reference from the Registrant's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2, filed on October 3, 2019.

(103) Incorporated by reference from the Registrant's Post-Effective Amendment No. 3 to the Registration Statement on Form N-2, filed on October 10, 2019.

(104) Incorporated by reference from the Registrant's Post-Effective Amendment No. 4 to the Registration Statement on Form N-2, filed on October 18, 2019.

(105) Incorporated by reference from the Registrant's Post-Effective Amendment No. 5 to the Registration Statement on Form N-2, filed on October 24, 2019.

(106) Incorporated by reference from the Registrant's Post-Effective Amendment No. 6 to the Registration Statement on Form N-2, filed on October 31, 2019.

(107) Incorporated by reference from the Registrant's Post-Effective Amendment No. 12 to the Registration Statement on Form N-2, filed on December 19, 2019.

(108) Incorporated by reference from the Registrant's Post-Effective Amendment No. 20 to the Registration Statement on Form N-2, filed on February 12, 2020.

(109) Incorporated by reference from the Registrant's Registration Statement on Form N-2, filed on February 13, 2020.

(110) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on April 17, 2020.

(111) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on June 15, 2020.

(112) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on August 4, 2020.

(113) Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on August 4, 2020.

(114) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on August 5, 2020.

(115) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on November 4, 2020.

(116) Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on November 4, 2020.

(117) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on November 4, 2020.

(118) Incorporated by reference from the Registrant's Post-Effective Amendment No. 40 to the Registration Statement on Form N-2, filed on January 7, 2021.

(119) Incorporated by reference from the Registrant's Post-Effective Amendment No. 41 to the Registration Statement on Form N-2, filed on January 14, 2021.

(120) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K, filed on January 22, 2021.

(121) Incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K, filed on January 22, 2021.

(122) Incorporated by reference from the Registrant's Post-Effective Amendment No. 43 to the Registration Statement on Form N-2, filed on January 28, 2021.

(123) Incorporated by reference from the Registrant's Post-Effective Amendment No. 44 to the Registration Statement on Form N-2, filed on February 4, 2021.

(124) Incorporated by reference from the Registrant's Post-Effective Amendment No. 45 to the Registration Statement on Form N-2, filed on February 11, 2021.

(125) Incorporated by reference from the Registrant's Post-Effective Amendment No. 46 to the Registration Statement on Form N-2, filed on February 25, 2021.

(126) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on February 25, 2021.

(127) Incorporated by reference from the Registrant's Post-Effective Amendment No. 47 to the Registration Statement on Form N-2, filed on March 4, 2021.

(128) Incorporated by reference from the Registrant's Post-Effective Amendment No. 48 to the Registration Statement on Form N-2, filed on March 11, 2021.

(129) Incorporated by reference from the Registrant's Post-Effective Amendment No. 49 to the Registration Statement on Form N-2, filed on March 18, 2021.

(130) Incorporated by reference from the Registrant's Post-Effective Amendment No. 50 to the Registration Statement on Form N-2, filed on March 25, 2021.

(131) Incorporated by reference from the Registrant's Post-Effective Amendment No. 51 to the Registration Statement on Form N-2, filed on April 1, 2021.

(132) Incorporated by reference from the Registrant's Post-Effective Amendment No. 52 to the Registration Statement on Form N-2, filed on April 8, 2021.

(133) Incorporated by reference from the Registrant's Post-Effective Amendment No. 53 to the Registration Statement on Form N-2, filed on April 15, 2021.

(134) Incorporated by reference from the Registrant's Post-Effective Amendment No. 54 to the Registration Statement on Form N-2, filed on April 22, 2021.

(135) Incorporated by reference from the Registrant's Post-Effective Amendment No. 55 to the Registration Statement on Form N-2, filed on April 29, 2021.

(136) Incorporated by reference from the Registrant's Post-Effective Amendment No. 56 to the Registration Statement on Form N-2, filed on May 6, 2021.

(137) Incorporated by reference from the Registrant's Post-Effective Amendment No. 57 to the Registration Statement on Form N-2, filed on May 20, 2021.

(138) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on May 26, 2021.

(139) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on May 26, 2021.

(140) Incorporated by reference from the Registrant's Post-Effective Amendment No. 58 to the Registration Statement on Form N-2, filed on May 27, 2021.

(141) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K, filed on May 27, 2021.

(142) Incorporated by reference from the Registrant's Post-Effective Amendment No. 59 to the Registration Statement on Form N-2, filed on June 4, 2021.

(143) Incorporated by reference from the Registrant's Post-Effective Amendment No. 60 to the Registration Statement on Form N-2, filed on June 10, 2021.

(144) Incorporated by reference from the Registrant's Post-Effective Amendment No. 61 to the Registration Statement on Form N-2, filed on June 17, 2021.

(145) Incorporated by reference from the Registrant's Post-Effective Amendment No. 62 to the Registration Statement on Form N-2, filed on June 24, 2021.

(146) Incorporated by reference from the Registrant's Post-Effective Amendment No. 63 to the Registration Statement on Form N-2, filed on July 1, 2021.

(147) Incorporated by reference from the Registrant's Post-Effective Amendment No. 64 to the Registration Statement on Form N-2, filed on July 9, 2021.

(148) Incorporated by reference from the Registrant's Post-Effective Amendment No. 65 to the Registration Statement on Form N-2, filed on July 15, 2021.

(149) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on July 19, 2021.

(150) Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on July 19, 2021.

(151) Incorporated by reference from the Registrant's Post-Effective Amendment No. 66 to the Registration Statement on Form N-2, filed on July 22, 2021.

(152) Incorporated by reference from the Registrant's Post-Effective Amendment No. 67 to the Registration Statement on Form N-2, filed on July 29, 2021.

(153) Incorporated by reference from the Registrant's Post-Effective Amendment No. 68 to the Registration Statement on Form N-2, filed on August 5, 2021.

(154) Incorporated by reference from the Registrant's Post-Effective Amendment No. 69 to the Registration Statement on Form N-2, filed on August 12, 2021.

(155) Incorporated by reference from the Registrant's Post-Effective Amendment No. 70 to the Registration Statement on Form N-2, filed on August 19, 2021.

(156) Incorporated by reference from the Registrant's Post-Effective Amendment No. 71 to the Registration Statement on Form N-2, filed on August 26, 2021.

(157) Incorporated by reference from the Registrant's Post-Effective Amendment No. 72 to the Registration Statement on Form N-2, filed on September 10, 2021.

(158) Incorporated by reference from the Registrant's Post-Effective Amendment No. 73 to the Registration Statement on Form N-2, filed on September 16, 2021.

(159) Incorporated by reference from the Registrant's Post-Effective Amendment No. 74 to the Registration Statement on Form N-2, filed on September 23, 2021.

(160) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on September 24, 2021.

(161) Incorporated by reference from the Registrant's Post-Effective Amendment No. 75 to the Registration Statement on Form N-2, filed on September 30, 2021.

(162) Incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K, filed on September 30, 2021.

(163) Incorporated by reference from the Registrant's Post-Effective Amendment No. 76 to the Registration Statement on Form N-2, filed on October 7, 2021.

(164) Incorporated by reference from the Registrant's Post-Effective Amendment No. 77 to the Registration Statement on Form N-2, filed on October 15, 2021.

(165) Incorporated by reference from the Registrant's Post-Effective Amendment No. 78 to the Registration Statement on Form N-2, filed on October 21, 2021.

(166) Incorporated by reference from the Registrant's Post-Effective Amendment No. 79 to the Registration Statement on Form N-2, filed on October 28, 2021.

(167) Incorporated by reference from the Registrant's Post-Effective Amendment No. 80 to the Registration Statement on Form N-2, filed on November 4, 2021.

(168) Incorporated by reference from the Registrant's Post-Effective Amendment No. 81 to the Registration Statement on Form N-2, filed on November 18, 2021.

(169) Incorporated by reference from the Registrant's Post-Effective Amendment No. 82 to the Registration Statement on Form N-2, filed on November 26, 2021.

(170) Incorporated by reference from the Registrant's Post-Effective Amendment No. 83 to the Registration Statement on Form N-2, filed on December 2, 2021.

(171) Incorporated by reference from the Registrant's Post-Effective Amendment No. 84 to the Registration Statement on Form N-2, filed on December 9, 2021.

(172) Incorporated by reference from the Registrant's Post-Effective Amendment No. 85 to the Registration Statement on Form N-2, filed on December 16, 2021.

(173) Incorporated by reference from the Registrant's Post-Effective Amendment No. 86 to the Registration Statement on Form N-2, filed on December 23, 2021.

(174) Incorporated by reference from the Registrant's Post-Effective Amendment No. 87 to the Registration Statement on Form N-2, filed on December 30, 2021.

(175) Incorporated by reference from the Registrant's Post-Effective Amendment No. 88 to the Registration Statement on Form N-2, filed on January 6, 2022.

(176) Incorporated by reference from the Registrant's Post-Effective Amendment No. 89 to the Registration Statement on Form N-2, filed on January 13, 2022.

(177) Incorporated by reference from the Registrant's Post-Effective Amendment No. 90 to the Registration Statement on Form N-2, filed on January 21, 2022.

(178) Incorporated by reference from the Registrant's Post-Effective Amendment No. 91 to the Registration Statement on Form N-2, filed on January 27, 2022.

(179) Incorporated by reference from the Registrant's Post-Effective Amendment No. 92 to the Registration Statement on Form N-2, filed on February 3, 2022.

(180) Incorporated by reference from the Registrant's Post-Effective Amendment No. 93 to the Registration Statement on Form N-2, filed on February 10, 2022.

(181) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on February 23, 2022.

(182) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on February 23, 2022.

(183) Incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K, filed on February 23, 2022.

(184) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on February 23, 2022.

(185) Incorporated by reference from the Registrant's Post-Effective Amendment No. 94 to the Registration Statement on Form N-2, filed on February 25, 2022.

(186) Incorporated by reference from the Registrant's Post-Effective Amendment No. 95 to the Registration Statement on Form N-2, filed on March 3, 2022.

(187) Incorporated by reference from the Registrant's Post-Effective Amendment No. 96 to the Registration Statement on Form N-2, filed on March 10, 2022.

(188) Incorporated by reference from the Registrant's Post-Effective Amendment No. 97 to the Registration Statement on Form N-2, filed on March 17, 2022.

(189) Incorporated by reference from the Registrant's Post-Effective Amendment No. 98 to the Registration Statement on Form N-2, filed on March 24, 2022.

(190) Incorporated by reference from the Registrant's Post-Effective Amendment No. 99 to the Registration Statement on Form N-2, filed on March 31, 2022.

(191) Incorporated by reference from the Registrant's Post-Effective Amendment No. 100 to the Registration Statement on Form N-2, filed on April 7, 2022.

(192) Incorporated by reference from the Registrant's Post-Effective Amendment No. 101 to the Registration Statement on Form N-2, filed on April 14, 2022.

(193) Incorporated by reference from the Registrant's Post-Effective Amendment No. 102 to the Registration Statement on Form N-2, filed on April 21, 2022.

(194) Incorporated by reference from the Registrant's Post-Effective Amendment No. 103 to the Registration Statement on Form N-2, filed on April 28, 2022.

(195) Incorporated by reference from the Registrant's Post-Effective Amendment No. 104 to the Registration Statement on Form N-2, filed on May 5, 2022.

(196) Incorporated by reference from the Registrant's Post-Effective Amendment No. 105 to the Registration Statement on Form N-2, filed on May 19, 2022.

(197) Incorporated by reference from the Registrant's Post-Effective Amendment No. 106 to the Registration Statement on Form N-2, filed on May 26, 2022.

(198) Incorporated by reference from the Registrant's Post-Effective Amendment No. 107 to the Registration Statement on Form N-2, filed on June 3, 2022.

(199) Incorporated by reference from the Registrant's Post-Effective Amendment No. 108 to the Registration Statement on Form N-2, filed on June 9, 2022.

(200) Incorporated by reference to Exhibit 1.1 of the Registrant’s Form 8-K, filed on June 9, 2022.

(201) Incorporated by reference to Exhibit 3.1 of the Registrant’s Form 8-K, filed on June 9, 2022.

(202) Incorporated by reference from the Registrant's Post-Effective Amendment No. 109 to the Registration Statement on Form N-2, filed on June 16, 2022.

(203) Incorporated by reference from the Registrant's Post-Effective Amendment No. 110 to the Registration Statement on Form N-2, filed on June 24, 2022.

(204) Incorporated by reference from the Registrant's Post-Effective Amendment No. 111 to the Registration Statement on Form N-2, filed on June 30, 2022.

(205) Incorporated by reference from the Registrant's Post-Effective Amendment No. 112 to the Registration Statement on Form N-2, filed on July 8, 2022.

(206) Incorporated by reference from the Registrant's Post-Effective Amendment No. 113 to the Registration Statement on Form N-2, filed on July 14, 2022.

(207) Incorporated by reference from the Registrant's Post-Effective Amendment No. 114 to the Registration Statement on Form N-2, filed on July 21, 2022.

(208) Incorporated by reference from the Registrant's Post-Effective Amendment No. 115 to the Registration Statement on Form N-2, filed on July 28, 2022.

(209) Incorporated by reference from the Registrant's Post-Effective Amendment No. 116 to the Registration Statement on Form N-2, filed on August 4, 2022.

(210) Incorporated by reference from the Registrant's Post-Effective Amendment No. 117 to the Registration Statement on Form N-2, filed on August 11, 2022.

(211) Incorporated by reference from the Registrant's Post-Effective Amendment No. 118 to the Registration Statement on Form N-2, filed on August 18, 2022.

(212) Incorporated by reference from the Registrant's Post-Effective Amendment No. 119 to the Registration Statement on Form N-2, filed on August 25, 2022.

(213) Incorporated by reference to Exhibit 10.1 of the Registrant’s Form 8-K, filed on September 7, 2022.

(214) Incorporated by reference from the Registrant's Post-Effective Amendment No. 120 to the Registration Statement on Form N-2, filed on September 22, 2022.

(215) Incorporated by reference to Exhibit 1.1 of the Registrant’s Form 8-K, filed on October 12, 2022.

(216) Incorporated by reference to Exhibit 1.1 of the Registrant’s Form 8-K, filed on October 12, 2022.

(217) Incorporated by reference to Exhibit 3.1 of the Registrant’s Form 8-K, filed on October 12, 2022.

(218) Incorporated by reference to Exhibit 3.1 of the Registrant’s Form 8-K, filed on October 12, 2022.

(219) Incorporated by reference from the Registrant's Post-Effective Amendment No. 121 to the Registration Statement on Form N-2, filed on October 20, 2022.

(220) Incorporated by reference from the Registrant's Post-Effective Amendment No. 122 to the Registration Statement on Form N-2, filed on October 27, 2022.

(221) Incorporated by reference from the Registrant's Post-Effective Amendment No. 123 to the Registration Statement on Form N-2, filed on November 3, 2022.

(222) Incorporated by reference from the Registrant's Post-Effective Amendment No. 124 to the Registration Statement on Form N-2, filed on November 10, 2022.

(223) Incorporated by reference from the Registrant's Post-Effective Amendment No. 125 to the Registration Statement on Form N-2, filed on November 25, 2022.

(224) Incorporated by reference from the Registrant's Post-Effective Amendment No. 126 to the Registration Statement on Form N-2, filed on December 1, 2022.

(225) Incorporated by reference from the Registrant's Post-Effective Amendment No. 127 to the Registration Statement on Form N-2, filed on December 8, 2022.

(226) Incorporated by reference from the Registrant's Post-Effective Amendment No. 128 to the Registration Statement on Form N-2, filed on December 15, 2022.

(227) Incorporated by reference from the Registrant's Post-Effective Amendment No. 129 to the Registration Statement on Form N-2, filed on December 22, 2022.

(228) Incorporated by reference from the Registrant's Post-Effective Amendment No. 130 to the Registration Statement on Form N-2, filed on December 30, 2022.

(229) Incorporated by reference from the Registrant's Post-Effective Amendment No. 131 to the Registration Statement on Form N-2, filed on January 6, 2023.

(230) Incorporated by reference from the Registrant's Post-Effective Amendment No. 132 to the Registration Statement on Form N-2, filed on January 12, 2023.

(231) Incorporated by reference from the Registrant's Post-Effective Amendment No. 133 to the Registration Statement on Form N-2, filed on January 20, 2023.

(232) Incorporated by reference from the Registrant's Post-Effective Amendment No. 134 to the Registration Statement on Form N-2, filed on January 26, 2023.

(233) Incorporated by reference from the Registrant's Post-Effective Amendment No. 135 to the Registration Statement on Form N-2, filed on February 2, 2023.

(234) Incorporated by reference from the Registrant's Post-Effective Amendment No. 136 to the Registration Statement on Form N-2, filed on February 9, 2023.

(235) Incorporated by reference to Exhibit 1.1 of the Registrant’s Form 8-K, filed on February 13, 2023.

(236) Incorporated by reference to Exhibit 3.1 of the Registrant’s Form 8-K, filed on February 13, 2023.

(237) Incorporated by reference to Exhibit 99.1 of the Registrant’s Form 8-K, filed on February 13, 2023.

(238) Incorporated by reference from the Registrant's Post-Effective Amendment No. 2 to the Registration Statement on Form N-2, filed on February 24, 2023.

(239) 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.

(240) 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.

(241) 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.

(242) 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.

(243) 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.

(244) Incorporated by reference from the Registrant's Post-Effective Amendment No. 8 to the Registration Statement on Form N-2, filed on April 6, 2023.

(245) Incorporated by reference from the Registrant's Post-Effective Amendment No. 9 to the Registration Statement on Form N-2, filed on April 13, 2023.

(246) Incorporated by reference from the Registrant's Post-Effective Amendment No. 10 to the Registration Statement on Form N-2, filed on April 20, 2023.

(247) Incorporated by reference from the Registrant's Post-Effective Amendment No. 11 to the Registration Statement on Form N-2, filed on April 27, 2023.

(248) Incorporated by reference from the Registrant's Post-Effective Amendment No. 12 to the Registration Statement on Form N-2, filed on May 4, 2023.

(249) Incorporated by reference from the Registrant's Post-Effective Amendment No. 13 to the Registration Statement on Form N-2, filed on May 11, 2023.

(250) Incorporated by reference from the Registrant's Post-Effective Amendment No. 14 to the Registration Statement on Form N-2, filed on May 25, 2023.

(251) Incorporated by reference from the Registrant's Post-Effective Amendment No. 15 to the Registration Statement on Form N-2, filed on June 2, 2023.

(252) Incorporated by reference from the Registrant's Post-Effective Amendment No. 16 to the Registration Statement on Form N-2, filed on June 8, 2023.

(253) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on June 12, 2023.

(254) Incorporated by reference from the Registrant's Post-Effective Amendment No. 17 to the Registration Statement on Form N-2, filed on June 15, 2023.

(255) Incorporated by reference from the Registrant's Post-Effective Amendment No. 18 to the Registration Statement on Form N-2, filed on June 23, 2023.

(256) Incorporated by reference from the Registrant's Post-Effective Amendment No. 19 to the Registration Statement on Form N-2, filed on June 29, 2023.

(257) Incorporated by reference from the Registrant's Post-Effective Amendment No. 20 to the Registration Statement on Form N-2, filed on July 7, 2023.

(258) Incorporated by reference from the Registrant's Post-Effective Amendment No. 21 to the Registration Statement on Form N-2, filed on July 13, 2023.

(259) Incorporated by reference from the Registrant's Post-Effective Amendment No. 22 to the Registration Statement on Form N-2, filed on July 20, 2023.

(260) Incorporated by reference from the Registrant's Post-Effective Amendment No. 23 to the Registration Statement on Form N-2, filed on July 27, 2023.

(261) Incorporated by reference from the Registrant's Post-Effective Amendment No. 24 to the Registration Statement on Form N-2, filed on August 3, 2023.

(262) Incorporated by reference from the Registrant's Post-Effective Amendment No. 25 to the Registration Statement on Form N-2, filed on August 10, 2023.

(263) Incorporated by reference from the Registrant's Post-Effective Amendment No. 26 to the Registration Statement on Form N-2, filed on August 17, 2023.

(264) Incorporated by reference from the Registrant's Post-Effective Amendment No. 27 to the Registration Statement on Form N-2, filed on August 24, 2023.

(265) Incorporated by reference from the Registrant's Post-Effective Amendment No. 28 to the Registration Statement on Form N-2, filed on September 21, 2023.

(266) Incorporated by reference from the Registrant's Post-Effective Amendment No. 29 to the Registration Statement on Form N-2, filed on September 28, 2023.

(267) Incorporated by reference from the Registrant's Post-Effective Amendment No. 30 to the Registration Statement on Form N-2, filed on October 5, 2023.

(268) Incorporated by reference from the Registrant's Post-Effective Amendment No. 31 to the Registration Statement on Form N-2, filed on October 19, 2023.

(269) Incorporated by reference from the Registrant's Post-Effective Amendment No. 32 to the Registration Statement on Form N-2, filed on October 26, 2023.

(270) Incorporated by reference from the Registrant's Post-Effective Amendment No. 33 to the Registration Statement on Form N-2, filed on November 9, 2023.

(271) Incorporated by reference from the Registrant's Post-Effective Amendment No. 34 to the Registration Statement on Form N-2, filed on November 24, 2023.

(272) Incorporated by reference from the Registrant's Post-Effective Amendment No. 35 to the Registration Statement on Form N-2, filed on November 30, 2023.

(273) Incorporated by reference from the Registrant's Post-Effective Amendment No. 36 to the Registration Statement on Form N-2, filed on December 7, 2023.

(274) Incorporated by reference from the Registrant's Post-Effective Amendment No. 37 to the Registration Statement on Form N-2, filed on December 14, 2023.

(275) Incorporated by reference from the Registrant's Post-Effective Amendment No. 38 to the Registration Statement on Form N-2, filed on December 21, 2023.

(276) Incorporated by reference from the Registrant's Post-Effective Amendment No. 39 to the Registration Statement on Form N-2, filed on December 29, 2023.

(277) Incorporated by reference to Exhibit 1.1 of the Registrant's Form 8-K, filed on December 29, 2023.

(278) Incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K, filed on December 29, 2023.

(279) Incorporated by reference to Exhibit 3.2 of the Registrant's Form 8-K, filed on December 29, 2023.

(280) Incorporated by reference to Exhibit 99.1 of the Registrant's Form 8-K, filed on December 29, 2023.

(281) Incorporated by reference from the Registrant's Post-Effective Amendment No. 40 to the Registration Statement on Form N-2, filed on January 5, 2024.

(282) Incorporated by reference from the Registrant's Post-Effective Amendment No. 41 to the Registration Statement on Form N-2, filed on January 11, 2024.

(283) Incorporated by reference from the Registrant's Post-Effective Amendment No. 42 to the Registration Statement on Form N-2, filed on January 19, 2024.

(284) Incorporated by reference from the Registrant's Post-Effective Amendment No. 43 to the Registration Statement on Form N-2, filed on January 25, 2024.

(285) Incorporated by reference to Exhibit 3.1 of the Registrant’s Form 8-K, filed on January 25, 2024.

(286) Incorporated by reference from the Registrant's Post-Effective Amendment No. 44 to the Registration Statement on Form N-2, filed on February 1, 2024.

(287) Incorporated by reference from the Registrant's Post-Effective Amendment No. 45 to the Registration Statement on Form N-2, filed on February 8, 2024.

(288) Incorporated by reference from the Registrant's Post-Effective Amendment No. 46 to the Registration Statement on Form N-2, filed on February 23, 2024.

(289) Incorporated by reference from the Registrant's Post-Effective Amendment No. 47 to the Registration Statement on Form N-2, filed on February 29, 2024.

(290) Incorporated by reference from the Registrant's Post-Effective Amendment No. 48 to the Registration Statement on Form N-2, filed on March 7, 2024.

(291) Incorporated by reference from the Registrant's Post-Effective Amendment No. 49 to the Registration Statement on Form N-2, filed on March 14, 2024.

(292) Incorporated by reference from the Registrant's Post-Effective Amendment No. 50 to the Registration Statement on Form N-2, filed on March 21, 2024.

(293) Incorporated by reference from the Registrant's Post-Effective Amendment No. 51 to the Registration Statement on Form N-2, filed on March 28, 2024.

(294) Incorporated by reference from the Registrant's Post-Effective Amendment No. 52 to the Registration Statement on Form N-2, filed on April 4, 2024.

(295) Incorporated by reference from the Registrant's Post-Effective Amendment No. 53 to the Registration Statement on Form N-2, filed on April 11, 2024.

(296) Incorporated by reference from the Registrant's Post-Effective Amendment No. 54 to the Registration Statement on Form N-2, filed on April 18, 2024.

(297) Incorporated by reference from the Registrant's Post-Effective Amendment No. 55 to the Registration Statement on Form N-2, filed on April 25, 2024.

(298) Incorporated by reference from the Registrant's Post-Effective Amendment No. 56 to the Registration Statement on Form N-2, filed on May 2, 2024.

(299) Incorporated by reference from the Registrant's Post-Effective Amendment No. 57 to the Registration Statement on Form N-2, filed on May 9, 2024.

(300) Incorporated by reference from the Registrant's Post-Effective Amendment No. 58 to the Registration Statement on Form N-2, filed on May 23, 2024.

(301) Incorporated by reference from the Registrant's Post-Effective Amendment No. 59 to the Registration Statement on Form N-2, filed on May 31, 2024.

(302) Incorporated by reference from the Registrant's Post-Effective Amendment No. 60 to the Registration Statement on Form N-2, filed on June 6, 2024.

(303) Incorporated by reference from the Registrant's Post-Effective Amendment No. 61 to the Registration Statement on Form N-2, filed on June 13, 2024.

(304) Incorporated by reference from the Registrant's Post-Effective Amendment No. 62 to the Registration Statement on Form N-2, filed on June 21, 2024.

(305) Incorporated by reference from the Registrant's Post-Effective Amendment No. 63 to the Registration Statement on Form N-2, filed on June 27, 2024.

(306) Incorporated by reference to Exhibit 10.1 of the Registrant’s Form 8-K, filed on July 3, 2024.

(307) Incorporated by reference from the Registrant's Post-Effective Amendment No. 64 to the Registration Statement on Form N-2, filed on July 5, 2024.

(308) Incorporated by reference from the Registrant's Post-Effective Amendment No. 65 to the Registration Statement on Form N-2, filed on July 11, 2024.

(309) Incorporated by reference from the Registrant's Post-Effective Amendment No. 66 to the Registration Statement on Form N-2, filed on July 18, 2024.

(310) Incorporated by reference from the Registrant's Post-Effective Amendment No. 67 to the Registration Statement on Form N-2, filed on July 25, 2024.

(311) Incorporated by reference from the Registrant's Post-Effective Amendment No. 68 to the Registration Statement on Form N-2, filed on August 1, 2024.

(312) Incorporated by reference from the Registrant's Post-Effective Amendment No. 69 to the Registration Statement on Form N-2, filed on August 8, 2024.

(313) Incorporated by reference from the Registrant's Post-Effective Amendment No. 70 to the Registration Statement on Form N-2, filed on August 15, 2024.

(314) Incorporated by reference from the Registrant's Post-Effective Amendment No. 71 to the Registration Statement on Form N-2, filed on August 22, 2024.

(315) Incorporated by reference to Exhibit 14 of the Registrant’s Form 10-K/A, filed on October 20, 2016.

(316) Incorporated by reference from the Registrant's Proxy Statement, filed on September 20, 2023.

(317) Incorporated by reference from the Registrant's Form 8-K, filed on December 22, 2023.

Item 16. Form 10-K Summary

Not applicable

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on August 28, 2024.

PROSPECT CAPITAL CORPORATION

By: /s/ JOHN F. BARRY III

John F. Barry III
Chairman of the Board and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ JOHN F. BARRY III

John F. Barry III
Chairman of the Board, Chief Executive Officer and Director
August 28, 2024

/s/ ANDREW C. COOPER

Andrew C. Cooper
Director
August 28, 2024

/s/ KRISTIN L. VAN DASK

Kristin L. Van Dask
Chief Financial Officer
August 28, 2024

/s/ WILLIAM J. GREMP

William J. Gremp
Director
August 28, 2024

/s/ M. GRIER ELIASEK

M. Grier Eliasek
President, Chief Operating Officer and Director
August 28, 2024

/s/ EUGENE S. STARK

Eugene S. Stark
Director
August 28, 2024

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

DESCRIPTION OF OUR CAPITAL STOCK

The following description is based on relevant portions of the Maryland General Corporation Law and on our charter and bylaws. This summary is not necessarily complete, and we refer you to the Maryland General Corporation Law and our charter (including the articles supplementary designating the terms of a class or series of preferred stock) and bylaws for a more detailed description of the provisions summarized below.

Capital Stock

Our authorized capital stock consists of 2,000,000,000 shares of stock, par value $0.001 per share, all of which is initially classified as common stock. Our common stock is traded on the NASDAQ Global Select Market under the symbol "PSEC." Our Board of Directors has reclassified 647,900,000 authorized but unissued shares of common stock into shares of preferred stock, par value $0.001 per share. The Board has classified and designated the shares of preferred stock as follows:

- 80,000,000 shares of a series of preferred stock, designated as "Convertible Preferred Stock, Series A1", par value $0.001 per share (the "Series A1 Shares");
- 80,000,000 shares of a series of preferred stock, designated as "Convertible Preferred Stock, Series M1", par value $0.001 per share (the "Series M1 Shares");
- 80,000,000 shares of a series of preferred stock, designated as "Convertible Preferred Stock, Series M2", par value $0.001 per share (the "Series M2 Shares" and together with the "Series M1 Shares," the "M Shares");
- 20,000,000 shares of a series of preferred stock, designated as "Convertible Preferred Stock, Series AA1", par value $0.001 per share (the "Series AA1 Shares");
- 20,000,000 shares of a series of preferred stock, designated as "Convertible Preferred Stock, Series MM1", par value $0.001 per share (the "Series MM1 Shares");
- 80,000,000 shares of series of preferred stock, designated as "Convertible Preferred Stock, Series A3", par value of $0.001 per shares (the "Series A3 Shares");
- 80,000,000 shares of series of preferred stock, designated as "Convertible Preferred Stock, Series M3", par value of $0.001 per shares (the "Series M3 Shares");
- 80,000,000 shares of a series of preferred stock, designated as "Preferred Stock, Series A4", par value $0.001 per share (the "Series A4 Shares");
- 80,000,000 shares of a series of preferred stock, designated as "Preferred Stock, Series M4", par value $0.001 per share (the "Series M4 Shares" and together with the Series A4 Shares, the "Floating Rate Preferred Stock");
- 20,000,000 shares of series of preferred stock, designated as "Convertible Preferred Stock, Series AA2", par value of $0.001 per shares (the "Series AA2 Shares");
- 20,000,000 shares of series of preferred stock, designated as "Convertible Preferred Stock, Series MM2", par value of $0.001 per shares (the "Series MM2 Shares," and together with the Series A3 Shares, the M3 Shares, the Series AA2 Shares, the MM2 Shares, the "6.50% Preferred Stock");
- 1,000,000 shares of a series of preferred stock, designated as "Convertible Preferred Stock, Series A2", par value $0.001 per share (the "Series A2 Shares," and together with the Series A1 Shares, the M Shares, the Series AA1 Shares, and the Series MM1 Shares, the "5.50% Preferred Stock"); and
- 6,900,000 shares of a series of preferred stock, designated as "5.35% Series A Fixed Rate Cumulative Perpetual Preferred Stock", par value $0.001 per share (the "5.35% Series A Preferred Stock");

Our shares of the 5.50% Preferred Stock, the 6.50% Preferred Stock, and the Floating Rate Preferred Stock are not listed for trading on any national securities exchange but we may apply to have any such shares listed for trading on a national securities exchange in the future. If the 5.50% Preferred Stock, 6.50% Preferred Stock, and Floating Rate Preferred Stock are listed for trading on a national securities exchange, we intend to reclassify all series of 5.50% Preferred Stock, 6.50% Preferred Stock,

and Floating Rate Preferred Stock with a common dividend rate that are listed on an exchange into a single series. Our shares of 5.35% Series A Preferred Stock are listed on the New York Stock Exchange under the symbol "PSEC PRA."

There are no outstanding options or warrants to purchase our stock. No stock has been authorized for issuance under any equity compensation plans. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Under our charter, our Board of Directors is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock, and to authorize the issuance of such shares, without obtaining stockholder approval. Our Board of Directors will only take such actions in accordance with Section 18 as modified by Section 61 of the 1940 Act. The 1940 Act limits business development companies to only one class or series of common stock and only one class of preferred stock. As permitted by the Maryland General Corporation Law, our charter provides that the Board of Directors, without any action by our stockholders, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

Common Stock

All shares of our common stock have equal rights as to earnings, assets, dividends and voting and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our common stock if, as and when authorized by our Board of Directors and declared by us out of funds legally available therefor. Shares of our common stock have no preemptive, conversion or redemption rights and are freely transferable, except where their transfer is restricted by U.S. federal and state securities laws or by contract. In the event of a liquidation, dissolution or winding up of us, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our common stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our common stock will possess exclusive voting power. There is no cumulative voting in the election of directors, which means that prior to the issuance of preferred stock holders of a majority of the outstanding shares of common stock will elect all of our directors, and holders of less than a majority of such shares will be unable to elect any director.

Preferred Stock

Our charter authorizes our Board of Directors to classify and reclassify any unissued shares of stock into other classes or series of stock, including preferred stock. Prior to issuance of shares of each class or series, the Board of Directors is required by Maryland law and by our charter to set the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or otherwise be in their best interest. You should note, however, that any issuance of preferred stock must comply with the requirements of the 1940 Act. The 1940 Act requires, among other things, that (1) immediately after issuance and before any dividend or other distribution (other than in shares of stock) is made with respect to our common stock and before any purchase of common stock is made, such preferred stock together with all other senior securities must not exceed an amount equal to 50% of our total assets after deducting the amount of such dividend, distribution or purchase price, as the case may be, and (2) the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if dividends on such preferred stock become in arrears by two years or more until all arrears are cured. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote separately from the holders of common stock on a proposal to operate other than as an investment company. We believe that the availability for issuance of preferred stock will provide us with increased flexibility in structuring future financings and acquisitions.

Provisions Of The Maryland General Corporation Law And Our Charter And Bylaws

Anti-takeover Effect

The Maryland General Corporation Law and our charter and bylaws contain provisions that could make it more difficult for a potential acquiror to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. These provisions could have the effect of depriving

stockholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of us. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Control Share Acquisitions

The Maryland General Corporation Law under the Maryland Control Share Acquisition Act provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by the affirmative vote of holders of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third,
- one-third or more but less than a majority, or
- a majority or more of all voting power.

The requisite stockholder approval must be obtained each time an acquiror crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the Board of Directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations, including, as provided in our bylaws, compliance with the 1940 Act. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The Maryland Control Share Acquisition Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future.

Business Combinations

Under Maryland law, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's shares; or

- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if the Board of Directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. However, in approving a transaction, the Board of Directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the Board of Directors.

After the five-year prohibition, any such business combination must be recommended by the Board of Directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute provides various exemptions from its provisions, including for business combinations that are exempted by the Board of Directors before the time that the interested stockholder becomes an interested stockholder. Our Board of Directors has adopted a resolution that any business combination between us and any other person is exempted from the provisions of the Maryland Business Combination Act, *provided* that the business combination is first approved by the Board of Directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. This resolution, however, may be altered or repealed in whole or in part at any time. If this resolution is repealed, or the Board of Directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

Conflicts with 1940 Act

Our bylaws provide that, if and to the extent that any provision of the Maryland General Corporation Law, including the Maryland Control Share Acquisition Act (if we amend our bylaws to be subject to such Act) and the Maryland Business Combination Act, or any provision of our charter or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

Classified Board of Directors

Our Board of Directors is divided into three classes of directors serving classified three-year terms. The current terms of the first, second and third classes will expire at the annual meeting of stockholders held in 2024, 2025 and 2026, respectively, and in each case, until their successors are duly elected and qualify. Each year one class of directors will be elected to the Board of Directors by the stockholders to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until his or her successor is duly elected and qualifies. A classified board may render a change in control of us or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified Board of Directors will help to ensure the continuity and stability of our management and policies.

Election of Directors

Our charter and bylaws provide that the affirmative vote of the holders of a majority of the outstanding shares of stock entitled to vote in the election of directors will be required to elect a director. Under the charter, our Board of Directors may amend the bylaws to alter the vote required to elect directors.

Number of Directors; Vacancies; Removal

Our charter provides that the number of directors will be set only by the Board of Directors in accordance with our bylaws. Our bylaws provide that a majority of our entire Board of Directors may at any time increase or decrease the number of directors. However, unless our bylaws are amended, the number of directors may never be less than three nor more than eight.

Our charter provides that, pursuant to an election to be subject to the provision of Subtitle 8 of Title 3 of the Maryland General Corporation Law regarding the filling of vacancies on the Board of Directors, except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act.

Our charter provides that a director may be removed only for cause, as defined in our charter, and then only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors.

Action by Stockholders

The Maryland General Corporation Law provides that stockholder action can be taken only at an annual or special meeting of stockholders or (unless the charter provides for stockholder action by less than unanimous written consent, which our charter does not) by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the Board of Directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of the Board of Directors or (3) by a stockholder who was a stockholder of record both at the time of provision of notice and at the annual meeting, who is entitled to vote at the meeting and who has complied with the advance notice procedures of the bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board of Directors at a special meeting may be made only (1) by or at the direction of the Board of Directors or (2) provided that the Board of Directors has determined that directors will be elected at the meeting, by a stockholder who was a stockholder of record both at the time of provision of notice and at the special meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our Board of Directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our Board of Directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our Board of Directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meetings of Stockholders

Our bylaws provide that special meetings of stockholders may be called by the chairman of the Board, our Board of Directors and certain of our officers. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by the secretary of the corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless advised by its board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter.

Our charter generally provides for approval of charter amendments and extraordinary transactions if declared advisable by the Board and approved by the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter.

Our charter also provides that certain charter amendments and any proposal for our conversion, whether by merger or otherwise, from a closed-end company to an open-end company, any proposal for our liquidation or dissolution or certain amendments to Article IV and Article V of our charter requires the approval of the stockholders entitled to cast at least 80 percent of the votes entitled to be cast on such matter. However, if such amendment or proposal is approved by at least two-thirds of our continuing directors (in addition to approval by our Board of Directors), such amendment or proposal may be approved by a majority of the votes entitled to be cast on such a matter. The "continuing directors" are defined in our charter as our current directors as well as those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of the continuing directors then on the Board of Directors.

Our charter and bylaws provide that the Board of Directors will have the exclusive power to make, alter, amend or repeal any provision of our bylaws.

No Appraisal Rights

Except with respect to appraisal rights arising in connection with the Maryland Control Share Acquisition Act discussed above, as permitted by the Maryland General Corporation Law, our charter provides that stockholders will not be entitled to exercise appraisal rights.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement No. 333-269714 on Form N-2 of our reports dated August 28, 2024, relating to the consolidated financial statements of Prospect Capital Corporation and the effectiveness of Prospect Capital Corporation's internal control over financial reporting, appearing in the Annual Report on Form 10-K of Prospect Capital Corporation for the year ended June 30, 2024.

/s/ DELOITTE & TOUCHE LLP

New York, New York
August 28, 2024

EXHIBIT 23.2

Consent of Independent Registered Public Accounting Firm

Prospect Capital Corporation
New York, New York

We hereby consent to the incorporation by reference in the Registration Statement on Form N-2 (File No. 333-269714) of Prospect Capital Corporation of our report dated September 8, 2023, relating to the consolidated financial statements, which appears in this Annual Report on Form 10-K.

/s/BDO USA, P.C.

New York, New York
August 28, 2024

EXHIBIT 23.3

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in the Registration Statement on Form N-2 (File No. 333-269714) of Prospect Capital Corporation of our report dated August 9, 2024, relating to the combined consolidated financial statements of National Property REIT Corp. as of December 31, 2023 and for the year then ended, appearing in the Annual Report on Form 10-K of Prospect Capital Corporation for the year ended June 30, 2024.

/s/ DELOITTE & TOUCHE LLP

Stamford, Connecticut
August 28, 2024

EXHIBIT 23.4

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in the registration statement on Form N-2 (File No. 333-269714) of Prospect Capital Corporation of our report dated August 10, 2023, on our audits of the combined consolidated financial statements of National Property REIT Corp. as of December 31, 2022 and 2021 and for the years then ended, which report is included in the Annual Report on Form 10-K of Prospect Capital Corporation for the year ended June 30, 2024.

/s/ CohnReznick LLP

New York, New York
August 28, 2024

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 Annual Report on Form 10-K 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: August 28, 2024

/s/ JOHN F. BARRY III

John F. Barry III
Chairman of the Board and Chief Executive Officer

EXHIBIT 31.2

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 Annual Report on Form 10-K 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: August 28, 2024

/s/ KRISTIN L. VAN DASK

Kristin L. Van Dask
Chief Financial Officer

EXHIBIT 32.1

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 Annual Report on Form 10-K for the year ended June 30, 2024 (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: August 28, 2024

/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 Annual Report on Form 10-K for the year ended June 30, 2024 (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: August 28, 2024

/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.

National Property REIT Corp.

Combined Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(With Independent Auditor's Report Thereon)

National Property REIT Corp.
Combined Consolidated Financial Statements
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Deloitte.

Deloitte & Touche LLP
695 East Main Street
Stamford, CT 06901
USA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Property REIT Corp.

Opinion

We have audited the combined consolidated financial statements of National Property REIT Corp. (the "Company"), which comprise the combined consolidated balance sheet as of December 31, 2023, and the related combined consolidated statements of operations, changes in (deficit) equity and cash flows for the year then ended, and the related notes to the combined consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Predecessor Auditor's Opinion on 2022 Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2022 were audited by other auditors whose report, dated August 10, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

August 9, 2024

National Property REIT Corp.
Combined Consolidated Balance Sheets

	December 31,	
	2023	**2022**
ASSETS		
Real estate assets		
Land	$ 239,500,846	$ 252,884,617
Building and improvements	2,270,308,784	2,314,165,808
Furniture, fixtures, and equipment	189,100,296	154,762,761
Total real estate assets held for investment	2,698,909,926	2,721,813,186
Less: accumulated depreciation	(459,534,036)	(380,314,083)
Net real estate assets held for investment	2,239,375,890	2,341,499,103
Real estate assets held for sale, net	30,985,546	—
Total real estate assets, net	2,270,361,436	2,341,499,103
Cash and cash equivalents	66,567,915	35,212,438
Restricted cash	36,248,212	37,869,284
Accounts receivable, net	19,211,544	22,573,685
Interest receivable	909	8,075
Due from LendingClub Corporation	1,202	20,756
Due from affiliates	124,676	1,053,834
Preferred equity investments	14,018,973	13,073,865
Prepaid expenses and other assets	17,599,068	11,467,721
Collateralized loan obligations at fair value	418,761,852	424,746,173
Unsecured consumer loans at fair value	79,499	520,946
Residual interests in securitizations at fair value	2,725,658	8,540,118
Corporate bonds at fair value	16,484,131	11,616,950
Interest rate caps at fair value	20,203,768	25,724,128
Deferred leasing costs, net	44,263	111,596
Lease intangibles, net	15,426,122	15,790,350
Right-of-use assets	22,373,922	24,886,491
TOTAL ASSETS	**$ 2,920,233,150**	**$ 2,974,715,513**
LIABILITIES AND DEFICIT		
Liabilities		
Mortgages payable, net of unamortized discount and debt issuance costs	$ 2,121,615,056	$ 2,182,132,581
Mortgages payable related to real estate assets held for sale, net of unamortized discount and debt issuance costs	24,616,427	—
Reverse repurchase facilities, at fair value, net of unamortized debt issuance costs	196,336,000	196,118,000
Senior secured term loans, net of debt issuance costs	1,002,848,924	874,897,855
Accounts payable and accrued expenses	48,259,315	42,763,943
Security deposits	7,599,324	6,594,854
Due to affiliates	13,856,523	11,175,146
Prepaid rent and other liabilities	7,629,080	8,332,467
Lease liabilities	27,556,286	27,500,110
Total liabilities	3,450,316,935	3,349,514,956
Commitments and contingencies (Note 20)		
Deficit		
Preferred stock, $0.001 par value, Series A Cumulative Non-Voting, 12.5%; $125,000 liquidation preference, 125 shares authorized, issued and outstanding	109,950	109,950
Common stock, $0.001 par value; 100,000,000 common shares authorized, 3,350,519 and 3,275,011 issued and outstanding, respectively	3,375	3,351
Additional paid-in-capital	19,819,881	15,219,904
Accumulated deficit	(545,958,649)	(392,654,099)
Non-controlling interest	(4,058,342)	2,521,451
Total deficit	(530,083,785)	(374,799,443)
TOTAL LIABILITIES AND DEFICIT	**$ 2,920,233,150**	**$ 2,974,715,513**

See Notes to Combined Consolidated Financial Statements.

National Property REIT Corp.
Combined Consolidated Statements of Operations

	Years Ended December 31,	
	2023	**2022**
Income		
Rental income	$ 305,463,927	$ 280,675,103
Interest income	62,971,464	39,717,233
Other tenant income	56,366,764	49,581,397
Total income	424,802,155	369,973,733
Costs and expenses		
Property operating expenses	172,561,141	153,617,314
Management fees	15,192,515	13,710,008
Depreciation and amortization	105,903,894	120,495,413
General and administrative expenses	30,666,091	28,743,890
Total costs and expenses	324,323,641	316,566,625
Other income (expense)		
Interest and debt expense	(275,297,786)	(259,241,778)
Fair value adjustments	(11,724,724)	3,935,656
Gain on sale of real estate assets	43,417,987	20,956,684
Gain on involuntary conversions	—	1,531,629
Total other income (expense), net	(243,604,523)	(232,817,809)
Loss before income tax	(143,126,009)	(179,410,701)
Income tax expense	(3,573)	(11,380)
Net loss	(143,129,582)	(179,422,081)
Income attributable to non-controlling interest	(10,159,343)	(3,095,627)
Dividends attributable to preferred shares	(15,625)	(15,625)
Net loss attributable to common shares	$ (153,304,550)	$ (182,533,333)

See Notes to Combined Consolidated Financial Statements.

National Property REIT Corp.
Combined Consolidated Statements of Changes in (Deficit) Equity

	Preferred Shares	Common Shares	Additional Paid-in-Capital	Accumulated Deficit	Total Stockholders' (Deficit)	Non-Controlling Interest	Total (Deficit)
Balance at December 31, 2021	**$ 109,950**	**$ 3,275**	**$ 3,199,980**	**$ (210,120,766)**	**$ (206,807,561)**	**$ 8,711,960**	**$ (198,095,601)**
Issuance of common shares	—	76	16,019,924	—	16,020,000	—	16,020,000
Contribution from non-controlling interest	—	—	—	—	—	9,567,328	9,567,328
Dividends on common shares	—	—	(4,000,000)	—	(4,000,000)	—	(4,000,000)
Dividends on preferred shares	—	—	—	(15,625)	(15,625)	—	(15,625)
Distributions to non-controlling interest	—	—	—	—	—	(18,853,464)	(18,853,464)
Net loss	—	—	—	(182,517,708)	(182,517,708)	3,095,627	(179,422,081)
Balance at December 31, 2022	**109,950**	**3,351**	**15,219,904**	**(392,654,099)**	**(377,320,894)**	**2,521,451**	**(374,799,443)**
Issuance of common shares	—	24	4,599,977	—	4,600,001	—	4,600,001
Contribution from non-controlling interest	—	—	—	—	—	7,052,476	7,052,476
Dividends on common shares	—	—	—	—	—	—	—
Dividends on preferred shares	—	—	—	(15,625)	(15,625)	—	(15,625)
Distributions to non-controlling interest	—	—	—	—	—	(23,791,612)	(23,791,612)
Net loss	—	—	—	(153,288,925)	(153,288,925)	10,159,343	(143,129,582)
Balance at December 31, 2023	**$ 109,950**	**$ 3,375**	**$ 19,819,881**	**$ (545,958,649)**	**$ (526,025,443)**	**$ (4,058,342)**	**$ (530,083,785)**

See Notes to Combined Consolidated Financial Statements.

National Property REIT Corp.
Combined Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (143,129,582)	$ (179,422,081)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	105,409,244	96,897,855
Amortization of in-place leases	95,686	23,160,600
Amortization of leasing commissions	129,176	153,421
Amortization of other deferred leasing costs	1,246	1,246
Amortization of above market leases	268,542	282,291
Amortization of right-of-use assets	2,512,569	8,045,707
Amortization of debt issuance costs and debt discounts and premiums	8,240,872	7,440,085
Amortization of corporate bonds	(81,326)	—
Amortization of discount on collateralized loan obligations	(3,590,031)	(2,374,186)
Accretion of PIK on collateralized loan obligations	(1,155,562)	—
Fair value adjustments of collateralized loan obligations	9,032,496	1,322,497
Fair value adjustments of unsecured consumer loans	(533,648)	(807,032)
Fair value adjustments of residual interests in securitizations	1,520,787	2,995,389
Fair value adjustments of corporate bonds	(4,785,855)	6,621,180
Fair value adjustments of interest rate caps	7,684,262	(14,067,690)
Purchases of interest rate caps	(2,163,902)	—
Realized gain/loss on collateralized loan obligations	(1,193,318)	—
Gain on sale of real estate assets	(43,417,987)	(20,956,684)
Gain on involuntary conversions	—	(1,531,629)
Gain/loss on early extinguishment of debt	(245,147)	503,896
Income from accretion on residual interests in securitizations	608,759	(1,109,048)
Income from accretion on preferred equity investments	(945,108)	(42,486)
Changes in operating assets and liabilities:		
Accounts receivable	3,362,141	(7,039,912)
Interest receivable	7,166	10,874
Due to affiliates	929,158	2,230,170
Due from affiliates	2,681,377	(883,953)
Prepaid expenses and other assets	(6,131,347)	(1,204,074)
Accounts payable and accrued expenses	4,974,282	9,263,946
Security deposits	1,004,470	1,214,225
Prepaid rent and other liabilities	(703,387)	997,125
Deferred leasing costs	(63,089)	(193,335)
Lease liabilities	56,176	435,911
Net cash used by operating activities	(59,620,880)	(68,055,692)
Cash flows from investing activities:		
Acquisition of real estate assets	—	(333,890,228)
Additions to real estate assets	(78,753,021)	(55,039,076)
Additions to lease intangibles	—	(19,876,824)
Proceeds from disposition of real estate assets	88,420,521	33,693,591
Proceeds from involuntary conversion	—	3,117,599
Purchases of collateralized loan obligations	(14,876,274)	(186,569,431)
Principal payments received on collateralized loan obligations	5,187,500	—
Proceeds from disposition of collateralized loan obligations	12,579,510	—
Principal payments received on unsecured consumer loans	975,095	3,043,954
Proceeds from recoveries and sales of charged-off loans	—	463,251
Purchase of preferred equity investments	—	(13,031,379)
Purchase of corporate bonds	—	(10,206,130)
Purchases of equity securitizations	—	(20,668,884)
Principal payments received on securitized residual interests	3,684,914	11,591,269

National Property REIT Corp.
Combined Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2023	**2022**
Decrease in due from LendingClub Corporation	19,554	5,659
Net cash provided by (used in) investing activities	17,237,799	(587,366,629)
Cash flows from financing activities:		
Proceeds from mortgages payable	18,278,148	296,524,430
Repayments of mortgages payable	(57,831,277)	(22,401,909)
Proceeds from reverse repurchase facilities	828,000	87,315,000
Repayments of reverse repurchase facilities	(610,000)	(1,247,000)
Proceeds from senior secured term loan	225,646,619	387,580,238
Repayments of senior secured term loan	(86,950,000)	(94,351,510)
Purchases of interest rate caps	—	(8,345,348)
Payment of debt issuance costs	(15,475,530)	(3,909,916)
Payment of debt extinguishment costs	386,286	(184,100)
Proceeds from issuance of common stock	4,600,001	16,020,000
Dividends on common shares	—	(4,000,000)
Dividends on preferred shares	(15,625)	(15,625)
Contributions from non-controlling interest	7,052,476	9,567,328
Distributions to non-controlling interests	(23,791,612)	(18,853,464)
Net cash provided by financing activities	72,117,486	643,698,124
Net increase in cash, cash equivalents, and restricted cash	29,734,405	(11,724,197)
Cash, cash equivalents, and restricted cash, beginning of year	73,081,722	84,805,919
Cash, cash equivalents, and restriced cash, end of year	$ 102,816,127	$ 73,081,722

Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest expense	$ 267,042,352	$ 249,486,382
Income taxes	$ 3,573	$ 11,380
Non-cash investing and financing activities:		
Accrued additions to real estate assets	$ 4,378,292	$ 3,857,202

See Notes to Combined Consolidated Financial Statements.

1. Organization

References herein to the "Company," "we," "us," or "our" refer to National Property REIT Corp. ("NPRC"), formerly known as National Property Holdings Corp., unless the context specifically requires otherwise.

The Company is a Maryland corporation and is a real estate investment trust ("REIT") for U.S. federal income tax purposes. The Company 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. The Company intends to acquire real estate assets, including, but not limited to, industrial, commercial, student housing, self-storage, and multi-family properties. The Company commenced operations on December 31, 2013.

NPH Property Holdings, LLC ("NPH"), a Delaware limited liability company, owns all of the outstanding common stock of the Company. NPH is a wholly-owned subsidiary of Prospect Capital Corporation ("PSEC"). On December 31, 2013, PSEC contributed to the Company, through NPH, ownership interests in entities that own real estate properties. In exchange for the contribution of assets, NPH received shares of the Company's common stock. These entities were NPH McDowell, LLC ("Oxford"), APH Carroll 41, LLC ("Bexley"), and 146 Forest Parkway, LLC ("146 FP"). On October 23, 2014, United Property REIT Corp. ("UPRC"), an affiliated entity indirectly owned by PSEC, contributed to the Company ownership interest in Michigan Storage, LLC ("Michigan"), an entity that owned a portfolio of self-storage real estate properties. UPH Property Holdings, LLC ("UPH"), a Delaware limited liability company, owned all of the outstanding common stock of UPRC. UPH was a wholly-owned subsidiary of PSEC. On November 26, 2014, American Property REIT Corp. ("APRC"), an affiliated entity indirectly owned by PSEC, contributed to the Company, ownership interest in APH Carroll Resort, LLC (the "Resort"), an entity that owned a multi-family real estate property. On May 1, 2015, APRC contributed to the Company ownership interest in 5100 Live Oaks Blvd, LLC ("Amberly"), an entity that owned a multi-family real estate property. APH Property Holdings, LLC ("APH"), a Delaware limited liability company, owned all of the outstanding common stock of APRC. APH was a wholly-owned subsidiary of PSEC. These entity contribution transactions are collectively referred to as the "Common Control Transfer."

On May 23, 2016, APRC and UPRC (collectively referred to as the "Affiliated REITs") were merged ("Merger") with and into the Company, with the Company continuing as the surviving corporation. The Affiliated REITs were formed to hold for investment, operate, finance, lease, manage, and sell a portfolio of real estate assets. At the date of Merger, the Affiliated REITs held an investment portfolio of real estate assets owned directly or through joint ventures by making a majority equity investment in property-owning entities. The real estate investments acquired during the Merger are collectively known as the "Merger Investments."

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations*, the Merger and Common Control Transfer transactions noted above were executed between entities under common control. The assets and liabilities of each of the entities acquired through these transactions were recorded at their historical carrying amounts, and the results of operations of these entities have been recognized in the accompanying combined consolidated statements of operations for all periods presented. Subsequent to the Merger during 2016, NPRC's combined consolidated balance sheets reflect the historical carryover basis in the assets and liabilities acquired. The Company has also retrospectively adjusted its financial statements to combine the operating results of the Company and the entities acquired from the date common control began.

National Marketplace Finance, LLC (formerly known as Prospect Finance Company, LLC) ("NMF") is a subsidiary of the Company, and currently owns the online originated unsecured consumer loan portfolio and residual interests in securitizations. NMF holds the interests in ACL Loan Holdings, Inc. ("ACLLH") and American Consumer Lending Limited ("ACLL").

ACLLH was formed to hold the indirect interest in ACL Consumer Loan Trust ("ACL Trust"), which was contributed to ACLLH on June 30, 2014 by the Company, its initial sole member. ACL Trust and American Consumer Lending (Prime), LLC, a subsidiary of ACLL, (collectively with ACL Trust, referred to as the "ACL Subsidiaries"), hold unsecured consumer loans purchased from Prosper Funding LLC ("Prosper").

ACL Consumer Loan Trust III ("ACL Trust III"), a subsidiary of ACLLH, formed on June 10, 2014, and American Consumer Lending III (Near-Prime), LLC, a subsidiary of ACLL, (collectively with ACL Trust III, referred to as the "ACL III Subsidiaries"), formed on June 13, 2014, hold unsecured consumer loans purchased from LendingClub Corporation. ACL Consumer Loan Trust IV ("ACL Trust IV"), a subsidiary of ACLLH, formed on March 23, 2015, and American Consumer Lending IV (Near-Prime), LLC, a subsidiary of ACLL, (collectively with ACL Trust IV, referred to as the "ACL IV Subsidiaries"), formed on January 15, 2015, hold unsecured consumer loans originated by and purchased from LendingClub Corporation. ACL Patient Solutions Trust ("ACL PS"), a subsidiary of ACLLH, formed on October 14, 2015, and ACL Patient Solutions Holdings, LLC, a subsidiary of ACLL, formed on October

5, 2015, hold unsecured consumer loans from NBT Bank, National Association ("NBT"). From October 20, 2015 to December 31, 2018 ACL PS acquired and held unsecured consumer loans as part of a loan purchase and sale agreement between ACL PS, NBT and Springstone Financial, LLC ("Springstone"), a wholly-owned subsidiary of LendingClub Corporation. ACL Consumer Loan Trust V ("ACL Trust V"), a subsidiary of ACLL, formed on October 16, 2015, holds unsecured consumer loans purchased from Avant II, LLC ("Avant") for the period November 17, 2015 to December 31, 2018. ACL Consumer Loan Trust VI ("ACL Trust VI"), a subsidiary of ACLLH, formed on April 27, 2016, and American Consumer Lending VI, LLC, a subsidiary of ACLL, (collectively with ACL Trust VI, referred to as the "ACL VI Subsidiaries"), formed on November 30, 2015, hold unsecured consumer loans purchased from LendingClub Corporation for the period May 1, 2016 to December 31, 2018. Murray Hill Securitization Holdings Limited ("Murray Hill"), a subsidiary of ACLL, formed on July 24, 2015, holds interest in Murray Hill Marketplace Trust 2016-LC1, a securitization of unsecured consumer loans purchased from LendingClub Corporation for the period October 13, 2016 to December 31, 2018. Murray Hill also holds residual interests in securitizations. LendingClub Corporation and Springstone are hereafter collectively referred to as "LendingClub". American Consumer Lending VII, LLC, a subsidiary of ACLL, formed on October 5, 2017, holds unsecured consumer loans purchased from Prosper and NBT during the period July 28, 2015 to December 31, 2018.

NPH Guarantor, LLC was contributed to NMF on January 13, 2015 by the Company, its initial sole member. NPH Guarantor, LLC is the indemnitor of the ACL III Subsidiaries and ACL PS revolving credit facilities. There was no activity in NPH Guarantor, LLC from inception through December 31, 2018.

National General Lending Limited ("NGL"), a wholly-owned entity of the Company, was formed on May 23, 2019 to own various debt tranches in collateralized loan obligations (“CLOs”). NGL holds the CLOs in NGL Subsidiary Ltd. ("NGL Limited"), a wholly-owned Cayman Islands limited liability company that was formed August 26, 2019. Operations to buy and sell CLOs commenced on October 30, 2019. In connection with NGL's commencement of operations during 2019, PSEC contributed approximately $12,000,000 in cash and transferred approximately $52,139,000 of CLOs.

2. Significant Accounting Policies

a. Principles of Reporting and Use of Estimates

The accompanying combined consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any contingent assets and liabilities at the date of the combined consolidated financial statements and the reported amounts of revenues and expenses during the reported periods.

Management makes significant estimates regarding the allocation of a property’s purchase price to the tangible and intangible assets and liabilities acquired, revenue recognition, and determining whether an asset is impaired. These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment.

As future events and their effects cannot be determined with precision, actual results could materially differ from those estimates.

b. Basis of Consolidation and Transfers of Financial Assets

The accompanying combined consolidated financial statements include our accounts and those of our subsidiaries, which are wholly-owned or controlled by us. All intercompany balances and transactions have been eliminated. A non-controlling interest in a consolidated subsidiary is defined as the portion of the equity in a subsidiary not attributable, directly or indirectly, to the Company. Non-controlling interests are required to be presented as a separate component of equity in the combined consolidated balance sheets and the presentation of net income (loss) is modified to present the net income (loss) attributed to controlling and non-controlling interests.

For a variable interest entity ("VIE"), an entity is subject to consolidation if the equity investors either do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support, are unable to direct the entity's activities or are not exposed to the entity's losses or entitled to its residual returns. VIEs that meet certain scope characteristics are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has both the power to direct the activities of a VIE that most significantly impact the VIEs economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. This determination can sometimes involve complex and subjective analysis. We are required on an ongoing basis to assess whether we are the primary beneficiary of a VIE.

We may periodically enter into transactions in which we sell financial assets. Upon a transfer of financial assets, we may retain or acquire senior or subordinated interests in the related assets. In connection with such transactions, a determination must be made as to whether we, as the transferor, have surrendered control over transferred financial assets. That determination must consider our continuing involvement in the transferred financial assets, including all arrangements or agreements made contemporaneously with, or in contemplation of, the transfer, even if they were not entered into at the time of the transfer. The financial components approach under applicable GAAP limits the circumstances in which a financial asset, or portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset to an entity that is not consolidated with the transferor in the financial statements being presented and/or when the transferor has continuing involvement with the transferred financial asset. It defines the term "participating interest" to establish specific conditions for reporting a transfer of a portion of a financial asset as a sale.

From time to time, we may securitize unsecured consumer loans we hold if such securitization allows us access to better financing terms. Depending upon the structure of the securitization transaction, these transactions will be accounted for as either a "sale" and the loans will be removed from the combined consolidated balance sheets or as a "financing" with the loans and financing reported on our combined consolidated balance sheets. Significant judgment may be exercised by us in determining whether a transaction should be recorded as a "sale" or a "financing."

In determining the accounting treatment to be applied to securitization transactions, we evaluate whether the entity used to facilitate the transactions was a VIE and, if so, whether the VIE should be consolidated. Based on our evaluations, we have concluded that one of our securitizations is a VIE that should be consolidated. The Company has determined that the other securitizations that we participated in should not be consolidated since, among other things, we concluded that the transfer of the underlying assets qualified as a sale.

c. Purchase Accounting and Acquisitions of Real Estate

Prior to the Company's adoption of Accounting Standards Update ("ASU") 2017-01 in January 2018, the Company recorded the acquisition of real estate that will be used for the production of income as a business combination. All assets acquired and liabilities assumed in a business combination were measured at their acquisition date fair values. Acquisition costs were expensed as incurred. Upon adoption of ASU 2017-01, the Company records the acquisition of real estate that will be used for the production of income as an asset acquisition, with all assets acquired and liabilities assumed recorded at their acquisition date fair values. Acquisition costs are capitalized and allocated to the acquired tangible assets, consisting of land, building and improvements, furniture, fixtures and equipment. The Company assesses the acquisition date fair values of all tangible assets, and identified lease intangibles, consisting of in-place leases, tenant relationships, deferred leasing costs, and above-market and below-market leases.

Real estate assets, including land, building and improvements, and furniture, fixtures and equipment are stated at historical cost less accumulated depreciation. Costs associated with the development, construction and improvement of the Company's real estate assets are capitalized as incurred. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred, while major replacements and betterments, which improve or extend the useful life of the asset, are capitalized and depreciated over the estimated useful lives.

The Company records depreciation expense using the straight-line method over the useful lives of the respective assets. The estimated useful lives are as follows:

Category	Term
Building	15 to 54 years
Improvements	2 to 14 years
Furniture, fixtures, and equipment	2 to 14 years

Depreciation expense for the years ended December 31, 2023 and 2022 was $105,409,244 and $96,897,855, respectively, and is included in depreciation and amortization expense in the accompanying combined consolidated statements of operations.

The value of acquired land, buildings and improvements is estimated by formal appraisals, observed comparable sales transactions and information gathered during pre-acquisition due diligence activities. The valuation approach considers the value of the property as if it were vacant. The values of furniture, fixtures and equipment are estimated by calculating their replacement cost and reducing that value by factors based upon estimates of their remaining useful lives.

The value allocated to acquired lease intangibles is based on management's evaluation of the specific characteristics of each tenant's lease. Characteristics considered by management in allocating these values include the nature and extent of the existing business relationships with the tenant, growth prospects for developing new business with the tenant, the remaining term of the lease and the tenant's credit quality, among other factors.

The value of in-place leases and deferred leasing costs are amortized to expense over the remaining term of the respective leases, which range from less than a year to seventeen years. The amount allocated to acquire in-place leases is determined by calculating the estimated time to fill a hypothetically empty property to its stabilization level based on historical observed move-in rates for each property. The intangible assets are calculated by estimating the net cash flows of the in-place leases to be realized, as compared to the net cash flows that would have occurred had the property been vacant at the time of acquisition and subject to lease-up. The amount allocated to deferred leasing costs is determined by what the Company would have paid to a third-party to secure a new tenant reduced by the expired term of the respective lease. The value of tenant relationships is amortized over the remaining initial lease term and expected renewals, which is thirty seven years. The amount allocated to tenant relationships is the benefit resulting from the likelihood of a tenant renewing its lease. Acquired intangible assets generally have no residual value. Amortization expense related to these assets was $494,650 and $23,597,558 for the years ended December 31, 2023 and 2022, respectively.

d. Impairment of Real Estate

The Company reviews the carrying value of its real estate assets and intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such reviews indicate that the asset may be impaired, given that the carrying amount of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis, the asset's carrying amount is written down to its fair value. Estimating future cash flows and fair values is highly subjective and such estimates could differ materially from actual results. For the years ended December 31, 2023 and 2022, the Company did not record any impairment charges related to real estate assets.

e. Assets Held for Sale and Discontinued Operations

The Company classifies certain real estate assets as held for sale on the combined consolidated balance sheets once the criteria, as defined by GAAP, have been met. Real estate assets to be disposed of are reported at the lower of their carrying amount or fair value minus cost to sell and are no longer depreciated. The Company reports discontinued operations when the disposal of real estate assets represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. No disposal met the definition of discontinued operations as of December 31, 2023 and 2022.

f. Environmental Matters

Under various federal, state and local environmental laws, statutes, ordinances, rules and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, in or under such property as well as certain other potential costs relating to hazardous or toxic substances. These liabilities may include government fines and penalties and damages for injuries to persons and adjacent property. Such laws often impose liability without regard to whether the owner knew of, or was

responsible for, the presence or disposal of such substances. The Company recognizes a liability for environmental matters if it is probable a liability has been incurred and the amount of loss can be reasonably estimated. As of December 31, 2023 and 2022, the Company is not aware of any environmental matters that would have an impact on the combined consolidated financial statements.

g. Fair Value Measurements

In accordance with ASC Topic 820, *Fair Value Measurement* ("ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market considering the highest and best use of an asset or nonperformance risk related to a liability, at the measurement date. The Company uses the most observable inputs that are available to measure fair value. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's views about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 - quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2 - observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- Level 3 - unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considering counterparty credit risk, where applicable, in the Company's assessment of fair value.

The Company carries its mortgages payable, debt related to consolidated VIE, preferred equity investment, and senior secured term loan at cost, net of unamortized discount, debt issuance costs, and associated amortization, on the accompanying combined consolidated balance sheets.

h. Fair Value of Financial Instruments

Pursuant to ASC Topic 825, *Financial Instruments* ("ASC 825"), which provides entities with an option to report selected financial assets and liabilities at fair value, the Company has made an election to measure its unsecured consumer loans, residual interest in securitizations, CLOs, corporate bonds, interest rate caps, and reverse repurchase facilities at fair value on the combined consolidated balance sheets. We elected to use the fair value option to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Under this election, (a) unsecured consumer loans charged off, recoveries, and realized gains (losses), and (b) net increase or decrease in unrealized appreciation (depreciation) of the unsecured consumer loans, residual interest in securitizations, CLOs, corporate bonds, interest rate caps, and reverse repurchase facilities are recorded as fair value adjustments on the combined consolidated statements of operations.

i. Revenue Recognition

Rental revenues from residential, student housing, and self-storage tenants are recognized on a contractual basis, as lease periods for these investments are short-term in nature. Tenant receivables that are deemed uncollectible are recognized as a reduction to rental revenue. The Company recognizes reimbursement for utilities and other expenses recoveries as other revenue when earned. Rental revenues from industrial and commercial tenants are recognized on a straight-line basis over the term of the lease. The industrial and commercial leases contain rental increases at specified intervals. The Company records as an asset, and includes in rental revenues, deferred rent receivable that will be received if the tenant makes all rent payments required through the expiration of the initial term of the lease. Deferred rent receivable in the accompanying combined consolidated balance sheets includes the cumulative difference between rental revenue recorded on a straight-line basis and rents received from the tenants in accordance with the respective lease terms.

Rental income can be comprised of fixed and variable lease payments. The following table shows the details of rental income for the year ended December 31, 2023:

Fixed rent	$	318,320,196
Less: write-off of tenant receivables		(12,856,269)
Total rental income	**$**	**305,463,927**

Minimum future rental receipts under the noncancelable portion of commercial and industrial tenant leases, assuming no new or renegotiated leases, for the next five years and thereafter are as follows:

Year		Rental Receipts
2024	$	556,468
2025		209,968
2026		209,968
2027		209,968
2028		209,968
Thereafter	$	86,911

Interest income is recognized on an accrual basis, in accordance with the terms of the loan agreement, to the extent that such amounts are expected to be collected. Generally, our unsecured consumer loans are placed on non-accrual status when the loan is greater than 60 days contractually delinquent or charged off, which may occur if a borrower were to declare bankruptcy prior to a loan being 60 days delinquent, at which point the associated interest receivable balance is reversed against the interest income on the combined consolidated statements of operations. For residual interests in securitizations, interest income is recognized using the effective interest method. Under this method, we recognize as interest income, over the life of the securities, the excess of the cash flows expected to be collected over the securities' carrying value. We update our estimates of expected cash flows quarterly and recognize changes in the calculated effective interest rate on a prospective basis. For certain investments held by the Company, cash not received for interest may be recorded through a payment-in-kind ("PIK"). Interest income recorded as PIK is recognized as income in the period earned.

Gains and losses on the sale of real estate are recognized pursuant to ASC 610, *Gains and Losses from the Derecognition of Nonfinancial Assets*. Any gain or loss on sale is measured based on the difference between the amount of consideration received and the carrying amount of the sold real estate asset, less costs to sell. For a partial sale of real estate resulting in a transfer of control, the Company measures any non-controlling interest retained at fair value, and recognizes a gain or loss on the difference between the fair value and the carrying amount of the real estate assets retained.

j. Cash and Cash Equivalents

The Company considers all highly-liquid instruments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents includes funds deposited with financial institutions and short-term, highly-liquid overnight investment in money market funds. As of December 31, 2023 and 2022, the Company had cash and cash equivalents of $66,567,915 and $35,212,438, respectively. As of December 31, 2023 and 2022, $19,072,596 and $69,524 of the cash and cash equivalents, respectively, disclosed on the combined consolidated balance sheets represent investments in money market funds, with the remainder held in deposit accounts, substantially all of which exceeded applicable insurance limits.

k. Restricted Cash

Restricted cash consists of cash escrowed under the operating agreements and mortgage agreements for debt service, real estate taxes, property insurance, and capital improvements and other restricted deposits. The Company had restricted cash of $36,248,212 and $37,869,284 as of December 31, 2023 and 2022, respectively. Total cash and cash equivalents, and restricted cash was $102,816,127 and $73,081,722 as of December 31, 2023 and 2022, respectively.

l. Unsecured Consumer Loans

Unsecured consumer loans consist of individual loans purchased from various originators of unsecured consumer loans ("Lending Platforms") under terms of the Company’s agreement with the respective platforms, who are sellers of the unsecured consumer loans that continue to service such loans. Unsecured consumer

loans made through the Lending Platforms are issued by WebBank, an FDIC-insured, Utah chartered industrial bank, except for loans issued by NBT. After funding a loan, WebBank sells the loan to the Lending Platform, without recourse, in exchange for the principal amount of the loan. Loans issued by NBT are purchased by the Company as part of a loan purchase and sale agreement between ACL PS, NBT and Springstone. All loans purchased are unsecured obligations of individual borrowers with a fixed interest rate and loan terms set between 12 and 84 months. Unsecured consumer loans are recorded on the date purchased by the Company, which is generally at least fifteen days after origination. Unsecured consumer loans are charged off in the month that the loan becomes greater than 120 days contractually delinquent or in the month that the borrower has entered bankruptcy, at which point the outstanding principal amount is written off against the total balance of the unsecured consumer loans on the combined consolidated balance sheets. This results in a fair value adjustment on the combined consolidated statements of operations. Recoveries on charged off loans and sales of charged off loans to third-parties are recorded as received, net of fees.

m. Due from Lending Platforms

LendingClub is an online marketplace lending platform from which we purchase unsecured consumer loans. The Due from LendingClub Corporation amounts presented on the combined consolidated balance sheets represent cash deposited at LendingClub.

n. Accounts Receivable Deemed Uncollectible

The Company monitors its accounts receivable on a tenant-by-tenant basis and if cash collection is deemed not probable, the Company establishes a full reserve for the individual tenant's outstanding balance. For the remaining receivable balance, the Company establishes and maintains a general reserve reflecting the Company's expectation that a portion of the operating receivables will not be collected. As of December 31, 2023 and 2022, $5,172,932 and $3,129,901, respectively, was deemed uncollectible and is included as accounts receivable within the combined consolidated balance sheets.

o. Asset Management and Management Services

Management fee expenses are recognized when incurred in accordance with the terms of each respective management agreement.

p. Debt Issuance Costs and Unamortized Debt Discounts

The Company defers costs incurred in connection with obtaining financing and amortizes the costs using the straight-line method, which approximates the effective interest rate method, over the terms of the related debt as a component of interest expense. The Company also recognizes a debt discount or premium in connection with mortgages assumed at fair value in accordance with ASC 805. Debt issuance costs and unamortized debt discounts have been presented as a direct deduction to our mortgages payable, mortgages payable related to real estate assets held for sale, debt related to consolidated VIE, and senior secured term loans in the accompanying combined consolidated balance sheets.

At December 31, 2023 and 2022, the Company had net debt issuance costs and debt discounts of $26,351,634 and $19,258,121, respectively. Amortization of debt issuance costs and debt discounts of $8,240,872 and $7,440,085 is included in interest expense in the combined consolidated statements of operations for the years ended December 31, 2023 and 2022, respectively.

q. Non-controlling Interests

Non-controlling interests are comprised of the Company’s joint venture partners’ interests in the joint ventures in real estate properties that the Company consolidates. The Company reports its joint venture partners’ interests in its consolidated real estate joint ventures and other subsidiary interests held by third-parties as non-controlling interests. The Company records these non-controlling interests at their initial fair value, adjusting the basis prospectively for their share of the respective consolidated investments’ net income or loss and equity contributions and distributions. These non-controlling interests are not redeemable by the equity holders and are presented as part of permanent equity. Income and losses are generally allocated pro rata based on the respective ownership percentages until the venture reaches certain performance measures, at which time the other venture party will be entitled to preferred distributions (profit interests).

r. Income Taxes

The Company elected to be taxed as a REIT for U.S. federal income tax purposes, under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). The Company believes it operates in such a manner as to qualify for treatment as a REIT for federal income tax purposes. Accordingly, the Company

generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its taxable income. A REIT is subject to a number of organizational and operational requirements, including, among others, a requirement that it currently distributes at least 90% of its taxable income to stockholders, subject to certain adjustments. If the Company fails to qualify as a REIT in any taxable year without the benefit of certain relief provisions, it will be subject to federal and state income taxes on its taxable income at regular corporate income tax rates. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state or local taxes on its income, property or net worth and federal taxes and excise taxes on its undistributed income. In addition, taxable income from non-REIT activities managed through the Company's taxable REIT subsidiaries ("TRS") will be fully subject to federal, state and local income taxes.

The Company accounts for TRS income taxes under the liability method as required by ASC Topic 740, *Income Taxes*. Under the liability method, deferred income taxes are recognized for the temporary differences between the GAAP basis and tax basis of the TRS income, assets and liabilities. For the years ended December 31, 2023 and 2022, several of the Company's subsidiaries were considered taxable corporations for U.S. federal and state income tax purposes. The taxable U.S. corporate subsidiaries are subject to corporate level U.S. federal, state and local income tax on their net taxable income.

ASC 740, *Income Taxes* ("ASC 740") provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the combined 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 December 31, 2023 and 2022, we did not have a liability for any unrecognized tax benefits. 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 ongoing analysis of tax laws, regulations and interpretations thereof. We file tax returns for U.S. federal, various states and foreign jurisdictions. The statute of limitation is open for all jurisdictions for tax years beginning in 2018.

The Company's policy is to classify interest and penalties on tax positions, if any, as expenses. For the years ended December 31, 2023 and 2022, no interest and penalties have been accrued.

s. Concentration of Counterparty Risk and Credit Risk

In the normal course of its business, the Company encounters counterparty risk and credit risk. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, principal and interest outstanding on unsecured consumer loans, and amounts deposited with each of the Company's Lending Platforms. Counterparty risk represents the risk that we would incur if the counterparties failed to perform pursuant to the terms of their agreements with us.

t. Servicing, Collection and Upfront Fees

The Company incurs a monthly servicing fee for each outstanding unsecured consumer loan, which is payable to the Lending Platforms for managing payments from borrowers and maintaining loan account portfolios. The Company incurs collection fees on amounts recovered from delinquent loans, which is payable to the Lending Platforms. The Company incurs an upfront fee on unsecured consumer loans purchased from Avant. All servicing, collection and upfront fees are expensed as incurred.

u. Collateralized Loan Obligations ("CLOs")

The Company holds investments in CLOs which are subordinated debt interests in syndicated loans managed by third-party collateral managers with industry experience. The outstanding investments range in expected maturity from October 2026 to April 2032 and pays interest based on the three-month SOFR ("3MS") plus 5.20% to 9.23%.

CLOs purchased are recorded on the trade date. Primary CLOs purchased either from the collateral manager or the broker are recorded on the settled date, to reflect the potential changes, updates or resizing of the position, due to the long-term nature of settlement. The typical settlement time for Depository Trust Company bonds is three days. Amortization of an original issue discount is calculated to expected maturity date, based on projected cash flows at the time of purchase, and recorded over the expected life of the bond.

Gains or losses from the sale of CLOs are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale. Restructured or permanently impaired CLOs are recorded in the period of measurement and recorded on the combined consolidated statements of operations as

a realized gain or loss and amortized to expected maturity based on the available cash flows at the time of measurement. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

v. Corporate bonds

The Company holds corporate bonds comprised of investment grade and high yield corporate bonds including performing credit strategies focused on income-oriented, senior loan and bond investment strategies targeting U.S. issuers.

Secondary corporate bonds purchased from a broker are recorded on a trade date basis and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt of coupon. The discount to par is amortized over the stated maturity of the corporate bond and recognized as part of interest income on the combined consolidated statements of operations. Gains or losses from the sale of Corporate Bonds are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

w. Interest rate caps

In order to manage the risks associated with the variable rate financing of the mortgage, the Company may enter into various interest rate cap agreements. The cap agreements have initial notional values equal to the original loan amount of the related mortgages.

Derivative instruments not meeting the criteria for hedge accounting are recorded at fair value on the combined consolidated balance sheets with any change in fair value reflected in the combined consolidated statement of operations in the period of change. The fair value of the interest rate caps as of December 31, 2023 and 2022 was $20,203,768 and $25,724,128, respectively. For the year ended December 31, 2023 and 2022, there was loss of $7,684,262 and gain of $14,067,690, respectively, recorded for the fair value of the interest rate caps.

x. Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, an update to ASC Topic 326, Financial Instruments – Credit Losses. ASU 2016-13 requires measurement and recognition of expected credit losses on financial instruments measured at amortized cost at the end of each reporting period rather than recognizing the credit losses when it is probable that the loss has been incurred in accordance with current GAAP. In November 2018, the FASB issued ASU 2018-19, which clarified that receivables arising from operating leases are not within the scope of ASC Topic 326, and instead, impairment of receivables arising from operating leases should be accounted for under the scope of ASC Topic 842, Leases. In May 2019, the FASB issued ASU 2019-05, which provides transition relief for entities adopting ASU 2016-13 by allowing entities to elect the fair value option on certain financial instruments. ASU 2016-13 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2019, with early adoption permitted. The Company adopted the provisions of ASU 2016-13 on January 1, 2022. This adoption did not have a material impact on the combined consolidated financial statements.

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04 establishing Accounting Standards Codification ("ASC") Topic 848, Reference Rate Reform, and in January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope (collectively, "ASC 848"). ASC 848 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives, and other contracts. The guidance in ASC 848 is optional and may be elected over time as reference rate reform activities occur. In December 2022, the FASB issued ASU 2022-06, Deferral of the Sunset Date of Topic 848 (“ASU 2022-06”) which was issued to defer the sunset date of ASC 848 to December 31, 2024. As of December 31, 2023, the Company has transitioned LIBOR- indexed debt and derivatives to SOFR.

3. Recent Real Estate Transactions

Acquisition of Real Estate Assets Held for Investment

During 2023, the Company did not acquire any properties.

During 2022, the Company acquired the following properties

- On May 26, 2022, the Company, together with a joint venture partner, acquired Kokomo, a multi-family property located in Kokomo, IN for an aggregate purchase price of $20,500,000 exclusive of acquisition and closing costs.

For the purchase of this property, the Company obtained bank financing of $12,753,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $911,917.

- On May 26, 2022, the Company, together with a joint venture partner, acquired Stillwater, a multi-family property located in Stillwater, OK for an aggregate purchase price of $26,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $15,328,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,244,358.
- On May 26, 2022, the Company, together with a joint venture partner, acquired Pueblo, a multi-family property located in Pueblo, CO for an aggregate purchase price of $31,500,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $20,166,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,307,918.
- On May 26, 2022, the Company, together with a joint venture partner, acquired Cheyenne, a multi-family property located in Cheyenne, WY for an aggregate purchase price of $27,500,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $17,656,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,158,374.
- On March 29, 2022, the Company, together with a joint venture partner, acquired Southport Crossing, a multi-family property located in Indianapolis, IN for an aggregate purchase price of $48,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $35,600,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,141,881.
- On March 18, 2022, the Company acquired Rutland Place, a multi-family property located in Macon, GA for an aggregate purchase price of $29,750,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $22,500,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On March 18, 2022, the Company acquired Lancaster Place, a multi-family property located in Calera, AL for an aggregate purchase price of $37,550,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $28,350,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On March 18, 2022, the Company acquired Twin Oaks, a multi-family property located in Hattiesburg, MS for an aggregate purchase price of $44,850,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $33,830,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On March 18, 2022, the Company acquired Enclave at Wolfchase, a multi-family property located in Cordova, TN for an aggregate purchase price of $82,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $60,000,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.

The below listed 2022 acquisitions have been accounted for as asset acquisitions. The purchase price was allocated to the acquired assets and liabilities based on their estimated fair values at the date of acquisition. The Company allocated the purchase price, plus capitalized acquisition costs, of the properties acquired during 2022 as follows:

Property	Land	Building	Improvements	FF&E	Lease Intangibles	Total Purchase Price
2022 Acquisitions:						
Enclave at Wolfchase	$ 4,284,151	$ 73,000,327	$ 1,627,778	$ 520,290	$ 3,496,227	$ 82,928,773
Twin Oaks	1,631,277	40,379,141	1,235,591	309,137	1,875,969	45,431,115
Lancaster Place	2,106,551	33,038,965	951,016	249,514	1,625,929	37,971,975
Rutland Place	1,852,142	26,142,545	607,972	234,807	1,343,056	30,180,522
Southport Crossing	2,660,957	42,356,055	617,900	1,008,572	2,070,961	48,714,445
Cheyenne	1,371,052	25,432,206	203,431	316,397	949,190	28,272,276
Pueblo	1,532,088	29,211,806	—	408,557	1,021,392	32,173,843
Stillwater	3,720,206	21,896,069	—	318,876	850,332	26,785,483
Kokomo	389,928	19,671,250	58,809	292,446	779,856	21,192,289
Total 2022:	**$ 19,548,352**	**$ 311,128,364**	**$ 5,302,497**	**$ 3,658,596**	**$ 14,012,912**	**$ 353,650,721**

The weighted average amortization period of acquired in-place leases was approximately six months for the year ended December 31, 2022.

Summarized information regarding properties sold during the years ended December 31, 2023 and 2022 is set forth in the table below:

Property	Disposition Date	Asset Type	Gross Sale Price	Gain on Sale
2022 Dispositions:				
Verandas at Rocky Ridge	2/1/2022	Multi-Family	$ 34,670,000	$ 20,956,684
Total 2022:			**$ 34,670,000**	**$ 20,956,684**
2023 Dispositions:				
West 22	10/27/2023	Student Housing	$ 89,000,000	$ 43,417,987
Total 2023:			**$ 89,000,000**	**$ 43,417,987**

4. Real Estate Assets

The Company's ownership interests in real estate properties range from 67% to 100% via either direct ownership or ownership of a property owning entity. Through its ownership interests, the Company controls and therefore consolidates the properties and property owning entities. The interest owned by the other joint venture partner is reflected as non-controlling interest in these combined consolidated financial statements.

The Company's real estate assets consisted of the following as of December 31, 2023 and 2022:

Property	Acquisition Date	Ownership Percentage	Asset Type	Location	Real Estate Assets, Net of Accumulated Depreciation	
					2023	2022
Filet of Chicken*	10/24/2012	100.0%	Industrial	Forest Park, GA	$ 3,904,473	$ 4,064,982
Arlington Park	5/8/2013	93.3%	Multi-Family	Marietta, GA	9,139,353	8,616,016
Taco Bell, OK	6/4/2014	100.0%	Commercial	Yukon, OK	1,027,561	1,080,637
Taco Bell, MO	6/4/2014	100.0%	Commercial	Marshall, MO	828,274	872,568
Abbie Lakes	9/30/2014	79.1%	Multi-Family	Canal Winchester, OH	9,896,318	10,070,645
Brooksedge	9/30/2014	79.1%	Multi-Family	Reynoldsburg, OH	9,319,103	9,574,690
Reserve at Abbie Lakes	9/30/2014	79.1%	Multi-Family	Canal Winchester, OH	21,904,002	22,577,192
Lake's Edge	9/30/2014	79.1%	Multi-Family	Pickerington, OH	9,408,695	9,709,282
Sunbury Ridge	9/30/2014	79.1%	Multi-Family	Columbus OH	11,031,109	11,375,360
Stonebridge	9/30/2014	79.1%	Multi-Family	Blacklick, OH	15,647,208	16,284,411
Jefferson Chase	9/30/2014	79.1%	Multi-Family	Blacklick, OH	10,080,770	10,286,606
Lake Ridge	10/29/2014	79.1%	Multi-Family	Hilliard, OH	5,394,500	5,647,294
Orchard Village*	11/5/2015	80.0%	Multi-Family	Aurora, IL	27,081,074	28,425,777
Sterling Crimson	9/28/2016	67.0%	Student Housing	Tuscaloosa, AL	41,332,877	42,362,222
Hawks Ridge	9/28/2016	67.0%	Student Housing	Iowa City, IA	26,089,935	26,762,353
Islander Village	9/28/2016	67.0%	Student Housing	Corpus Christi, TX	10,436,617	10,875,899
Campus Quarters	9/28/2016	67.0%	Student Housing	Corpus Christi, TX	13,943,798	14,277,046
District on Luther	9/28/2016	67.0%	Student Housing	College Station, TX	30,373,105	30,507,794
West 22	9/28/2016	67.0%	Student Housing	Kennesaw, GA	—	45,474,999
Legacy	9/28/2016	67.0%	Student Housing	Statesboro, GA	5,659,634	5,929,116
University Crossing	9/28/2016	67.0%	Student Housing	Manhattan, KS	16,306,972	16,858,191
Seasons	1/30/2017	92.5%	Multi-Family	Laurel, MD	161,985,415	164,652,567
Villages of Baymeadows	10/31/2017	92.5%	Multi-Family	Jacksonville, FL	82,257,521	82,038,859
Casa del Mar	10/31/2017	92.5%	Multi-Family	Jacksonville, FL	13,616,312	13,388,394
Silver Oaks	11/8/2017	92.5%	Multi-Family	Southfield, MI	14,350,028	14,088,499
Sutton Place	11/8/2017	92.5%	Multi-Family	Southfield, MI	45,837,049	43,808,107
Steeplechase	1/9/2018	92.5%	Multi-Family	Largo, MD	39,329,697	40,135,930
Olentangy Commons	6/1/2018	92.5%	Multi-Family	Columbus, OH	102,151,039	103,376,766
Villages of Wildwood	7/20/2018	92.5%	Multi-Family	Fairfield, OH	43,375,585	43,465,102
Falling Creek	8/8/2018	90.0%	Multi-Family	Richmond, VA	21,167,327	21,812,770
Crown Pointe	8/30/2018	80.0%	Multi-Family	Danbury, CT	94,814,557	96,754,311
Lorring Park	10/30/2018	80.0%	Multi-Family	Forestville, MD	55,243,926	56,642,818
Hamptons	1/9/2019	92.5%	Multi-Family	Beachwood, OH	74,459,472	76,343,120
The Isle	6/28/2019	92.5%	Multi-Family	Orlando, FL	24,016,497	24,524,503
Druid Hills	7/30/2019	96.3%	Multi-Family	Atlanta, GA	75,288,872	76,552,758

Property	Acquisition Date	Ownership Percentage	Asset Type	Location	Real Estate Assets, Net of Accumulated Depreciation	
					2023	2022
Parcstone	10/15/2019	88.0%	Multi-Family	Fayetteville, NC	38,871,852	40,094,024
Stone Ridge	10/15/2019	88.0%	Multi-Family	Fayetteville, NC	19,336,157	19,972,653
Sterling Place	10/28/2019	92.5%	Multi-Family	Columbus, OH	40,453,291	40,196,735
Hampton on Jupiter	11/2/2020	80.0%	Multi-Family	Dallas, TX	34,175,498	35,123,195
Palmetto Creek	11/10/2020	90.0%	Multi-Family	North Charleston, SC	31,094,893	31,299,438
Valora at Homewood	11/19/2020	90.0%	Multi-Family	Homewood, AL	78,484,621	73,413,788
The Dylan at Fairburn	12/14/2020	100.0%	Multi-Family	Fairburn, GA	47,783,160	48,589,466
The Dylan at Grayson	12/14/2020	100.0%	Multi-Family	Grayson, GA	43,674,038	44,488,009
Chimneys of Greenville	1/27/2021	100.0%	Multi-Family	Taylors, SC	17,361,445	18,255,507
The Laurel Apartments	2/26/2021	96.3%	Multi-Family	Spartanburg, SC	54,727,859	54,304,114
The Willows Apartments	2/26/2021	96.3%	Multi-Family	Spartanburg, SC	20,092,408	20,894,148
The Edge at Clear Lake	3/12/2021	80.0%	Multi-Family	Webster, TX	31,762,298	32,889,330
Pear Orchard	6/28/2021	80.0%	Multi-Family	Ridgeland, MS	46,840,841	47,662,565
Lakeshore Landing	6/28/2021	80.0%	Multi-Family	Ridgeland, MS	20,882,326	20,879,577
Reflection Pointe	6/28/2021	80.0%	Multi-Family	Flowood, MS	38,311,181	38,603,634
Crosswinds	6/28/2021	80.0%	Multi-Family	Pearl, MS	40,131,416	41,368,894
Elliot Norcross	11/30/2021	90.0%	Multi-Family	Norcross, GA	127,042,727	125,570,287
West Vue	12/30/2021	90.0%	Multi-Family	Orlando, FL	81,413,379	83,173,770
Enclave at Wolfchase	3/18/2022	100.0%	Multi-Family	Cordova, TN	76,391,342	77,513,083
Twin Oaks	3/18/2022	100.0%	Multi-Family	Hattiesburg, MS	42,968,788	42,954,111
Lancaster Place	3/18/2022	100.0%	Multi-Family	Calera, AL	35,116,710	35,827,253
Rutland Place	3/18/2022	100.0%	Multi-Family	Macon, GA	27,745,458	28,208,461
Southport Crossing	3/29/2022	92.5%	Multi-Family	Indianapolis, IN	47,177,090	47,412,735
Cheyenne	5/26/2022	90.0%	Senior Living	Cheyenne, WY	26,504,526	26,964,513
Pueblo	5/26/2022	90.0%	Senior Living	Pueblo, CO	30,145,406	30,780,715
Stillwater	5/26/2022	90.0%	Senior Living	Stillwater, OK	25,406,324	25,693,236
Kokomo	5/26/2022	90.0%	Senior Living	Kokomo, IN	19,767,727	20,148,278
Total net real estate assets					**$ 2,270,361,436**	**$ 2,341,499,103**

*Properties are held for sale and disclosed on the consolidated balance sheets.

5. Lease Intangibles

Lease intangibles consist of the following:

	As of December 31, 2023			As of December 31, 2022		
	Lease Intangibles	Accumulated Amortization	Lease Intangibles, net	Lease Intangibles	Accumulated Amortization	Lease Intangibles, net
In-place leases	$ 106,347,193	$(106,046,555)	$ 300,638	$ 109,870,457	$(104,818,996)	$ 5,051,461
Above-market leases	15,689,752	(955,734)	14,734,018	10,989,653	(687,180)	10,302,473
Below-market leases	—	—	—	—	—	—
Tenant relationships	239,208	(71,870)	167,338	239,208	(65,433)	173,775
Deferred leasing costs	635,325	(411,197)	224,128	635,325	(372,685)	262,640
Total	**$ 122,911,478**	**$(107,485,356)**	**$ 15,426,122**	**$ 121,734,643**	**$(105,944,294)**	**$ 15,790,349**

Future amortization expense for the Company's lease intangibles is as follows:

Year	Amortization Expense
2024	$ 95,687
2025	95,686
2026	95,686
2027	95,686
2028	95,686
Thereafter	$ 14,947,691

6. Real Estate Assets Held for Sale

As of December 31, 2023, the real estate assets held by Filet of Chicken and Orchard Village met the criteria to be classified as held for sale. The Company entered into a purchase and sale agreement with an unrelated third-party on January 26, 2024 and May 13, 2024, respectively. Filet of Chicken sale closed on May 9, 2024, resulting in the recognition of a gain in the amount of $7,370,352. Orchard Village sale closed on May 30, 2024, resulting in the recognition of a gain in the amount of 20,683,786.

As of December 31, 2022, no real estate assets met the criteria to be classified as held for sale.

Below is a summary of the major classes of real estate assets classified as held for sale:

Real Estate Assets Held for Sale	December 31, 2023	December 31, 2022
Land	$ 5,229,284	$ —
Building and improvements	39,088,662	—
Furniture, fixtures, and equipment	1,604,198	—
Less: accumulated depreciation	(14,936,599)	—
Total net real estate assets held for sale	**$ 30,985,545**	**$ —**

7. Preferred Equity Investments

On November 14, 2022, the Company, together with a joint venture partner, acquired Terraces at Perkins Rowe, a multi-family property located in Baton Rouge, LA for an aggregate purchase price of $41,400,000. The investment is structured as an investment that incorporates debt-like return metrics. The Company receives SOFR + 2% cash return each month with additional 7% paid-in-kind (PIK) accrued to the Company's outstanding capital balance. While there is no stated maturity date for this investment, the Company has a put option at the end of 5-year hold period that it intends to exercise. The de facto maturity date is November 14, 2027. During the year ended 2023 and 2022, the Company recognized total interest income of $1,921,054 and $240,425 from preferred equity investment. The Company's preferred equity investment meets the definition of held-to-maturity debt security, which are reported at amortized cost. The Company determined that as of December 31, 2023 and 2022, fair value of the preferred equity investment approximated its cost of $14,018,973 and $13,073,865, respectively.

8. Involuntary Conversions

During 2023, the Company did not record any gain or loss from involuntary conversion of real estate assets.

During 2022, the Company wrote off real estate assets from fire damages. As of December 31, 2022, proceeds of $3,117,599 were received. For the year ended December 31, 2022, a gain from involuntary conversion of $1,531,629 was recorded in relation to the assessed outcome of the damages and is included as gain/loss on involuntary conversions on the combined consolidated statements of operations.

9. Unsecured Consumer Loans

The Company's portfolio of unsecured consumer loans consists of a large number of small balance homogeneous loans. As of December 31, 2023, the portfolio consisted of 27 loans having an average outstanding principal balance of $3,037 and a maximum balance of $50,000 at the time of origination. As of December 31, 2023, the unsecured consumer loans were issued with stated interest rates ranging from 9.0% to 25.0% with a weighted average interest rate of 15.4% based on outstanding principal of the unsecured consumer loans. As of December 31, 2022, the portfolio consisted of 216 loans having an average outstanding principal balance of $2,430 and maximum balance of $50,000 at the time of origination. As of December 31, 2022, the unsecured consumer loans were issued with stated interest rates ranging from 8.0% to 36.0% with a weighted average interest rate of 18.6% based on outstanding principal of the unsecured consumer loans.

The ability of the borrowers of the unsecured consumer loans to repay the Company are affected by their continuing financial stability. The credit risk of the unsecured consumer loans and the residual interest in securitizations is considered to be higher than for secured loans.

The Lending Platforms classify the unsecured consumer loans into separately identified pools by rating ("Rating"), which indicates the expected level of risk associated with the loan. Each Rating corresponds to an estimated average annualized loss rate range as of the time the Rating is given. The estimated annual loss rate for each loan is based primarily on a proprietary custom risk model developed by each of the Lending Platforms using their respective historical data, borrower specific factors and Fair Isaac Corporation score ("FICO score") obtained from a credit

reporting agency. As part of the Rating determination, the Lending Platforms also consider borrower specific factors such as, but not limited to, credit related inquiries in the last six months and debt-to-income ratio.

Ratings are not consistent between Lending Platforms; as such the Company stratifies its unsecured consumer loans into separately identified pools based on the FICO score obtained from a credit reporting agency and as provided by each Lending Platform at origination. The stratified pools are designated "Super Prime," "Prime" or "Near Prime," and defined as follows: Super Prime loans as loans to borrowers with a FICO score of 720 or greater, Prime Loans as loans to borrowers with a FICO score of between 660 and 719 and Near Prime loans as loans to borrowers with a FICO score of between 600 and 659.

The following table summarizes the Company's unsecured consumer loans held as of December 31, 2023:

Category	Outstanding Principal	Fair Value	Interest Rate Range	Weighted Average Interest Rate*
Super Prime	$ 45,080	$ 45,098	9.0% - 20.5%	13.4%
Prime	36,932	34,401	13.5% - 25.0%	17.9%
Near Prime	—	—	0.0% - 0.0%	—%
Total Loans	**$ 82,012**	**$ 79,499**		**15.4%**

** Based on outstanding principal of the unsecured consumer loans.*

The following table summarizes the Company's unsecured consumer loans held as of December 31, 2022:

Category	Outstanding Principal	Fair Value	Interest Rate Range	Weighted Average Interest Rate*
Super Prime	$ 182,638	$ 182,194	8.0% - 20.5%	12.2%
Prime	211,193	204,355	12.0% - 25.0%	19.1%
Near Prime	131,088	134,397	19.5% - 36.0%	26.8%
Total Loans	**$ 524,919**	**$ 520,946**		**18.6%**

** Based on outstanding principal of the unsecured consumer loans.*

The following table summarizes the delinquency status of the unsecured consumer loans**:**

	December 31, 2023			December 31, 2022		
Delinquency Status	Outstanding Principal	Fair Value	% of Total	Outstanding Principal	Fair Value	% of Total
Current	$ 75,846	$ 75,693	92.50 %	$ 488,255	$ 491,804	93.00 %
1 - 30 days	3,832	2,541	4.70 %	23,907	21,852	4.60 %
31 - 60 days	1,385	1,265	1.70 %	5,877	4,623	1.10 %
61 - 90 days	949	—	1.10 %	6,879	2,667	1.30 %
91 - 120 days	—	—	— %	—	—	— %
Total Loans	**$ 82,012**	**$ 79,499**	**100.00 %**	**$ 524,918**	**$ 520,946**	**100.00 %**

10. Collateralized Loan Obligations

NGL invests in the junior debt tranches of collateralized loan obligation (“CLO”) vehicles that in turn own pools of Senior Secured Loans. The credit risk of a CLO is dependent on the underlying assets within the portfolio. For “traditional” CLOs, the collateral pool primarily consists of first lien, senior secured broadly syndicated bank loans (usually at least 90% of the total portfolio), and it may include a predetermined allowable portion of other asset types such as second lien bank loans (which are highly leveraged) and unsecured debt, as well as middle market loans.
Some CLOs consist predominantly of middle market loans as the underlying collateral. The average rating of the underlying collateral is typically single-B, and the leveraged bank loans are typically floating rate, based on SOFR.

The securities held at NGL are B or BB rated mezzanine debt that pay a quarterly interest coupon, based on the notional balance held and a fixed spread plus SOFR, which resets after each payment. The principal is returned through the CLO waterfall at the earlier of the call date or maturity. As of December 31, 2023, based on outstanding notional balance, 12.3% of the portfolio was invested in single-B rated tranches and 87.7% of the portfolio in BB rated tranches with a fixed spread plus LIBOR and/or SOFR at the most recent reset date.

As of December 31, 2023, the outstanding investment of CLOs comprised of 97 investments with a fair value of $418,761,852 and a face value of $447,833,784. The average outstanding note is approximately $4,617,000 with an expected maturity date ranging from October 2026 to April 2032 and a weighted average expected maturity of 6.0 years as of December 31, 2023. Coupons range from three-month SOFR ("3MS") plus 5.20% to 9.23% with a weighted average coupon of 3MS + 6.63%.

As of December 31, 2022, the outstanding investment of CLOs comprised of 94 investments with a fair value of $424,746,173 and a face value of approximately $448,235,434. The average outstanding note is approximately $4,768,000 with a stated maturity date ranging from April 2026 to October 2033 and a weighted average stated maturity of 6.0 years as of December 31, 2022. Coupons range from three-month LIBOR ("3ML") plus 5.20% to 9.23% with a weighted average coupon of 3ML + 6.93%.

The Company purchased $14,876,274 and $186,569,431, respectively, of CLOs from various third-party brokers during the year ended December 31, 2023 and 2022, respectively, which are held by the Bank of New York Mellon as custodian.

11. Fair Value of Financial Instruments

The fair value of a financial instrument is defined as the price that we would receive upon selling an asset or pay to transfer a liability in an orderly transaction to an independent buyer in the principal or most advantageous market in which that financial instrument is transacted.

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.

Most of our financial instruments measured at fair value on a recurring basis were classified as Level 3 as of December 31, 2023 and 2022. During the year ended December 31, 2022, NGL's CLO portfolio was transferred from Level 2 to Level 3 at January 1, 2022 due to the volatility of the observable inputs, which were caused primarily by rising interest rates. The net change in unrealized (losses) gains on the investments that use Level 3 inputs was $1,276,630 as of December 31, 2022.

During the year ended December 31, 2023, NGL's repurchase agreements were transferred from Level 3 to Level 2 at January 1, 2023 and are held at cost.

Unsecured Consumer Loans, Residual Interests in Securitizations and Collateralized Loan Obligations

The unsecured consumer loans, residual interests in securitizations, and collateralized loan obligations do not trade in an active market with readily observable prices. For the unsecured consumer loans and residual interests in securitizations, fair value is estimated by using a discounted cash flow methodology based upon significant unobservable inputs, such as loss adjusted discount rates and projected loss rates. The loss adjusted discount rates are used to discount the estimated future cash flows expected to be received from the underlying unsecured consumer loans, which includes both future principal and interest payments. The projected loss rates are based on the perceived credit risk inherent in each Rating of the unsecured loan portfolio. See Note 9 for details of the unsecured consumer loans.

NGL qualifies as an investment company pursuant to ASC Topic 946, *Financial Services-Investment Companies*. Accordingly, the underlying CLO investments and repurchase agreements are carried at fair value and were retained in consolidation by the Company.

In determining the range of values for our investments in CLOs, management utilizes an independent valuation firm that 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.

The significant unobservable input used to value the CLOs is the discount rate applied to the estimated future cash flows expected to be received from the underlying investment, which includes both future principal and interest payments. Included in the consideration and selection of the discount rate are the following factors: risk of default, comparable investments, and call provisions. An increase or decrease in the discount rate applied to projected cash flows, where all other inputs remain constant, would result in a decrease or increase, respectively, in the fair value measurement.

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 debt 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.

Corporate Bonds, Interest Rate Caps and Repurchase Agreements

Secondary corporate bonds purchased from a broker are recorded on a trade date basis and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt of coupon. The discount to par is amortized over the stated maturity of the corporate bond and recognized as part of interest income on the combined consolidated statements of operations. The typical settlement time for Depository Trust Company bonds is three days. Gains or losses from the sale or call of Corporate Bonds are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale or call. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

On a recurring basis, the Company measures its interest rate cap at its estimated fair value. In determining the fair value of the Company's derivatives, the Company uses the present value of expected cash flows based on market observable interest rate yield curve commensurate with the term of the instrument. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and that of the respective counterparty in the fair value measurement. The credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by either the respective counterparty or the Company. However, the Company determined that as of December 31, 2023, the impact of the credit valuation adjustments were not significant to the overall valuation of the derivatives. As a result, the fair value of the derivative is considered to be based primarily on Level 2 inputs.

Repurchase agreements are collateralized with a portion of the CLO investments and the carrying value of the repurchase agreement approximates fair value as of December 31, 2023.

The following table shows the fair value of our unsecured consumer loans, residual interest in securitizations, CLOs, interest rate caps, corporate bonds, and repurchase agreements, disaggregated into the three levels of the ASC 820 valuation hierarchy as of December 31, 2023.

	Level 1	Level 2	Level 3	Total
Assets				
Unsecured consumer loans	$ —	$ —	$ 79,499	$ 79,499
Residual interests in securitizations	—	—	2,725,658	2,725,658
Collateralized loan obligations	—	—	418,761,852	418,761,852
Corporate bonds	—	16,484,131	—	16,484,131
Interest rate cap	—	20,203,768	—	20,203,768
Total investments at fair value	**$ —**	**$ 36,687,899**	**$ 421,567,009**	**$ 458,254,908**
Liabilities				
Reverse repurchase facilities	$ —	$ 196,336,000	$ —	$ 196,336,000
Total liabilities at fair value	**$ —**	**$ 196,336,000**	**$ —**	**$ 196,336,000**

For the year ended December 31, 2023, the Company had charge-offs of $0 and recoveries of $0 to Level 3 unsecured consumer loans. Also, the Company borrowed $828,000 and repaid $(610,000) relating to repurchase agreements during 2023.

The following table shows the fair value of our unsecured consumer loans, residual interest in securitizations, CLOs, interest rate caps, corporate bonds, and repurchase agreements, disaggregated into the three levels of the ASC 820 valuation hierarchy as of December 31, 2022.

	Level 1	Level 2	Level 3	Total
Assets				
Unsecured consumer loans	$ —	$ —	520,946	$ 520,946
Residual interests in securitizations	—	—	8,540,118	8,540,118
Collateralized loan obligations	—	—	424,746,173	424,746,173
Corporate bonds	—	11,616,950	—	11,616,950
Interest rate cap	—	25,724,128	—	25,724,128
Total investments at fair value	**$ —**	**$ 37,341,078**	**$ 433,807,237**	**$ 471,148,315**
Liabilities				
Reverse repurchase facilities	$ —	$ —	$ 196,118,000	$ 196,118,000
Total liabilities at fair value	**$ —**	**$ —**	**$ 196,118,000**	**$ 196,118,000**

For the year ended December 31, 2022, the Company had charge-offs of $(285,500) and recoveries of $463,304 to Level 3 unsecured consumer loans. In addition, the Company borrowed $87,315,000 and repaid $(1,247,000) relating to repurchase agreements during 2022.

Refer to Note 9 for details of the unsecured consumer loans.

The ranges of unobservable inputs used in the fair value measurement of our Level 3 financial instruments as of December 31, 2023 and 2022 were as follows:

December 31, 2023					
Assets/Liabilities	**Fair Value**	**Valuation Technique**	**Unobservable Input**	**Range**	**Weighted Average**
Unsecured consumer loans	$ 79,499	Discounted cash flow	Loss-adjusted discounted rate	7.70% - 9.87%	8.05%
			Projected prepay rate	0.0% - 7.46%	5.56%
			Projected loss rate	0.0% - 3.18%	2.84%
			Recovery rate	7.50% - 7.50%	7.50%
Residual interests in securitizations	$ 2,725,658	Discounted cash flow	Forecasted prepay % of current balance	32.28% - 33.32%	32.87%
			Forecasted default % of current balance	14.03% - 15.68%	14.75%
			Severity	92.50% - 92.50%	92.50%
			Discount rate	20.00% - 20.00%	20.00%
Collateralized loan obligations	$ 418,761,852	Discounted cash flow	Discount rate	11.05% - 24.02%	12.93%
			Weighted average life	2.1 - 4.6	4.0

December 31, 2022					
Assets/Liabilities	**Fair Value**	**Valuation Technique**	**Unobservable Input**	**Range**	**Weighted Average**
Unsecured consumer loans	$ 520,946	Discounted cash flow	Loss-adjusted discounted rate	7.60% - 13.83%	8.40%
			Projected prepay rate	1.24% - 12.09%	7.63%
			Projected loss rate	0.11% - 8.25%	5.13%
			Recovery rate	7.50% - 11.00%	8.26%
Residual interests in securitizations	$ 8,540,118	Discounted cash flow	Forecasted prepay % of current balance	5.67% - 30.56%	30.14%
			Forecasted default % of current balance	6.08% - 14.54%	14.01%
			Severity	89.00% - 92.50%	92.48%
			Discount rate	10.00% - 15.00%	14.97%
Collateralized loan obligations	$ 424,746,173	Discounted cash flow	Discount rate	10.60% - 17.00%	12.70%
			Weighted average life	2.5 - 5.0	4.3
Reverse repurchase facilities	$ 196,118,000	Cost, which approximates fair value	—	—	—

12. Corporate Bonds

The Company holds corporate bonds comprised of investment grade and high yield corporate bonds including performing credit strategies focused on income-oriented, senior loan and bond investment strategies targeting U.S. issuers.

The outstanding maturity is November 2026 including a bi-annual fixed interest coupon of 7.00%. Relevant details for the corporate bonds as of December 31, 2023 and 2022 are as follows:

December 31, 2023						
Purchase Date	**Security**	**Face Value (Par)**	**Price**	**Net Purchase Price**	**Maturity**	**Coupon**
12/7/2021	WRLD	$ 3,000,000	99.75	$ 2,992,500	11/1/2026	7.00%
12/16/2021	WRLD	5,000,000	100.00	5,000,000	11/1/2026	7.00%
2/15/2022	WRLD	7,000,000	94.00	6,580,000	11/1/2026	7.00%
3/23/2022	WRLD	2,572,000	87.75	2,256,930	11/1/2026	7.00%
3/30/2022	WRLD	1,250,000	88.25	1,103,125	11/1/2026	7.00%
4/4/2022	WRLD	310,000	88.25	273,575	11/1/2026	7.00%
		$ 19,132,000		**$ 18,206,130**		

December 31, 2022						
Purchase Date	**Security**	**Face Value (Par)**	**Price**	**Net Purchase Price**	**Maturity**	**Coupon**
12/7/2021	WRLD	$ 3,000,000	99.75	$ 2,992,500	11/1/2026	7.00%
12/16/2021	WRLD	5,000,000	100.00	5,000,000	11/1/2026	7.00%
2/15/2022	WRLD	7,000,000	94.00	6,580,000	11/1/2026	7.00%
3/23/2022	WRLD	2,572,000	87.75	2,256,930	11/1/2026	7.00%
3/30/2022	WRLD	1,250,000	88.25	1,103,125	11/1/2026	7.00%
4/4/2022	WRLD	310,000	88.25	273,575	11/1/2026	7.00%
		$ 19,132,000		**$ 18,206,130**		

Secondary corporate bonds purchased from a broker are recorded on a trade date basis and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt of coupon. The discount to par is amortized over the stated maturity of the corporate bond and recognized as part of interest income on the combined consolidated statements of operations. The typical settlement time for Depository Trust Company bonds is three days. Gains or losses from the sale or call of Corporate Bonds are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date

of sale or call. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

13. Reverse Repurchase Facilities

On October 30, 2019, NGL entered into a Master Repurchase Agreement (the "Repo Agreement") with Nomura Securities International, Inc. ("Nomura") to provide a borrowing facility ("Repo") from which NGL could pledge securities as collateral and borrow up to $105,000,000 under agreed upon terms. Under the terms of the Repo Agreement, NGL received cash up to 75% of the market value of securities with an interest charge of a minimum of 1.80% plus SOFR, calculated as T-2 days for the reference rate. The term of the Repo is two years from commencement date subject to eight rolling three-month periods where upon each reset date, the entire Repo is closed and reopened, and borrowed interest is due to Nomura. Securities in the Repo can be purchased back at any time, subject to maintaining the agreed upon minimum draw on the Repo: 60% drawn during the ramp up period, as defined in the Repo Agreement, ending January 31, 2020, (subsequently extended to March 15, 2020 in the January 15, 2020 amended and restated Repo Agreement), and 90% drawn subsequent to the end of the ramp up period. Should the value of the securities drop to a loan to value ("LTV") greater than 77.5%, NGL Limited must contribute cash or securities to Nomura's collateral account until the combined value is below 70%.

On August 5, 2020, NGL agreed to the amended and restated Repo Agreement lowering the maximum borrowing under the agreement to $80,000,000, lowering the minimum LTV from 60% to 50% and reducing the deleveraging requirement from 77.5% to 60% including a drop in combined LTV from 70% to 50%. On April 27, 2022, NGL amended and restated repurchase agreement to increase the facility maximum to $200,000,000. On October 31, 2023, NGL amended and restated repurchase agreement to extend the scheduled maturity of the facility to November 2, 2026 as well as adjusted the interest rate to 3.30% plus Term SOFR.

Under the terms of the amended and restated Repo Agreement, NGL continues to receive cash up to 60% of the market value of securities. The interest rate at December 31, 2023 was 3MS + 3.30%. For the year ended December 31, 2023 and 2022, the Company paid $15,689,399 and $6,002,989 of interest to Nomura, respectively. Should the value of the securities drop to an LTV greater than 50%, NGL Limited must contribute cash or securities to Nomura's collateral account until the combined value is below 60%.

The following table presents a summary of our repurchase agreement borrowings and interest as of December 31, 2023 and 2022:

Master Repurchase Agreement	December 31, 2023	December 31, 2022
Beginning Balance	$ 196,118,000	$ 110,050,000
Principal Borrowed	828,000	87,315,000
Principal Paid	(610,000)	(1,247,000)
Amortization of debt issuance cost	—	—
Total Outstanding Principal	**196,336,000**	**196,118,000**
Less: unamortized debt issuance cost	—	—
Total Outstanding Principal, net of unamortized debt issuance cost	**$ 196,336,000**	**$ 196,118,000**

14. Mortgages Payable

The Company has outstanding mortgages payable that bear interest at either a fixed or variable rate. Each mortgage payable is secured by a respective real estate property and certain cash reserve accounts required by the borrowing agreements, which are included as restricted cash on the accompanying combined consolidated balance sheets. The following table presents a summary of our mortgages payable as of December 31, 2023 and 2022:

Mortgage Note	Interest Rate [2]	Maturity Date	Amortizing or Interest Only	Outstanding Principal 12/31/2023	Outstanding Principal 12/31/2022
Abbie Lakes [5]	4.20%	10/1/2024	Amortizing	$ 9,676,814	$ 9,872,848
Brooksedge [5]	4.20%	10/1/2024	Amortizing	10,195,876	10,402,426
Reserve at Abbie Lakes [5]	4.20%	10/1/2024	Amortizing	18,669,576	19,047,787
Lakes Edge [5]	4.20%	10/1/2024	Amortizing	9,343,130	9,532,405
Sunbury Ridge [5]	4.20%	10/1/2024	Amortizing	9,713,889	9,910,675
Stonebridge [5]	4.20%	10/1/2024	Amortizing	14,348,379	14,639,050
Jefferson Chase [5]	4.20%	10/1/2024	Amortizing	11,345,230	11,575,063
Lake Ridge [5]	4.11%	10/1/2024	Amortizing	7,455,363	7,607,986

Mortgage Note	Interest Rate [2]	Maturity Date	Amortizing or Interest Only	Outstanding Principal 12/31/2023	Outstanding Principal 12/31/2022
Orchard Village [4]	4.43%	12/1/2025	Amortizing	24,673,727	25,148,946
Sterling Crimson - Loan 1	4.20%	10/1/2026	Amortizing	39,746,264	40,457,910
Hawk's Ridge	4.20%	10/1/2026	Amortizing	23,920,024	24,348,306
Islander Village	4.20%	10/1/2026	Amortizing	10,406,295	10,592,616
Campus Quarters	4.20%	10/1/2026	Amortizing	13,658,262	13,902,809
District on Luther	4.20%	10/1/2026	Amortizing	30,889,351	31,442,416
West 22 - Loan 1 [1]	4.20%	10/1/2026	Amortizing	—	43,868,144
Legacy	4.77%	1/1/2029	Interest Only	7,480,000	7,480,000
Seasons	4.59%	2/1/2029	Interest Only	153,580,000	153,580,000
Abbie Lakes - Loan 2 [5]	5.82%	10/1/2024	Amortizing	2,473,253	2,510,634
Brooksedge - Loan 2 [5]	5.82%	10/1/2024	Amortizing	2,366,378	2,402,144
Reserve at Abbie Lakes - Loan 2 [5]	5.82%	10/1/2024	Amortizing	2,945,204	2,989,719
Lakes Edge - Loan 2 [5]	5.84%	10/1/2024	Amortizing	4,162,429	4,225,101
Sunbury Ridge - Loan 2 [5]	5.83%	10/1/2024	Amortizing	3,438,348	3,490,218
Stonebridge - Loan 2 [5]	5.84%	10/1/2024	Amortizing	2,694,227	2,734,793
Jefferson Chase - Loan 2 [5]	5.82%	10/1/2024	Amortizing	4,691,141	4,762,044
Lake Ridge - Loan 2 [5]	5.82%	10/1/2024	Amortizing	1,477,163	1,499,364
Villages of Baymeadows	4.14%	11/1/2027	Amortizing	75,176,450	76,452,417
Casa del Mar	4.14%	11/1/2027	Amortizing	12,018,805	12,222,800
Sutton Place	4.03%	12/1/2029	Interest Only	44,044,000	44,044,000
Silver Oaks	4.03%	12/1/2029	Interest Only	14,185,000	14,185,000
Steeplechase	4.07%	2/1/2028	Amortizing	36,150,558	36,668,000
West 22 - Loan 2 [1]	6.00%	10/1/2026	Amortizing	—	3,714,149
Sterling Crimson - Loan 2	6.04%	10/1/2026	Amortizing	1,734,294	1,762,483
Olentangy Commons	4.43%	6/1/2030	Interest Only	92,876,000	92,876,000
Villages of Wildwood	4.46%	8/1/2030	Interest Only	39,525,000	39,525,000
Falling Creek	4.52%	9/1/2030	Interest Only	19,335,000	19,335,000
Reserve at Abbie Lakes - Loan 3 [5]	5.88%	10/1/2024	Amortizing	5,329,017	5,415,477
Sunbury Ridge - Loan 3 [5]	5.94%	10/1/2024	Amortizing	1,161,656	1,180,296
Abbie Lakes - Loan 3 [5]	5.94%	10/1/2024	Amortizing	1,099,291	1,116,931
Brooksedge - Loan 3 [5]	5.90%	10/1/2024	Amortizing	2,269,897	2,306,590
Jefferson Chase - Loan 3 [5]	5.90%	10/1/2024	Amortizing	2,139,657	2,174,244
Lake Ridge - Loan 3 [5]	5.91%	10/1/2024	Amortizing	2,139,961	2,174,490
Crown Pointe	4.44%	9/1/2030	Interest Only	89,400,000	89,400,000
Lorring Park	4.83%	11/1/2030	Interest Only	47,680,000	47,680,000
Hamptons Apartments	4.61%	2/1/2031	Interest Only	79,520,000	79,520,000
The Isle	3.79%	7/1/2031	Interest Only	21,200,000	21,200,000
Druid Hills	4.26%	8/1/2046	Interest Only	79,104,000	79,104,000
Abbie Lakes - Loan 4 [5]	4.71%	10/1/2024	Amortizing	1,420,366	1,446,688
Reserve at Abbie Lakes - Loan 4 [5]	4.65%	10/1/2024	Amortizing	1,348,392	1,373,647
Lakes Edge - Loan 3	4.45%	10/1/2024	Amortizing	2,596,679	2,647,053
Sunbury Ridge - Loan 4 [5]	4.67%	10/1/2024	Amortizing	2,016,584	2,054,221
Stonebridge - Loan 3 [5]	4.48%	10/1/2024	Amortizing	6,275,646	6,396,752
Parcstone	3.14%	11/1/2029	Interest Only	30,127,000	30,127,000
Stone Ridge	3.14%	11/1/2029	Interest Only	14,662,000	14,662,000
Sterling Place	3.95%	11/1/2031	Interest Only	34,196,000	34,196,000
West 22 - Loan 3 [1]	4.06%	10/1/2026	Amortizing	—	2,493,507
University Crossing - Loan 2	5.04%	7/1/2030	Interest Only	14,679,000	14,679,000
Arlington Park	5.11%	11/1/2030	Amortizing	13,485,208	13,494,000
Hampton on Jupiter	2.90%	11/1/2032	Interest Only	27,590,000	27,590,000
Palmetto Creek	4.57%	9/1/2030	Interest Only	25,865,000	25,865,000
Valora at Homewood	2.80%	8/1/2030	Interest Only	63,844,000	63,844,000
The Dylan at Fairburn	3.10%	10/1/2026	Interest Only	43,900,000	43,900,000
The Dylan at Grayson	3.10%	10/1/2026	Interest Only	40,500,000	40,500,000
Sutton Place - Loan 2	4.36%	12/1/2029	Amortizing	10,227,961	10,414,291
Silver Oaks - Loan 2	4.36%	12/1/2029	Amortizing	4,604,961	4,688,853

Mortgage Note	Interest Rate [2]	Maturity Date	Amortizing or Interest Only	Outstanding Principal 12/31/2023	Outstanding Principal 12/31/2022
Chimneys of Greenville	3.10%	2/1/2031	Interest Only	14,075,000	14,075,000
The Laurel Apartments	3.06%	3/1/2031	Interest Only	42,025,000	42,025,000
The Willows Apartments	3.06%	3/1/2031	Interest Only	19,000,000	19,000,000
The Edge at Clear Lake	3.87%	4/1/2033	Interest Only	25,496,000	25,496,000
Pear Orchard	3.20%	7/1/2033	Interest Only	38,175,000	38,175,000
Lakeshore Landing	3.20%	7/1/2033	Interest Only	16,950,000	16,950,000
Reflection Pointe	3.20%	7/1/2033	Interest Only	31,050,000	31,050,000
Crosswinds	3.20%	7/1/2033	Interest Only	33,825,000	33,825,000
Parcstone	4.60%	11/1/2029	Interest Only	12,666,000	12,666,000
Stone Ridge	4.60%	11/1/2029	Interest Only	6,883,000	6,883,000
Falling Creek	4.18%	9/1/2030	Interest Only	6,039,000	6,039,000
Elliot Norcross [3]	5.60%	12/1/2024	Interest Only	105,494,199	101,123,607
West Vue [3]	3.50%	1/1/2025	Interest Only	73,000,000	73,000,000
Enclave at Wolfchase	3.67%	4/1/2027	Interest Only	60,000,000	60,000,000
Twin Oaks [3]	4.15%	4/1/2025	Interest Only	35,273,726	33,960,361
Lancaster Place [3]	4.15%	4/1/2025	Interest Only	29,154,930	28,535,911
Rutland Place [3]	4.15%	4/1/2025	Interest Only	23,432,343	22,710,174
Southport Crossing	3.46%	4/1/2032	Interest Only	36,075,000	36,075,000
Cheyenne	4.71%	6/1/2032	Interest Only	17,656,000	17,656,000
Pueblo	4.71%	6/1/2032	Interest Only	20,166,000	20,166,000
Stillwater	4.71%	6/1/2032	Interest Only	15,328,000	15,328,000
Kokomo	4.71%	6/1/2032	Interest Only	12,753,000	12,753,000
Villages of Wildwood - Loan 2	6.80%	8/1/2030	Interest Only	18,868,000	18,868,000
Villages of Baymeadows - Loan 2	7.19%	11/1/2027	Amortizing	14,071,371	14,196,784
Casa del Mar - Loan 2	7.19%	11/1/2027	Amortizing	3,509,920	3,541,202
Pear Orchard - Loan 2	4.50%	7/1/2033	Interest Only	4,800,000	4,800,000
Lakeshore Landing - Loan 2	4.50%	7/1/2033	Interest Only	1,005,000	1,005,000
Reflection Pointe - Loan 2	4.50%	7/1/2033	Interest Only	2,153,000	2,153,000
Crosswinds - Loan 2	4.50%	7/1/2033	Interest Only	4,776,000	4,776,000
Hampton on Jupiter - Loan 2	6.84%	12/1/2032	Interest Only	11,253,000	—
Total outstanding principal				**2,157,731,195**	**2,197,284,332**
Less: unamortized discount and debt issuance costs				(11,499,712)	(15,151,751)
Total mortgages payable, net of unamortized discount and debt issuance costs				**$ 2,146,231,483**	**$ 2,182,132,581**

(1) West 22 was disposed of on October 27, 2023 (Note 3). The mortgage payable was extinguished at date of sale.
(2) Floating interest rates are indexed to the one month USD LIBOR or SOFR. Rates noted are as of December 31, 2023.
(3) The loan includes two one-year extension options beyond the disclosed initial maturity date.
(4)Properties are held for sale and disclosed on the consolidated balance sheets.
(5) The loans were refinanced on June 28, 2024.

On October 27, 2023, in connection with the sale of West 22, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $49,343,602. As a result, the Company recognized a gain on early extinguishment of debt of $245,147, which is included within interest expense on the combined consolidated statements of operations.

On February 1, 2022, in connection with the sale of Verandas at Rocky Ridge, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $18,410,000. As a result, the Company recognized a loss on early extinguishment of debt of $503,896, which is included within interest expense on the combined consolidated statements of operations.

Future scheduled principal payments of mortgage payable are as follows: $105,115,507 (2024), $111,749,382 (2025), $119,988,865 (2026), $124,580,862 (2027), $126,305,510 (2028), and $1,569,991,071 (thereafter).

15. Ground Leases

The Company entered into ground lease agreements through acquisition of Druid Hills and West Vue. If the Company has right to extend the term of a ground lease, such option period has been included within the calculation of the right of use assets and lease liabilities. The Company incurred initial costs of $15,689,752 to acquire the leases, which is included in the intangibles and amortized over the life of the lease. As of December 31, 2023 and 2022, the right-of-use asset were $22,232,919 and $24,311,989, respectively. As of December 31, 2023 and 2022, the lease liability was $27,415,908 and $26,926,303, respectively. During the years ended December 31, 2023 and 2022, the

lease expense recognized on a straight-line basis was $4,263,995 and $4,263,995, respectively, and is included in property operating expenses on the accompanying combined consolidated statements of operations.

The Company utilized the risk-free rate over the term of each lease as the discount rate to be applied to its future lease payments when accounting for its right of use assets and lease liabilities, which ranged between 4.26% and 7.11%.

The table below presents the summarized quantitative information with regard to lease contracts the Company has entered into as of December 31, 2023:

Category	Term
Weighted avg. of remaining term - operating leases (months)	947
Weighted avg. of remaining term - operating leases (years)	79
Weighted avg. of annual discount rate - operating leases	6.04%

The table below presents the summarized quantitative information with regard to lease contracts the Company has entered into as of December 31, 2022:

Category	Term
Weighted avg. of remaining term - operating leases (months)	956
Weighted avg. of remaining term - operating leases (years)	80
Weighted avg. of annual discount rate - operating leases	6.04%

The future minimum lease payments to be paid under noncancelable leases in effect as of December 31, 2023 are as follows:

Year	Payment
2024	$ 1,432,408
2025	1,459,777
2026	1,487,692
2027	1,516,166
2028	1,545,209
Thereafter	373,800,917
Total balance due	381,242,169
Less: lease discount	(353,826,260)
Lease liabilities	**$ 27,415,909**

Total cash paid for amounts included in lease liabilities for the years ended December 31, 2023 and 2022 are $1,407,794 and $1,381,446, respectively.

In addition, as of December 31, 2023 and 2022, the Company also has an equipment lease liability of $140,377 and $573,807, respectively.

16. Income Taxes

Income taxes consisted of the following for the years ended:

	December 31, 2023	December 31, 2022
Current federal tax expense	(3,573)	(11,380)
Income tax expense	**$ (3,573)**	**$ (11,380)**

17. Equity

As of December 31, 2023 and 2022, the Company authorized 100,000,000 common shares, par value $0.001. NPH is the Company's sole common stockholder. As of December 31, 2023 and 2022, the Company paid an aggregate of $876,160,619 and $876,160,619 of dividends on common shares, respectively.

As of December 31, 2023 and 2022, the Company had 125 shares outstanding in connection with a private placement of 12.5% Series A Cumulative Non-Voting Preferred Stock, par value $0.001 per share (Series A Preferred Stock), respectively. In general, holders of Series A Preferred Stock are entitled to receive cumulative dividends semiannually at a per annum rate equal to 12.5% of the total purchase price of $1,000 per share plus accumulated and unpaid dividends. The Series A Preferred Stock is redeemable by the Company for $1,000 per share plus accumulated and unpaid dividends. Upon liquidation and dissolution of the Company, the holders of the Series A Preferred Stock

are entitled to a liquidation preference in the amount of the share's purchase price, plus all accumulated and unpaid dividends. Series A Preferred Stock are not convertible or exchangeable for any other property or securities of the Company. As of December 31, 2023 and 2022, the Company paid an aggregate of $282,374 and $266,749 of dividends on Series A preferred shares, respectively.

18. Related Party Transactions

On December 31, 2013, the Company entered into a management assistance agreement with Prospect Administration LLC ("Prospect") to provide significant managerial assistance to the Company on behalf of PSEC.

In accordance with the Investment Company Act of 1940, PSEC must make available "significant managerial assistance" to the Company. Prospect provides assistance with significant guidance and counsel concerning the management, operations, and business objectives and policies to the Company. Services may include arranging financing, managing relationships with financing sources, restructuring existing debt and evaluating acquisition and divestiture opportunities. Prospect also exercises a controlling influence over the policies of the Company. On a quarterly basis, the Company pays a managerial assistance fee to Prospect for time and effort in assisting and providing commercial and mezzanine lending, investment banking, and private equity investing services. The Company incurred managerial assistance fees of $2,575,000 and $2,100,000 for each of the years ended December 31, 2023 and 2022, which are included in management fees in the accompanying combined consolidated statements of operations.

On a quarterly basis, the Company pays Prospect for professional services provided related to legal counsel, taxation, and general accounting. For the years ended December 31, 2023 and 2022, the Company incurred professional service fees of $2,088,611 and $1,773,219, respectively, which are included in general and administrative expenses in the accompanying combined consolidated statements of operations. As of December 31, 2023 and 2022, $595,697 and $651,770, respectively, is due to Prospect and is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

As of December 31, 2023, $4,617, $1,221 and $3,307,281 is due to Prospect, Prospect Capital Management ("PCM") and PSEC, respectively, for reimbursement of expenses paid on behalf of the Company and is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

As of December 31, 2022, $78,112, $8,738 and $3,323 is due to Prospect, PCM and PSEC, respectively, for reimbursement of expenses paid on behalf of the Company and is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

The Company generally incurs a 2.0% to 3.0% structuring fee for the PSEC equity portion of each acquired property. The structuring fee is paid to PSEC for structuring and providing guidance for each purchase transaction. For the years ended December 31, 2023 and 2022, the Company incurred structuring fees of $0 and $2,685,990, respectively.

The Company also entered into property management agreements with the non-controlling interest joint venture partners to manage the operations of the properties. The Company pays a monthly management fee of 2.0% - 5.0% of the gross monthly rents to the property managers. For the years ended December 31, 2023 and 2022, property management fees were $9,685,549 and $8,604,274, respectively, and are included in management fees in the combined consolidated statements of operations.

The Company also pays a monthly asset management fee up to 2.00% of the gross monthly rents to the property managers. For the years ended December 31, 2023 and 2022, asset management fees were $2,858,917 and $2,676,322, respectively. These amounts are included in the management fee line item in the accompanying combined consolidated statements of operations.

As of December 31, 2023 and 2022, $6,127,755 and $5,510,912 of management fees and asset management fees, respectively, were payable to property managers, and is included in due to affiliates in the accompanying combined consolidated balance sheets.

The property management agreements also stipulate that a construction management fee up to 5.0% of project cost is to be paid to the property managers. For the years ended December 31, 2023 and 2022, capitalized construction management fees were $6,919,885 and $4,951,656, respectively, and are included within building and improvements in the accompanying combined consolidated balance sheets.

The Company generally incurs an acquisition fee from 0.5% to 1.0% of the purchase price of each acquired property. The acquisition fee is paid to the Property Managers for services rendered in connection with the investigation, selection, sourcing, due diligence and acquisition of a property or investment. For the years ended December 31, 2023 and 2022, the Company incurred acquisition fees of $0 and $2,013,700, respectively. The amounts related to the

years ended December 31, 2023 and 2022 have been capitalized and included in real estate assets in the accompanying combined consolidated balance sheets.

In connection with the acquisitions of properties together with non-controlling joint venture partners, the Company will sometimes retain a portion of the partners' acquisition fees as deferred acquisition fees. These deferred acquisition fees are earned by and payable to the non-controlling joint venture partner upon reaching certain performance measures. During the years ended 2023 and 2022, $528,000 and $0, respectively, were paid to the non-controlling joint venture partners, respectively. As of December 31, 2023 and 2022, $1,877,499 and $2,068,799, respectively, of deferred acquisition fees were retained by the Company and included within due to affiliates on the combined consolidated balance sheets. As of December 31, 2023, $0 and $540,365, respectively, of deferred acquisition fees retained by the Company are included within restricted cash on the combined consolidated balance sheets.

The Company noted that certain expenses are paid for by the property managers and have yet to be reimbursed. As of December 31, 2023 and 2022, unreimbursed advances and other amounts due to related parties were $1,197,781 and $2,848,376, respectively, and are recorded by the Company as due to affiliates on the combined consolidated balance sheets.

19. Senior Secured Term Loans - Related Party

NPRC Credit Agreement

On April 1, 2014, the Company entered into a credit agreement (the "Credit Agreement") with PSEC in the form of a senior secured term loan. As of December 31, 2023 and 2022, the total commitment was $2,700,000,000 and $2,700,000,000, respectively.

On November 9, 2022, the Company amended the Credit Agreement. The amendment resulted in a new tranche of senior secured Term Loan E ("TLE"). Under the amended and restated Credit Agreement, the new TLE incurs cash interest equivalent to three-month USD LIBOR rate with a floor of 5.00%, plus 2.00%, and PIK interest of 7.00%.

On June 30, 2023, the Company amended the Credit Agreement to replace 3M USD LIBOR rate with 3M SOFR.

On September 30, 2023, the Company amended the Credit Agreement to update term loan cash and PIK interest rates, which are summarized in the next page. The maturity date of the senior secured term loans under the amended Credit Agreement is March 31, 2026.

The Credit Agreement does not require payments on the outstanding principal until maturity, with prepayments allowed but may be subject to a prepayment penalty. During the year ended December 31, 2023, the Company has voluntarily pre-paid in aggregate $86,950,000 of the Term Loan A and B and incurred a prepayment penalty of $245,000. During the year ended December 31, 2022, the Company had voluntarily pre-paid in aggregate $94,351,510 of the Term Loan A and B and incurred a prepayment penalty of $98,515.

The Company is required to make payments for Residual Profit Interest equivalent to 8.33% of the residual profit earned during the applicable period. The Company determines the residual profit as all gross receipts from operations received by the Company less the sum of operating expenses, interest expense, structuring fees, M&A fees, and cost basis in connection to the sale of any real estate property during the applicable period.

Cash interest and Residual Profit Interest are payable in cash quarterly. PIK interest due quarterly is added to the outstanding principal balance of the loan or paid in cash, in whole or in part, at the option of the Company.

The Company generally incurs structuring fees from restructuring or refinancing the Credit Agreement, which are deferred and amortized over the life of the senior secured term loan. The structuring fees are capitalized as a direct offset to the term loan balance on the combined consolidated balance sheets. For the years ended December 31, 2023 and 2022, the Company incurred $15,475,530 and $0 of structuring fees for borrowings under the senior secured term loans, respectively. For the years ended December 31, 2023 and 2022, $4,729,980 and $4,106,358 were amortized and recorded within interest expense on the combined consolidated statements of operations, respectively.

The following tables present a summary of our senior secured term loan terms and payable as of December 31, 2023 and 2022:

	As of December 31, 2023		
Senior Secured Term Loan	**Cash Rate**	**PIK Rate**	**Outstanding Principal**
Term Loan A	3M SOFR[(1)] + 0.25%	2.00%	$ 589,538,045
Term Loan B	3M SOFR[(2)] + 0.26161% + 2.00%	—%	20,630,000
Term Loan C	3M SOFR[(3)] + 0.26161% + 10.00%	2.25%	210,000,000
Term Loan D	3M SOFR[(1)] + 0.25%	2.00%	183,425,355
Term Loan E	3M SOFR[(4)] + 1.50%	7.00%	14,107,431
Total outstanding principal			**1,017,700,831**
Less: unamortized debt issuance costs			(14,851,908)
Total senior secured term loans, net of debt issuance costs			**$1,002,848,923**
(1) Rates are accrued at minimum SOFR floor of 400 basis points			
(2) Rates are accrued at minimum SOFR floor of 300 basis points			
(3) Rates are accrued at minimum SOFR floor of 100 basis points			
(4) Rates are accrued at minimum SOFR floor of 550 basis points			

	As of December 31, 2022		
Senior Secured Term Loan	**Cash Rate**	**PIK Rate**	**Outstanding Principal**
Term Loan A	3M LIBOR[(1)] + 1.44%	3.53%	$ 458,747,266
Term Loan B	3M LIBOR[(1)] + 2.00%	5.50%	23,080,000
Term Loan C	3M LIBOR[(2)] + 10.00%	2.25%	200,600,000
Term Loan D	3M LIBOR[(1)] + 0.50%	2.50%	183,425,355
Term Loan E	3M LIBOR[(3)] + 2.00%	7.00%	13,151,592
Total outstanding principal			**879,004,213**
Less: unamortized debt issuance costs			(4,106,358)
Total senior secured term loans, net of debt issuance costs			**$ 874,897,855**
(1) Rates are accrued at minimum LIBOR floor of 300 basis points			
(2) Rates are accrued at minimum LIBOR floor of 100 basis points			
(3) Rates are accrued at minimum LIBOR floor of 500 basis points			

For the year ended December 31, 2023, the Company incurred $76,247,081, $27,856,774, and $54,042,137 of cash interest, PIK interest, and Residual Profit Interest, respectively. For the year ended December 31, 2023, a total of $27,680,343 of PIK interest was paid in cash on the senior secured term loans. As of December 31, 2023, $568,240 of cash interest and $176,432 of PIK interest is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

For the year ended December 31, 2022, the Company incurred $49,159,031, $25,055,620, and $81,118,070 of cash interest, PIK interest, and Residual Profit Interest, respectively. For the year ended December 31, 2022, a total of $25,050,506 of PIK interest was paid in cash on the senior secured term loans. As of December 31, 2022, $0 of cash interest and $5,115 of PIK interest is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

20. Commitments and Contingencies

The Company believes that it has complied with the requirements of the mortgage payable by obtaining the requisite third-party insurance coverage for losses that may be incurred at the properties. Losses for amounts below the threshold of the deductible amounts specified in certain of the Company's insurance policies are self-insured; however, management does not believe that this exposure will have a material adverse effect on the Company's combined consolidated financial position or results of operations.

Periodically, the Company may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of business. The Company does not believe that there are any proceedings threatened or pending, if determined adversely, that would have a material adverse effect on the financial position, results of operations, or liquidity of the Company.

The Company may at times issue certain loan guarantees to obtain financing related to the Company's investments. These guarantees may include but are not limited to repayment guarantees, completion guarantees, and debt ratio guarantees to certain lenders of the Company's investments in real estate assets. Under certain guarantees, the Company may be liable in the event of fraud, misappropriation, environmental liabilities and other recourse obligations. As of December 31, 2023, the Company has not violated any of these guaranty provisions.

21. Subsequent Events

On January 19, 2024, the Company acquired The Apex Apartments, a multi-family property located in Cincinnati, OH, for an aggregate purchase price of $34,225,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $27,712,000.

On January 19, 2024, the Company acquired The Parkton Apartments, a multi-family property located in Cincinnati, OH, for an aggregate purchase price of $45,775,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $37,090,000.

On May 9, 2024, the Company sold Filet of Chicken to an unaffiliated third party for a gross sales price of $12,000,000. The Company recognized a gain of $7,370,352 in connection with the sale.

On May 30, 2024, the Company sold Orchard Village to an unaffiliated third party for a gross sales price of $48,500,000. The Company recognized a gain of $20,683,786 in connection with the sale.

On June 20, 2024, the Company sold University Crossing to an unaffiliated third party for a gross sales price of $16,000,000. The Company recognized a gain of $57,087 in connection with the sale.

On June 28, 2024, the Company made $35,300,000 preferred equity investment to recapitalize an existing portfolio of multi-family properties located in Columbus, OH. The investment will earn current pay of 8% and paid-in-kind interest of 7%. As a result of this recapitalization, the Company executed a refinance in the amount of $212,107,000. The new debt has a maturity date of July 1, 2029.

The Company has evaluated subsequent events through August 9, 2024, the date of which these combined consolidated financial statements were available to be issued, and has determined that, except for the above, there have not been any additional events that have occurred that would require adjustments to, or disclosures in, the combined consolidated financial statements.

National Property REIT Corp.

Combined Consolidated Financial Statements
For the years ended December 31, 2022 and 2021
(With Independent Auditor's Report Thereon)

National Property REIT Corp.
Combined Consolidated Financial Statements
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Independent Auditor's Report

To the Board of Directors
National Property REIT Corp.

Opinion

We have audited the combined consolidated financial statements of National Property REIT Corp., which comprise the combined consolidated balance sheets as of December 31, 2022 and 2021, and the related combined consolidated statements of operations, changes in (deficit) equity and cash flows for the years then ended, and the related notes to the combined consolidated financial statements.

In our opinion, the accompanying combined consolidated financial statements present fairly, in all material respects, the financial position of National Property REIT Corp. as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Property REIT Corp. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Property REIT Corp.'s ability to continue as a going concern for one year after the date that the combined consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the combined consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Property REIT Corp.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Property REIT Corp's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ CohnReznick LLP

New York, New York
August 10, 2023

National Property REIT Corp.
Combined Consolidated Balance Sheets

	December 31,	
	2022	**2021**
ASSETS		
Real estate assets		
Land	$ 252,884,617	$ 228,759,487
Building and improvements	2,314,165,808	1,979,291,168
Furniture, fixtures, and equipment	154,762,761	125,461,545
Total real estate assets held for investment	2,721,813,186	2,333,512,200
Less: accumulated depreciation	(380,314,083)	(284,947,428)
Net real estate assets held for investment	2,341,499,103	2,048,564,772
Real estate assets held for sale, net	—	12,790,589
Total real estate assets, net	2,341,499,103	2,061,355,361
Cash and cash equivalents	35,212,438	45,488,636
Restricted cash	37,869,284	39,317,283
Accounts receivable, net	22,573,685	15,533,773
Interest receivable	8,075	18,949
Due from LendingClub Corporation	20,756	26,415
Due from affiliates	1,053,834	169,881
Preferred equity investments	13,073,865	—
Prepaid expenses and other assets	11,467,721	10,263,647
Collateralized loan obligations at fair value	424,746,173	237,125,053
Unsecured consumer loans at fair value	520,946	3,221,119
Residual interests in securitizations at fair value	8,540,118	1,348,844
Corporate bonds at fair value	11,616,950	8,032,000
Interest rate caps at fair value	25,724,128	3,311,090
Deferred leasing costs, net	111,596	72,928
Lease intangibles, net	15,790,350	19,761,306
Right-of-use assets	24,886,491	32,527,309
TOTAL ASSETS	**$ 2,974,715,513**	**$ 2,477,573,594**
LIABILITIES AND DEFICIT		
Liabilities		
Mortgages payable, net of unamortized discount and debt issuance costs	$ 2,182,132,581	$ 1,890,194,593
Mortgages payable related to real estate assets held for sale, net of unamortized discount and debt issuance costs	—	18,071,860
Reverse repurchase facilities, at fair value, net of unamortized debt issuance costs	196,118,000	110,050,000
Senior secured term loans, net of debt issuance costs	874,897,855	577,562,769
Accounts payable and accrued expenses	42,763,943	31,064,827
Security deposits	6,594,854	5,380,629
Due to affiliates	11,175,146	8,944,976
Prepaid rent and other liabilities	8,332,467	7,335,342
Lease liabilities	27,500,110	27,064,199
Total liabilities	3,349,514,956	2,675,669,195
Commitments and contingencies (Note 20)		
Deficit		
Preferred stock, $0.001 par value, Series A Cumulative Non-Voting, 12.5%; $125,000 liquidation preference, 125 shares authorized, issued and outstanding	109,950	109,950
Common stock, $0.001 par value; 100,000,000 common shares authorized, 3,350,519 and 3,275,011 issued and outstanding, respectively	3,351	3,275
Additional paid-in-capital	15,219,904	3,199,980
Accumulated deficit	(392,654,099)	(210,120,766)
Non-controlling interest	2,521,451	8,711,960
Total deficit	(374,799,443)	(198,095,601)
TOTAL LIABILITIES AND DEFICIT	**$ 2,974,715,513**	**$ 2,477,573,594**

See Notes to Combined Consolidated Financial Statements.

National Property REIT Corp.
Combined Consolidated Statements of Operations

	Years Ended December 31,	
	2022	**2021**
Income		
Rental income	$ 280,675,103	$ 258,601,791
Interest income	39,717,233	20,323,440
Other income	49,581,397	39,943,881
Total income	369,973,733	318,869,112
Costs and expenses		
Property operating expenses	153,617,314	131,839,479
Management fees	13,710,008	12,480,080
Depreciation and amortization	120,495,413	116,017,305
General and administrative expenses	28,743,890	23,297,791
Total costs and expenses	316,566,625	283,634,655
Other income (expense)		
Interest expense	(259,241,778)	(205,125,612)
Fair value adjustments	3,935,656	8,171,152
Gain on sale of real estate assets	20,956,684	360,338,800
Gain on involuntary conversions	1,531,629	655,239
Gain on litigation settlements	—	15,151,362
Total other income (expense), net	(232,817,809)	179,190,941
Income (Loss) before income tax	(179,410,701)	214,425,398
Income tax expense	(11,380)	(7,219)
Net income (loss)	(179,422,081)	214,418,179
Income attributable to non-controlling interest	(3,095,627)	(65,378,285)
Dividends attributable to preferred shares	(15,625)	(15,625)
Net income (loss) attributable to common shares	$ (182,533,333)	$ 149,024,269

See Notes to Combined Consolidated Financial Statements.

National Property REIT Corp.
Combined Consolidated Statements of Changes in (Deficit) Equity

	Preferred Shares	Common Shares	Additional Paid-in-Capital	Accumulated Deficit	Total Stockholders' (Deficit)	Non-Controlling Interest	Total (Deficit)
Balance at December 31, 2020	**$ 109,950**	**$ 3,255**	**$ —**	**$ (359,145,035)**	**$ (359,031,830)**	**$ 2,625,607**	**$ (356,406,223)**
Issuance of common shares	—	20	3,199,980	—	3,200,000	—	3,200,000
Contribution from non-controlling interest	—	—	—	—	—	25,447,674	25,447,674
Dividends on preferred shares	—	—	—	(15,625)	(15,625)	—	(15,625)
Distributions to non-controlling interest	—	—	—	—	—	(84,739,606)	(84,739,606)
Net income	—	—	—	149,039,894	149,039,894	65,378,285	214,418,179
Balance at December 31, 2021	**109,950**	**3,275**	**3,199,980**	**(210,120,766)**	**(206,807,561)**	**8,711,960**	**(198,095,601)**
Issuance of common shares	—	76	16,019,924	—	16,020,000	—	16,020,000
Contribution from non-controlling interest	—	—	—	—	—	9,567,328	9,567,328
Dividends on common shares	—	—	(4,000,000)	—	(4,000,000)	—	(4,000,000)
Dividends on preferred shares	—	—	—	(15,625)	(15,625)	—	(15,625)
Distributions to non-controlling interest	—	—	—	—	—	(18,853,464)	(18,853,464)
Net (loss) income	—	—	—	(182,517,708)	(182,517,708)	3,095,627	(179,422,081)
Balance at December 31, 2022	**$ 109,950**	**$ 3,351**	**$ 15,219,904**	**$ (392,654,099)**	**$ (377,320,894)**	**$ 2,521,451**	**$ (374,799,443)**

See Notes to Combined Consolidated Financial Statements.

National Property REIT Corp.
Combined Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2022	**2021**
Cash Flows from Operating Activities:		
Net income (loss)	$ (179,422,081)	$ 214,418,179
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	96,897,855	91,089,441
Amortization of in-place leases	23,160,600	24,695,720
Amortization of leasing commissions	153,421	148,683
Amortization of other deferred leasing cost	1,246	6,519
Amortization of above market leases	282,291	167,540
Amortization of right-of-use assets	8,045,707	58,085
Amortization of debt issuance costs and debt discounts and premiums	7,440,085	6,440,459
Amortization of discount on collateralized loan obligations	(2,374,186)	(1,327,196)
Gain on sale of real estate assets	(20,956,684)	(360,338,800)
Gain on involuntary conversions	(1,531,629)	(655,239)
Loss on early extinguishment of debt	503,896	16,969,517
Fair value adjustments of collateralized loan obligations	1,322,497	(5,856,470)
Fair value adjustments of unsecured consumer loans	(807,032)	(1,287,136)
Fair value adjustments of residual interests in securitizations	2,995,389	(188,325)
Fair value adjustments of corporate bonds	6,621,180	—
Fair value adjustments of interest rate caps	(14,067,690)	—
Income from accretion on residual interests in securitizations	(1,109,048)	(1,075,545)
Income from accretion on preferred equity investments	(42,486)	—
Changes in operating assets and liabilities:		
Accounts receivable	(7,039,912)	(2,749,428)
Interest receivable	10,874	59,260
Due to affiliates, net	1,346,217	(1,158,147)
Prepaid expenses and other assets	(1,204,074)	1,606,803
Accounts payable and accrued expenses	9,263,946	2,745,951
Security deposits and other liabilities	2,211,350	214,429
Deferred leasing costs	(193,335)	(124,390)
Right-of-use assets	—	(639,885)
Lease liabilities	435,911	593,131
Net cash used in operating activities	**(68,055,692)**	**(16,186,844)**
Cash Flows from Investing Activities:		
Acquisition of real estate assets	(333,890,228)	(491,780,510)
Additions to real estate assets	(55,039,076)	(49,465,033)
Additions to lease intangibles	(19,876,824)	(34,394,310)
Proceeds from disposition of real estate assets	33,693,591	617,744,613
Proceeds from involuntary conversion	3,117,599	4,019,752
Purchases of collateralized loan obligations	(186,569,431)	(44,332,546)
Principal payments received on collateralized loan obligations	—	7,391,139
Decrease in amortized cost of collateralized loan obligations	—	165,448
Principal payments received on unsecured consumer loans	3,043,954	10,392,221
Proceeds from recoveries and sales of charged-off loans	463,251	1,324,039
Purchase of preferred equity investments	(13,031,379)	—
Purchase of corporate bonds	(10,206,130)	(8,032,000)
Purchases of equity securitizations	(20,668,884)	—
Principal payments received on securitized residual interests	11,591,269	6,464,576
Decrease in due from LendingClub Corporation	5,659	153,177
Decrease in due from Prosper Funding LLC	—	37,587
Net cash provided by (used in) investing activities	**(587,366,629)**	**19,688,153**

National Property REIT Corp.
Combined Consolidated Statements of Cash Flows

	Years Ended December 31,	
	2022	**2021**
Cash Flows from Financing Activities:		
Proceeds from mortgages payable	296,524,430	491,035,505
Repayments of mortgages payable	(22,401,909)	(331,049,878)
Proceeds from reverse repurchase facilities	87,315,000	48,969,000
Repayments of reverse repurchase facilities	(1,247,000)	(18,919,000)
Proceeds from senior secured term loan	387,580,238	207,028,800
Repayments of senior secured term loan	(94,351,510)	(315,481,965)
Purchases of interest rate caps	(8,345,348)	—
Payment of debt issuance costs	(3,909,916)	(8,236,102)
Payment of debt extinguishment costs	(184,100)	(14,364,152)
Proceeds from issuance of common stock	16,020,000	3,200,000
Dividends on common shares	(4,000,000)	—
Dividends on preferred shares	(15,625)	(15,625)
Contributions from non-controlling interest	9,567,328	25,447,674
Distributions to non-controlling interests	(18,853,464)	(84,739,606)
Net cash provided by financing activities	**643,698,124**	**2,874,651**
Net increase (decrease) in cash, cash equivalents, and restricted cash	(11,724,197)	6,375,960
Cash, cash equivalents, and restricted cash, beginning of year	84,805,919	78,429,959
Cash, cash equivalents, and restricted cash, end of year	**$ 73,081,722**	**$ 84,805,919**

Supplemental Disclosures		
Cash paid during the year for:		
Interest expense	$ 249,486,382	$ 198,762,427
Income taxes	$ 11,380	$ 7,219
Non-cash investing and financing activities:		
Right-of-use assets acquired from assumption of ground lease	$ —	$ 25,275,984
Mortgage loan assumed by purchaser upon sale of real estate assets	$ —	$ 95,317,256
Accrued additions to real estate assets	$ 3,857,202	$ 1,422,032

See Notes to Combined Consolidated Financial Statements.

1. Organization

References herein to the "Company," "we," "us," or "our" refer to National Property REIT Corp. ("NPRC"), formerly known as National Property Holdings Corp., unless the context specifically requires otherwise.

The Company is a Maryland corporation and is a real estate investment trust ("REIT") for U.S. federal income tax purposes. The Company 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. The Company intends to acquire real estate assets, including, but not limited to, industrial, commercial, student housing, self-storage, and multi-family properties. The Company commenced operations on December 31, 2013.

NPH Property Holdings, LLC ("NPH"), a Delaware limited liability company, owns all of the outstanding common stock of the Company. NPH is a wholly-owned subsidiary of Prospect Capital Corporation ("PSEC"). On December 31, 2013, PSEC contributed to the Company, through NPH, ownership interests in entities that own real estate properties. In exchange for the contribution of assets, NPH received shares of the Company's common stock. These entities were NPH McDowell, LLC ("Oxford"), APH Carroll 41, LLC ("Bexley"), and 146 Forest Parkway, LLC ("146 FP"). On October 23, 2014, United Property REIT Corp. ("UPRC"), an affiliated entity indirectly owned by PSEC, contributed to the Company ownership interest in Michigan Storage, LLC ("Michigan"), an entity that owned a portfolio of self-storage real estate properties. UPH Property Holdings, LLC ("UPH"), a Delaware limited liability company, owned all of the outstanding common stock of UPRC. UPH was a wholly-owned subsidiary of PSEC. On November 26, 2014, American Property REIT Corp. ("APRC"), an affiliated entity indirectly owned by PSEC, contributed to the Company, ownership interest in APH Carroll Resort, LLC (the "Resort"), an entity that owned a multi-family real estate property. On May 1, 2015, APRC contributed to the Company ownership interest in 5100 Live Oaks Blvd, LLC ("Amberly"), an entity that owned a multi-family real estate property. APH Property Holdings, LLC ("APH"), a Delaware limited liability company, owned all of the outstanding common stock of APRC. APH was a wholly-owned subsidiary of PSEC. These entity contribution transactions are collectively referred to as the "Common Control Transfer."

On May 23, 2016, APRC and UPRC (collectively referred to as the "Affiliated REITs") were merged ("Merger") with and into the Company, with the Company continuing as the surviving corporation. The Affiliated REITs were formed to hold for investment, operate, finance, lease, manage, and sell a portfolio of real estate assets. At the date of Merger, the Affiliated REITs held an investment portfolio of real estate assets owned directly or through joint ventures by making a majority equity investment in property-owning entities. The real estate investments acquired during the Merger are collectively known as the "Merger Investments."

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations*, the Merger and Common Control Transfer transactions noted above were executed between entities under common control. The assets and liabilities of each of the entities acquired through these transactions were recorded at their historical carrying amounts, and the results of operations of these entities have been recognized in the accompanying combined consolidated statements of operations for all periods presented. Subsequent to the Merger during 2016, NPRC's combined consolidated balance sheets reflect the historical carryover basis in the assets and liabilities acquired. The Company has also retrospectively adjusted its financial statements to combine the operating results of the Company and the entities acquired from the date common control began.

National Marketplace Finance, LLC (formerly known as Prospect Finance Company, LLC) ("NMF") is a subsidiary of the Company, and currently owns the online originated unsecured consumer loan portfolio and residual interests in securitizations. NMF holds the interests in ACL Loan Holdings, Inc. ("ACLLH") and American Consumer Lending Limited ("ACLL").

ACLLH was formed to hold the indirect interest in ACL Consumer Loan Trust ("ACL Trust"), which was contributed to ACLLH on June 30, 2014 by the Company, its initial sole member. ACL Trust and American Consumer Lending (Prime), LLC, a subsidiary of ACLL, (collectively with ACL Trust, referred to as the "ACL Subsidiaries"), hold unsecured consumer loans purchased from Prosper Funding LLC ("Prosper").

ACL Consumer Loan Trust III ("ACL Trust III"), a subsidiary of ACLLH, formed on June 10, 2014, and American Consumer Lending III (Near-Prime), LLC, a subsidiary of ACLL, (collectively with ACL Trust III, referred to as the "ACL III Subsidiaries"), formed on June 13, 2014, hold unsecured consumer loans purchased from LendingClub Corporation. ACL Consumer Loan Trust IV ("ACL Trust IV"), a subsidiary of ACLLH, formed on March 23, 2015, and American Consumer Lending IV (Near-Prime), LLC, a subsidiary of ACLL, (collectively with ACL Trust IV, referred to as the "ACL IV Subsidiaries"), formed on January 15, 2015, hold unsecured consumer loans originated by and purchased from LendingClub Corporation. ACL Patient Solutions Trust ("ACL PS"), a subsidiary of ACLLH, formed on October 14, 2015, and ACL Patient Solutions Holdings, LLC, a subsidiary of ACLL, formed on October

5, 2015, hold unsecured consumer loans from NBT Bank, National Association ("NBT"). From October 20, 2015 to December 31, 2018 ACL PS acquired and held unsecured consumer loans as part of a loan purchase and sale agreement between ACL PS, NBT and Springstone Financial, LLC ("Springstone"), a wholly-owned subsidiary of LendingClub Corporation. ACL Consumer Loan Trust V ("ACL Trust V"), a subsidiary of ACLL, formed on October 16, 2015, holds unsecured consumer loans purchased from Avant II, LLC ("Avant") for the period November 17, 2015 to December 31, 2018. ACL Consumer Loan Trust VI ("ACL Trust VI"), a subsidiary of ACLLH, formed on April 27, 2016, and American Consumer Lending VI, LLC, a subsidiary of ACLL, (collectively with ACL Trust VI, referred to as the "ACL VI Subsidiaries"), formed on November 30, 2015, hold unsecured consumer loans purchased from LendingClub Corporation for the period May 1, 2016 to December 31, 2018. Murray Hill Securitization Holdings Limited ("Murray Hill"), a subsidiary of ACLL, formed on July 24, 2015, holds interest in Murray Hill Marketplace Trust 2016-LC1, a securitization of unsecured consumer loans purchased from LendingClub Corporation for the period October 13, 2016 to December 31, 2018. Murray Hill also holds residual interests in securitizations. LendingClub Corporation and Springstone are hereafter collectively referred to as "LendingClub". American Consumer Lending VII, LLC, a subsidiary of ACLL, formed on October 5, 2017, holds unsecured consumer loans purchased from Prosper and NBT during the period July 28, 2015 to December 31, 2018.

NPH Guarantor, LLC was contributed to NMF on January 13, 2015 by the Company, its initial sole member. NPH Guarantor, LLC is the indemnitor of the ACL III Subsidiaries and ACL PS revolving credit facilities. There was no activity in NPH Guarantor, LLC from inception through December 31, 2018.

National General Lending Limited ("NGL"), a wholly-owned entity of the Company, was formed on May 23, 2019 to own various debt tranches in collateralized loan obligations (“CLOs”). NGL holds the CLOs in NGL Subsidiary Ltd. ("NGL Limited"), a wholly-owned Cayman Islands limited liability company that was formed August 26, 2019. Operations to buy and sell CLOs commenced on October 30, 2019. In connection with NGL's commencement of operations during 2019, PSEC contributed approximately $12,000,000 in cash and transferred approximately $52,139,000 of CLOs.

2. Significant Accounting Policies

a. Principles of Reporting and Use of Estimates

The accompanying combined consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any contingent assets and liabilities at the date of the combined consolidated financial statements and the reported amounts of revenues and expenses during the reported periods.

Management makes significant estimates regarding the allocation of a property’s purchase price to the tangible and intangible assets and liabilities acquired, revenue recognition, and determining whether an asset is impaired. These estimates and assumptions are based on management’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment.

As future events and their effects cannot be determined with precision, actual results could materially differ from those estimates.

b. Basis of Consolidation and Transfers of Financial Assets

The accompanying combined consolidated financial statements include our accounts and those of our subsidiaries, which are wholly-owned or controlled by us. All intercompany balances and transactions have been eliminated. A non-controlling interest in a consolidated subsidiary is defined as the portion of the equity in a subsidiary not attributable, directly or indirectly, to the Company. Non-controlling interests are required to be presented as a separate component of equity in the combined consolidated balance sheets and the presentation of net income (loss) is modified to present the net income (loss) attributed to controlling and non-controlling interests.

For a variable interest entity ("VIE"), an entity is subject to consolidation if the equity investors either do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support, are unable to direct the entity's activities or are not exposed to the entity's losses or entitled to its residual returns. VIEs that meet certain scope characteristics are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has both the power to direct the activities of a VIE that most significantly impact the VIEs economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. This determination can sometimes involve complex and subjective analysis. We are required on an ongoing basis to assess whether we are the primary beneficiary of a VIE.

We may periodically enter into transactions in which we sell financial assets. Upon a transfer of financial assets, we may retain or acquire senior or subordinated interests in the related assets. In connection with such transactions, a determination must be made as to whether we, as the transferor, have surrendered control over transferred financial assets. That determination must consider our continuing involvement in the transferred financial assets, including all arrangements or agreements made contemporaneously with, or in contemplation of, the transfer, even if they were not entered into at the time of the transfer. The financial components approach under applicable GAAP limits the circumstances in which a financial asset, or portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset to an entity that is not consolidated with the transferor in the financial statements being presented and/or when the transferor has continuing involvement with the transferred financial asset. It defines the term "participating interest" to establish specific conditions for reporting a transfer of a portion of a financial asset as a sale.

From time to time, we may securitize unsecured consumer loans we hold if such securitization allows us access to better financing terms. Depending upon the structure of the securitization transaction, these transactions will be accounted for as either a "sale" and the loans will be removed from the combined consolidated balance sheets or as a "financing" with the loans and financing reported on our combined consolidated balance sheets. Significant judgment may be exercised by us in determining whether a transaction should be recorded as a "sale" or a "financing."

In determining the accounting treatment to be applied to securitization transactions, we evaluate whether the entity used to facilitate the transactions was a VIE and, if so, whether the VIE should be consolidated. Based on our evaluations, we have concluded that one of our securitizations is a VIE that should be consolidated. The Company has determined that the other securitizations that we participated in should not be consolidated since, among other things, we concluded that the transfer of the underlying assets qualified as a sale.

c. Purchase Accounting and Acquisitions of Real Estate

Prior to the Company's adoption of Accounting Standards Update ("ASU") 2017-01 in January 2018, the Company recorded the acquisition of real estate that will be used for the production of income as a business combination. All assets acquired and liabilities assumed in a business combination were measured at their acquisition date fair values. Acquisition costs were expensed as incurred. Upon adoption of ASU 2017-01, the Company records the acquisition of real estate that will be used for the production of income as an asset acquisition, with all assets acquired and liabilities assumed recorded at their acquisition date fair values. Acquisition costs are capitalized and allocated to the acquired tangible assets, consisting of land, building and improvements, furniture, fixtures and equipment. The Company assesses the acquisition date fair values of all tangible assets, and identified lease intangibles, consisting of in-place leases, tenant relationships, deferred leasing costs, and above-market and below-market leases.

Real estate assets, including land, building and improvements, and furniture, fixtures and equipment are stated at historical cost less accumulated depreciation. Costs associated with the development, construction and improvement of the Company's real estate assets are capitalized as incurred. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred, while major replacements and betterments, which improve or extend the useful life of the asset, are capitalized and depreciated over the estimated useful lives.

The Company records depreciation expense using the straight-line method over the useful lives of the respective assets. The estimated useful lives are as follows:

Category	Term
Building	15 to 54 years
Improvements	2 to 14 years
Furniture, fixtures, and equipment	2 to 14 years

Depreciation expense for the years ended December 31, 2022 and 2021 was $96,897,855 and $91,089,441, respectively, and is included in depreciation and amortization expense in the accompanying combined consolidated statements of operations.

The value of acquired land, buildings and improvements is estimated by formal appraisals, observed comparable sales transactions and information gathered during pre-acquisition due diligence activities. The valuation approach considers the value of the property as if it were vacant. The values of furniture, fixtures and equipment are estimated by calculating their replacement cost and reducing that value by factors based upon estimates of their remaining useful lives.

The value allocated to acquired lease intangibles is based on management's evaluation of the specific characteristics of each tenant's lease. Characteristics considered by management in allocating these values include the nature and extent of the existing business relationships with the tenant, growth prospects for developing new business with the tenant, the remaining term of the lease and the tenant's credit quality, among other factors.

The value of in-place leases and deferred leasing costs are amortized to expense over the remaining term of the respective leases, which range from less than a year to seventeen years. The amount allocated to acquire in-place leases is determined by calculating the estimated time to fill a hypothetically empty property to its stabilization level based on historical observed move-in rates for each property. The intangible assets are calculated by estimating the net cash flows of the in-place leases to be realized, as compared to the net cash flows that would have occurred had the property been vacant at the time of acquisition and subject to lease-up. The amount allocated to deferred leasing costs is determined by what the Company would have paid to a third-party to secure a new tenant reduced by the expired term of the respective lease. The value of tenant relationships is amortized over the remaining initial lease term and expected renewals, which is thirty seven years. The amount allocated to tenant relationships is the benefit resulting from the likelihood of a tenant renewing its lease. Acquired intangible assets generally have no residual value. Amortization expense related to these assets was $23,597,558 and $24,927,864 for the years ended December 31, 2022 and 2021, respectively.

d. Impairment of Real Estate

The Company reviews the carrying value of its real estate assets and intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such reviews indicate that the asset may be impaired, given that the carrying amount of an asset exceeds the sum of its expected future cash flows, on an undiscounted basis, the asset's carrying amount is written down to its fair value. Estimating future cash flows and fair values is highly subjective and such estimates could differ materially from actual results. For the years ended December 31, 2022 and 2021, the Company did not record any impairment charges related to real estate assets.

e. Assets Held for Sale and Discontinued Operations

The Company classifies certain real estate assets as held for sale on the combined consolidated balance sheets once the criteria, as defined by GAAP, have been met. Real estate assets to be disposed of are reported at the lower of their carrying amount or fair value minus cost to sell and are no longer depreciated. The Company reports discontinued operations when the disposal of real estate assets represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. No disposal met the definition of discontinued operations as of December 31, 2022 and 2021.

f. Environmental Matters

Under various federal, state and local environmental laws, statutes, ordinances, rules and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, in or under such property as well as certain other potential costs relating to hazardous or toxic substances. These liabilities may include government fines and penalties and damages for injuries to persons

and adjacent property. Such laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence or disposal of such substances. The Company recognizes a liability for environmental matters if it is probable a liability has been incurred and the amount of loss can be reasonably estimated. As of December 31, 2022 and 2021, the Company is not aware of any environmental matters that would have an impact on the combined consolidated financial statements.

g. Fair Value Measurements

In accordance with ASC Topic 820, *Fair Value Measurement* ("ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market considering the highest and best use of an asset or nonperformance risk related to a liability, at the measurement date. The Company uses the most observable inputs that are available to measure fair value. Observable inputs are inputs that the market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's views about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 - quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2 - observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- Level 3 - unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considering counterparty credit risk, where applicable, in the Company's assessment of fair value.

The Company carries its mortgages payable, debt related to consolidated VIE, preferred equity investment, and senior secured term loan at cost, net of unamortized discount, debt issuance costs, and associated amortization, on the accompanying combined consolidated balance sheets.

h. Fair Value of Financial Instruments

Pursuant to ASC Topic 825, *Financial Instruments* ("ASC 825"), which provides entities with an option to report selected financial assets and liabilities at fair value, the Company has made an election to measure its unsecured consumer loans, residual interest in securitizations, CLOs, corporate bonds, interest rate caps, and reverse repurchase facilities at fair value on the combined consolidated balance sheets. We elected to use the fair value option to align the measurement attributes of both our assets and liabilities while mitigating volatility in earnings from using different measurement attributes. Under this election, (a) unsecured consumer loans charged off, recoveries, and realized gains (losses), and (b) net increase or decrease in unrealized appreciation (depreciation) of the unsecured consumer loans, residual interest in securitizations, CLOs, corporate bonds, interest rate caps, and reverse repurchase facilities are recorded as fair value adjustments on the combined consolidated statements of operations.

i. Revenue Recognition

Rental revenues from residential, student housing, and self-storage tenants are recognized on a contractual basis, as lease periods for these investments are short-term in nature. Rental revenues are recorded net of bad debts, which include the change in the reserve for uncollectible receivables. The Company recognizes reimbursement for utilities and other expenses recoveries as other revenue when earned. Rental revenues from industrial and commercial tenants are recognized on a straight-line basis over the term of the lease. The industrial and commercial leases contain rental increases at specified intervals. The Company records as an asset, and includes in rental revenues, deferred rent receivable that will be received if the tenant makes all rent payments required through the expiration of the initial term of the lease. Deferred rent receivable in the accompanying combined consolidated balance sheets includes the cumulative difference between rental revenue recorded on a straight-line basis and rents received from the tenants in accordance with the respective lease terms.

Minimum future rental receipts under the noncancelable portion of commercial and industrial tenant leases, assuming no new or renegotiated leases, for the next five years and thereafter are as follows: $1,249,664 (2023), $1,318,339 (2024), $1,318,339 (2025), $1,318,339 (2026), $1,318,339 (2027), and $6,300,557 (thereafter).

Interest income is recognized on an accrual basis, in accordance with the terms of the loan agreement, to the extent that such amounts are expected to be collected. Generally, our unsecured consumer loans are placed on non-accrual status when the loan is greater than 60 days contractually delinquent or charged off, which may occur if a borrower were to declare bankruptcy prior to a loan being 60 days delinquent, at which point the associated interest receivable balance is reversed against the interest income on the combined consolidated statements of operations. For residual interests in securitizations, interest income is recognized using the effective interest method. Under this method, we recognize as interest income, over the life of the securities, the excess of the cash flows expected to be collected over the securities' carrying value. We update our estimates of expected cash flows quarterly and recognize changes in the calculated effective interest rate on a prospective basis. For certain investments held by the Company, cash not received for interest may be recorded through a payment-in-kind ("PIK"). Interest income recorded as PIK is recognized as income in the period earned.

Gains and losses on the sale of real estate are recognized pursuant to ASC 610, *Gains and Losses from the Derecognition of Nonfinancial Assets*. Any gain or loss on sale is measured based on the difference between the amount of consideration received and the carrying amount of the sold real estate asset, less costs to sell. For a partial sale of real estate resulting in a transfer of control, the Company measures any non-controlling interest retained at fair value, and recognizes a gain or loss on the difference between the fair value and the carrying amount of the real estate assets retained.

j. Cash and Cash Equivalents

The Company considers all highly-liquid instruments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents includes funds deposited with financial institutions and short-term, highly-liquid overnight investment in money market funds. As of December 31, 2022 and 2021, $69,524 and $5,057,364 of the cash and cash equivalents, respectively, disclosed on the combined consolidated balance sheets represent investments in money market funds, with the remainder held in deposit accounts, substantially all of which exceeded applicable insurance limits.

k. Restricted Cash

Restricted cash consists of cash escrowed under the operating agreements and mortgage agreements for debt service, real estate taxes, property insurance, and capital improvements and other restricted deposits.

As of December 31, 2022 and 2021, the Company had cash and cash equivalents of $35,212,438 and $45,488,636, respectively; in addition, the Company had restricted cash of $37,869,284 and $39,317,283 as of December 31, 2022 and 2021, respectively. Total cash and cash equivalents, and restricted cash was $73,081,722 and $84,805,919 as of December 31, 2022 and 2021, respectively.

l. Unsecured Consumer Loans

Unsecured consumer loans consist of individual loans purchased from various originators of unsecured consumer loans ("Lending Platforms") under terms of the Company’s agreement with the respective platforms, who are sellers of the unsecured consumer loans that continue to service such loans. Unsecured consumer loans made through the Lending Platforms are issued by WebBank, an FDIC-insured, Utah chartered industrial

bank, except for loans issued by NBT. After funding a loan, WebBank sells the loan to the Lending Platform, without recourse, in exchange for the principal amount of the loan. Loans issued by NBT are purchased by the Company as part of a loan purchase and sale agreement between ACL PS, NBT and Springstone. All loans purchased are unsecured obligations of individual borrowers with a fixed interest rate and loan terms set between 12 and 84 months. Unsecured consumer loans are recorded on the date purchased by the Company, which is generally at least fifteen days after origination. Unsecured consumer loans are charged off in the month that the loan becomes greater than 120 days contractually delinquent or in the month that the borrower has entered bankruptcy, at which point the outstanding principal amount is written off against the total balance of the unsecured consumer loans on the combined consolidated balance sheets. This results in a fair value adjustment on the combined consolidated statements of operations. Recoveries on charged off loans and sales of charged off loans to third-parties are recorded as received, net of fees.

m. Due from Lending Platforms

LendingClub and Prosper are online marketplace Lending Platforms from which we purchase unsecured consumer loans. The Due from LendingClub Corporation and Due from Prosper Funding LLC amounts presented on the combined consolidated balance sheets represent cash deposited at LendingClub and Prosper, respectively.

n. Allowance for Doubtful Accounts

The Company monitors its accounts receivable on a tenant-by-tenant basis and if cash collection is deemed not probable, the Company establishes a full reserve for the individual tenant's outstanding balance. For the remaining receivable balance, the Company establishes and maintains a general reserve reflecting the Company's expectation that a portion of the operating receivables will not be collected. As of December 31, 2022 and 2021, allowance for bad debt was $3,129,901 and $4,944,777, respectively, and is included as accounts receivable within the combined consolidated balance sheets.

o. Asset Management and Management Services

Management fee expenses are recognized when incurred in accordance with the terms of each respective management agreement.

p. Debt Issuance Costs and Unamortized Debt Discounts

The Company defers costs incurred in connection with obtaining financing and amortizes the costs using the straight-line method, which approximates the effective interest rate method, over the terms of the related debt as a component of interest expense. The Company also recognizes a debt discount or premium in connection with mortgages assumed at fair value in accordance with ASC 805. Debt issuance costs and unamortized debt discounts have been presented as a direct deduction to our mortgages payable, mortgages payable related to real estate assets held for sale, debt related to consolidated VIE, and senior secured term loans in the accompanying combined consolidated balance sheets.

At December 31, 2022 and 2021, the Company had net debt issuance costs and debt discounts of $19,258,121 and $23,108,088, respectively. Amortization of debt issuance costs and debt discounts of $7,440,085 and $6,440,459 is included in interest expense in the combined consolidated statements of operations for the years ended December 31, 2022 and 2021, respectively.

q. Non-controlling Interests

Non-controlling interests are comprised of the Company’s joint venture partners’ interests in the joint ventures in real estate properties that the Company consolidates. The Company reports its joint venture partners’ interests in its consolidated real estate joint ventures and other subsidiary interests held by third-parties as non-controlling interests. The Company records these non-controlling interests at their initial fair value, adjusting the basis prospectively for their share of the respective consolidated investments’ net income or loss and equity contributions and distributions. These non-controlling interests are not redeemable by the equity holders and are presented as part of permanent equity. Income and losses are generally allocated pro rata based on the respective ownership percentages until the venture reaches certain performance measures, at which time the other venture party will be entitled to preferred distributions (profit interests).

r. Income Taxes

The Company elected to be taxed as a REIT for U.S. federal income tax purposes, under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). The Company believes it operates in such a manner as to qualify for treatment as a REIT for federal income tax purposes. Accordingly, the Company

generally will not be subject to federal income tax, provided that distributions to its stockholders equal at least the amount of its taxable income. A REIT is subject to a number of organizational and operational requirements, including, among others, a requirement that it currently distributes at least 90% of its taxable income to stockholders, subject to certain adjustments. If the Company fails to qualify as a REIT in any taxable year without the benefit of certain relief provisions, it will be subject to federal and state income taxes on its taxable income at regular corporate income tax rates. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state or local taxes on its income, property or net worth and federal taxes and excise taxes on its undistributed income. In addition, taxable income from non-REIT activities managed through the Company's taxable REIT subsidiaries ("TRS") will be fully subject to federal, state and local income taxes.

The Company accounts for TRS income taxes under the liability method as required by ASC Topic 740, *Income Taxes*. Under the liability method, deferred income taxes are recognized for the temporary differences between the GAAP basis and tax basis of the TRS income, assets and liabilities. For the years ended December 31, 2022 and 2021, several of the Company's subsidiaries were considered taxable corporations for U.S. federal and state income tax purposes. The taxable U.S. corporate subsidiaries are subject to corporate level U.S. federal, state and local income tax on their net taxable income.

ASC 740, *Income Taxes* ("ASC 740") provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the combined 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 December 31, 2022 and 2021, we did not have a liability for any unrecognized tax benefits. 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 ongoing analysis of tax laws, regulations and interpretations thereof. We file tax returns for U.S. federal, various states and foreign jurisdictions. The statute of limitation is open for all jurisdictions for tax years beginning in 2018.

The Company's policy is to classify interest and penalties on tax positions, if any, as expenses. For the years ended December 31, 2022 and 2021, no interest and penalties have been accrued.

s. Concentration of Counterparty Risk and Credit Risk

In the normal course of its business, the Company encounters counterparty risk and credit risk. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, principal and interest outstanding on unsecured consumer loans, and amounts deposited with each of the Company's Lending Platforms. Counterparty risk represents the risk that we would incur if the counterparties failed to perform pursuant to the terms of their agreements with us.

t. Servicing, Collection and Upfront Fees

The Company incurs a monthly servicing fee for each outstanding unsecured consumer loan, which is payable to the Lending Platforms for managing payments from borrowers and maintaining loan account portfolios. The Company incurs collection fees on amounts recovered from delinquent loans, which is payable to the Lending Platforms. The Company incurs an upfront fee on unsecured consumer loans purchased from Avant. All servicing, collection and upfront fees are expensed as incurred.

u. Collateralized Loan Obligations ("CLOs")

The Company holds investments in CLOs which are subordinated debt interests in syndicated loans managed by third-party collateral managers with industry experience. The outstanding investments range in expected maturity from April 2026 to October 2033 and pays interest based on the three-month LIBOR ("3ML") plus 5.20% to 9.23%.

Secondary CLOs purchased from a broker are recorded on the trade date and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt within the first two quarterly payment cycles. The discount to par is amortized over the expected maturity of the CLO debt, which is calculated using estimated cash flows on the date of purchase.

Primary CLOs purchased either from the collateral manager or the broker are recorded on the settled date, to reflect the potential changes, updates or resizing of the position, due to the long-term nature of settlement. The typical settlement time for Depository Trust Company bonds is three days. Amortization of an original issue

discount is calculated to expected maturity date, based on projected cash flows at the time of purchase, and recorded over the expected life of the bond.

Gains or losses from the sale or call of CLOs are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale or call. Restructured or permanently impaired CLOs are recorded in the period of measurement and recorded on the combined consolidated statements of operations as a realized gain or loss and amortized to expected maturity based on the available cash flows at the time of measurement. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

v. Corporate bonds

The Company holds corporate bonds comprised of investment grade and high yield corporate bonds including performing credit strategies focused on income-oriented, senior loan and bond investment strategies targeting U.S. issuers.

Secondary corporate bonds purchased from a broker are recorded on a trade date basis and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt of coupon. The discount to par is amortized over the stated maturity of the corporate bond and recognized as part of interest income on the combined consolidated statements of operations. The typical settlement time for Depository Trust Company bonds is three days. Gains or losses from the sale or call of Corporate Bonds are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale or call. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

w. Interest rate caps

In order to manage the risks associated with the variable rate financing of the mortgage, the Company may enter into various interest rate cap agreements. The cap agreements have initial notional values equal to the original loan amount of the related mortgages.

Derivative instruments not meeting the criteria for hedge accounting are recorded at fair value on the balance sheets with any change in fair value reflected in the combined consolidated statement of operations in the period of change. The fair value of the interest rate caps as of December 31, 2022 and 2021 was $25,724,128 and $3,311,090, respectively. For the year ended December 31, 2022 and 2021, there was $14,067,690 and $0, respectively, of gain recorded for the fair value of the interest rate caps.

x. Reclassifications

Certain amounts in the 2021 combined consolidated financial statements have been reclassified to conform to the 2022 presentation.

y. Recent accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, an update to ASC Topic 326, Financial Instruments – Credit Losses. ASU 2016-13 requires measurement and recognition of expected credit losses on financial instruments measured at amortized cost at the end of each reporting period rather than recognizing the credit losses when it is probable that the loss has been incurred in accordance with current GAAP. In November 2018, the FASB issued ASU 2018-19, which clarified that receivables arising from operating leases are not within the scope of ASC Topic 326, and instead, impairment of receivables arising from operating leases should be accounted for under the scope of ASC Topic 842, Leases. In May 2019, the FASB issued ASU 2019-05, which provides transition relief for entities adopting ASU 2016-13 by allowing entities to elect the fair value option on certain financial instruments. ASU 2016-13 is effective for interim and annual reporting periods in fiscal years that begin after December 15, 2019, with early adoption permitted. The Company adopted the provisions of ASU 2016-13 on January 1, 2022. This adoption did not have a material impact on the combined consolidated financial statements.

3. Recent Real Estate Transactions

Acquisition of Real Estate Assets Held for Investment

During 2022 and 2021, the Company acquired the following properties:

- On May 26, 2022, the Company, together with a joint venture partner, acquired Kokomo, a multi-family property located in Kokomo, IN for an aggregate purchase price of $20,500,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $12,753,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $911,917.
- On May 26, 2022, the Company, together with a joint venture partner, acquired Stillwater, a multi-family property located in Stillwater, OK for an aggregate purchase price of $26,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $15,328,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,244,358.
- On May 26, 2022, the Company, together with a joint venture partner, acquired Pueblo, a multi-family property located in Pueblo, CO for an aggregate purchase price of $31,500,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $20,166,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,307,918.
- On May 26, 2022, the Company, together with a joint venture partner, acquired Cheyenne, a multi-family property located in Cheyenne, WY for an aggregate purchase price of $27,500,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $17,656,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,158,374.
- On March 29, 2022, the Company, together with a joint venture partner, acquired Southport Crossing, a multi-family property located in Indianapolis, IN for an aggregate purchase price of $48,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $35,600,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,141,881.
- On March 18, 2022, the Company acquired Rutland Place, a multi-family property located in Macon, GA for an aggregate purchase price of $29,750,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $22,500,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On March 18, 2022, the Company acquired Lancaster Place, a multi-family property located in Calera, AL for an aggregate purchase price of $37,550,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $28,350,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On March 18, 2022, the Company acquired Twin Oaks, a multi-family property located in Hattiesburg, MS for an aggregate purchase price of $44,850,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $33,830,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On March 18, 2022, the Company acquired Enclave at Wolfchase, a multi-family property located in Cordova, TN for an aggregate purchase price of $82,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $60,000,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.
- On December 30, 2021, the Company, together with a joint venture partner, acquired West Vue, a multi-family property located in Orlando, FL for an aggregate purchase price of $97,500,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $73,000,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $3,255,556.
- On November 30, 2021, the Company, together with a joint venture partner, acquired Elliot Norcross, a multi-family property located in Norcross, GA for an aggregate purchase price of $128,000,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $98,800,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $3,530,000.
- On June 28, 2021, the Company, together with a joint venture partner, acquired Crosswinds, a multi-family property located in Pearl, MS for an aggregate purchase price of $41,400,000 exclusive of acquisition and

closing costs. For the purchase of this property, the Company obtained bank financing of $33,825,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $2,676,334.

- On June 28, 2021, the Company, together with a joint venture partner, acquired Reflection Pointe, a multi-family property located in Flowood, MS for an aggregate purchase price of $45,100,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $31,050,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $2,906,888.
- On June 28, 2021, the Company, together with a joint venture partner, acquired Lakeshore Landing, a multi-family property located in Ridgeland, MS for an aggregate purchase price of $22,600,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $16,950,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $1,618,561.
- On June 28, 2021, the Company, together with a joint venture partner, acquired Pear Orchard, a multi-family property located in Ridgeland, MS for an aggregate purchase price of $50,900,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $38,175,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $3,298,216.
- On March 12, 2021, the Company, together with a joint venture partner, acquired The Edge at Clear Lake, a multi-family property located in Webster, TX for an aggregate purchase price of $34,000,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $25,496,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $2,879,205.
- On February 26, 2021, the Company, together with a joint venture partner, acquired The Willows Apartments, a multi-family property located in Spartanburg, SC for an aggregate purchase price of $23,255,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $19,000,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $255,396.
- On February 26, 2021, the Company, together with a joint venture partner, acquired The Laurel Apartments, a multi-family property located in Spartanburg, SC for an aggregate purchase price of $57,005,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $42,025,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $784,850.
- On January 27, 2021, the Company acquired Chimneys of Greenville, a multi-family property located in Taylors, SC for an aggregate purchase price of $18,762,000 exclusive of acquisition and closing costs. For the purchase of this property, the Company obtained bank financing of $14,075,000. On the date of acquisition, the fair value of the non-controlling interest in the joint venture was $0.

The below listed 2022 and 2021 acquisitions have been accounted for as asset acquisitions. The purchase price was allocated to the acquired assets and liabilities based on their estimated fair values at the date of acquisition. The Company allocated the purchase price, plus capitalized acquisition costs, of the properties acquired during 2022 and 2021 as follows:

Property	Land	Building	Improvements	FF&E	Lease Intangibles	Total Purchase Price
2022 Acquisitions:						
Enclave at Wolfchase	$ 4,284,151	$ 73,000,327	$ 1,627,778	$ 520,290	$ 3,496,227	$ 82,928,773
Twin Oaks	1,631,277	40,379,141	1,235,591	309,137	1,875,969	45,431,115
Lancaster Place	2,106,551	33,038,965	951,016	249,514	1,625,929	37,971,975
Rutland Place	1,852,142	26,142,545	607,972	234,807	1,343,056	30,180,522
Southport Crossing	2,660,957	42,356,055	617,900	1,008,572	2,070,961	48,714,445
Cheyenne	1,371,052	25,432,206	203,431	316,397	949,190	28,272,276
Pueblo	1,532,088	29,211,806	—	408,557	1,021,392	32,173,843
Stillwater	3,720,206	21,896,069	—	318,876	850,332	26,785,483
Kokomo	389,928	19,671,250	58,809	292,446	779,856	21,192,289
Total 2022:	**$ 19,548,352**	**$ 311,128,364**	**$ 5,302,497**	**$ 3,658,596**	**$ 14,012,912**	**$ 353,650,721**
2021 Acquisitions:						
Chimneys of Greenville	$ 1,936,290	$ 15,592,225	$ 340,242	$ 174,266	$ 1,036,424	$ 19,079,447
The Laurel Apartments	2,354,507	49,394,544	1,943,720	909,741	2,726,218	57,328,730
The Willows Apartments	1,032,581	19,942,980	931,347	314,836	1,255,294	23,477,038
The Edge at Clear Lake	2,226,104	29,274,788	691,210	704,424	1,702,613	34,599,139
Pear Orchard	4,640,967	42,831,836	1,584,471	242,271	2,465,642	51,765,187
Lakeshore Landing	2,129,945	18,899,508	699,982	119,997	1,145,969	22,995,401
Reflection Pointe	4,275,522	34,346,013	1,347,499	183,382	1,953,365	42,105,781
Crosswinds	3,767,644	38,279,260	1,255,882	221,035	2,344,981	45,868,802
Elliot Norcross	14,597,360	105,690,697	2,709,752	1,450,392	5,373,821	129,822,022
West Vue	—	81,507,503	1,950,869	1,284,918	14,399,659	99,142,949
Total 2021:	**$ 36,960,920**	**$ 435,759,354**	**$ 13,454,974**	**$ 5,605,262**	**$ 34,403,986**	**$ 526,184,496**

The weighted average amortization period of acquired in-place leases was approximately six months for each of the years ended December 31, 2022 and 2021, respectively.

Summarized information regarding properties sold during the years ended December 31, 2022 and 2021 is set forth in the table below:

Property	Disposition Date	Asset Type	Gross Sale Price	Gain on Sale
2022 Dispositions:				
Verandas at Rocky Ridge	2/1/2022	Multi-family	$ 34,670,000	$ 20,956,684
Total 2022:			**$ 34,670,000**	**$ 20,956,684**
2021 Dispositions:				
Union Place	1/29/2021	Multi-family	$ 77,300,000	$ 18,966,200
Canterbury	10/13/2021	Multi-family	171,800,000	113,313,696
Forest Park	10/19/2021	Multi-family	107,300,000	53,499,660
Gulf Coast	12/1/2021	Multi-family	265,330,000	174,559,244
Total 2021:			**$ 621,730,000**	**$ 360,338,800**

4. Real Estate Assets

The Company's ownership interests in real estate properties range from 67% to 100% via either direct ownership or ownership of a property owning entity. Through its ownership interests, the Company controls and therefore consolidates the properties and property owning entities. The interest owned by the other joint venture partner is reflected as non-controlling interest in these combined consolidated financial statements.

The Company's real estate assets consisted of the following as of December 31, 2022 and 2021:

Property	Acquisition Date	Ownership Percentage	Asset Type	Location	Real Estate Assets, Net of Accumulated Depreciation	
					2022	2021
Filet of Chicken	10/24/2012	100.0%	Industrial	Forest Park, GA	$ 4,064,982	$ 4,225,493
Arlington Park	5/8/2013	93.3%	Multi-Family	Marietta, GA	8,616,016	8,387,519
Verandas at Rocky Ridge	11/15/2013	99.3%	Multi-Family	Vestavia Hills, AL	—	12,790,100
Taco Bell, OK	6/4/2014	100.0%	Commercial	Yukon, OK	1,080,637	1,133,714
Taco Bell, MO	6/4/2014	100.0%	Commercial	Marshall, MO	872,568	916,862
Abbie Lakes	9/30/2014	79.1%	Multi-Family	Canal Winchester, OH	10,070,645	10,318,581
Brooksedge	9/30/2014	79.1%	Multi-Family	Reynoldsburg, OH	9,574,690	9,873,596
Reserve at Abbie Lakes	9/30/2014	79.1%	Multi-Family	Canal Winchester, OH	22,577,192	23,366,142
Lake's Edge	9/30/2014	79.1%	Multi-Family	Pickerington, OH	9,709,282	10,132,352
Sunbury Ridge	9/30/2014	79.1%	Multi-Family	Columbus OH	11,375,360	11,872,598
Stonebridge	9/30/2014	79.1%	Multi-Family	Blacklick, OH	16,284,411	17,017,050
Jefferson Chase	9/30/2014	79.1%	Multi-Family	Blacklick, OH	10,286,606	10,673,209
Lake Ridge	10/29/2014	79.1%	Multi-Family	Hilliard, OH	5,647,294	5,882,478
Orchard Village	11/5/2015	80.0%	Multi-Family	Aurora, IL	28,425,777	29,524,559
Sterling Crimson	9/28/2016	67.0%	Student Housing	Tuscaloosa, AL	42,362,222	43,325,815
Hawks Ridge	9/28/2016	67.0%	Student Housing	Iowa City, IA	26,762,353	26,760,642
Islander Village	9/28/2016	67.0%	Student Housing	Corpus Christi, TX	10,875,899	11,114,729
Campus Quarters	9/28/2016	67.0%	Student Housing	Corpus Christi, TX	14,277,046	14,544,927
District on Luther	9/28/2016	67.0%	Student Housing	College Station, TX	30,507,794	30,722,119
West 22	9/28/2016	67.0%	Student Housing	Kennesaw, GA	45,474,999	46,630,704
Legacy	9/28/2016	67.0%	Student Housing	Statesboro, GA	5,929,116	6,172,263
University Crossing	9/28/2016	67.0%	Student Housing	Manhattan, KS	16,858,191	17,338,300
Seasons	1/30/2017	92.5%	Multi-Family	Laurel, MD	164,652,567	167,281,000
Villages of Baymeadows	10/31/2017	92.5%	Multi-Family	Jacksonville, FL	82,038,859	84,280,919
Casa del Mar	10/31/2017	92.5%	Multi-Family	Jacksonville, FL	13,388,394	13,772,317
Silver Oaks	11/8/2017	92.5%	Multi-Family	Southfield, MI	14,088,499	14,069,596
Sutton Place	11/8/2017	92.5%	Multi-Family	Southfield, MI	43,808,107	45,993,359
Steeplechase	1/9/2018	92.5%	Multi-Family	Largo, MD	40,135,930	41,345,174
Olentangy Commons	6/1/2018	92.5%	Multi-Family	Columbus, OH	103,376,766	105,579,130
Villages of Wildwood	7/20/2018	92.5%	Multi-Family	Fairfield, OH	43,465,102	45,338,690
Falling Creek	8/8/2018	90.0%	Multi-Family	Richmond, VA	21,812,770	22,508,966
Crown Pointe	8/30/2018	80.0%	Multi-Family	Danbury, CT	96,754,311	98,544,334
Lorring Park	10/30/2018	80.0%	Multi-Family	Forestville, MD	56,642,818	57,891,108
Hamptons	1/9/2019	92.5%	Multi-Family	Beachwood, OH	76,343,120	80,273,436
The Isle	6/28/2019	92.5%	Multi-Family	Orlando, FL	24,524,503	24,850,216
Druid Hills	7/30/2019	96.3%	Multi-Family	Atlanta, GA	76,552,758	77,842,281
Parcstone	10/15/2019	88.0%	Multi-Family	Fayetteville, NC	40,094,024	41,169,242
Stone Ridge	10/15/2019	88.0%	Multi-Family	Fayetteville, NC	19,972,653	20,524,688
Sterling Place	10/28/2019	92.5%	Multi-Family	Columbus, OH	40,196,735	39,683,098
Hampton on Jupiter	11/2/2020	80.0%	Multi-Family	Dallas, TX	35,123,195	35,507,104
Palmetto Creek	11/10/2020	90.0%	Multi-Family	North Charleston, SC	31,299,438	31,452,060
Valora at Homewood	11/19/2020	90.0%	Multi-Family	Homewood, AL	73,413,788	75,645,779
The Dylan at Fairburn	12/14/2020	100.0%	Multi-Family	Fairburn, GA	48,589,466	49,618,896
The Dylan at Grayson	12/14/2020	100.0%	Multi-Family	Grayson, GA	44,488,009	45,437,812
Chimneys of Greenville	1/27/2021	100.0%	Multi-Family	Taylors, SC	18,255,507	17,900,909
The Laurel Apartments	2/26/2021	96.3%	Multi-Family	Spartanburg, SC	54,304,114	54,612,779
The Willows Apartments	2/26/2021	96.3%	Multi-Family	Spartanburg, SC	20,894,148	21,629,286
The Edge at Clear Lake	3/12/2021	80.0%	Multi-Family	Webster, TX	32,889,330	33,721,152
Pear Orchard	6/28/2021	80.0%	Multi-Family	Ridgeland, MS	47,662,565	48,779,012

Property	Acquisition Date	Ownership Percentage	Asset Type	Location	Real Estate Assets, Net of Accumulated Depreciation 2022	2021
Lakeshore Landing	6/28/2021	80.0%	Multi-Family	Ridgeland, MS	20,879,577	21,616,956
Reflection Pointe	6/28/2021	80.0%	Multi-Family	Flowood, MS	38,603,634	39,777,295
Crosswinds	6/28/2021	80.0%	Multi-Family	Pearl, MS	41,368,894	42,985,832
Elliot Norcross	11/30/2021	90.0%	Multi-Family	Norcross, GA	125,570,287	124,255,893
West Vue	12/30/2021	90.0%	Multi-Family	Orlando, FL	83,173,770	84,743,290
Enclave at Wolfchase	3/18/2022	100.0%	Multi-Family	Cordova, TN	77,513,083	—
Twin Oaks	3/18/2022	100.0%	Multi-Family	Hattiesburg, MS	42,954,111	—
Lancaster Place	3/18/2022	100.0%	Multi-Family	Calera, AL	35,827,253	—
Rutland Place	3/18/2022	100.0%	Multi-Family	Macon, GA	28,208,461	—
Southport Crossing	3/29/2022	92.5%	Multi-Family	Indianapolis, IN	47,412,735	—
Cheyenne	5/26/2022	90.0%	Senior Living	Cheyenne, WY	26,964,513	—
Pueblo	5/26/2022	90.0%	Senior Living	Pueblo, CO	30,780,715	—
Stillwater	5/26/2022	90.0%	Senior Living	Stillwater, OK	25,693,236	—
Kokomo	5/26/2022	90.0%	Senior Living	Kokomo, IN	20,148,278	—
Total net real estate assets					**$ 2,341,499,103**	**$ 2,061,355,361**

5. Lease Intangibles

Lease intangibles consist of the following:

	As of December 31, 2022			As of December 31, 2021		
	Lease Intangibles	Accumulated Amortization	Lease Intangibles, net	Lease Intangibles	Accumulated Amortization	Lease Intangibles, net
In-place leases	$ 109,870,457	$(104,818,996)	$ 5,051,461	$ 95,857,545	$ (86,403,445)	$ 9,454,100
Above-market leases	10,989,653	(687,180)	10,302,473	9,825,842	—	9,825,842
Below-market leases	—	—	—	—	—	—
Tenant relationships	239,208	(65,433)	173,775	239,208	(58,997)	180,211
Deferred leasing costs	635,325	(372,685)	262,640	635,325	(334,172)	301,153
Total	**$ 121,734,643**	**$(105,944,294)**	**$ 15,790,349**	**$ 106,557,920**	**$ (86,796,614)**	**$ 19,761,306**

Future amortization expense for the Company's lease intangibles is as follows: $95,686 (2023), $95,686 (2024), $95,686 (2025), $95,686 (2026), $95,686 (2027), and $15,311,919 (thereafter).

6. Real Estate Assets Held for Sale

As of December 31, 2022, no real estate assets met the criteria to be classified as held for sale.

As of December 31, 2021, the real estate assets held by Veranda at Rocky Ridge met the criteria to be classified as held for sale. The Company entered into a purchase and sale agreement with an unrelated third-party on October 1, 2021. The sale closed on February 1, 2022, resulting in the recognition of a gain in the amount of $20,956,684.

Below is a summary of the major classes of real estate assets classified as held for sale:

Real Estate Assets Held for Sale	December 31, 2022	December 31, 2021
Land	$ —	$ 1,485,596
Building and improvements	—	15,438,471
Furniture, fixtures, and equipment	—	2,105,271
Less: accumulated depreciation	—	(6,238,749)
Total net real estate assets held for sale	**$ —**	**$ 12,790,589**

7. Preferred Equity Investments

On November 14, 2022, the Company, together with a joint venture partner, acquired Terraces at Perkins Rowe, a multi-family property located in Baton Rouge, LA for an aggregate purchase price of $41,400,000. The investment is structured as an investment that incorporates debt-like return metrics. The Company receives 7% cash return each month with additional 7% paid-in-kind (PIK) accrued to the Company's outstanding capital balance. During the year ended 2022, the Company recognized total interest income of $240,425 from preferred equity investment. The Company's preferred equity investment meets the definition of held-to-maturity debt security, which are reported at amortized cost. The Company determined that as of December 31, 2022, fair value of the preferred equity investment approximated its cost of $13,073,865.

8. Involuntary Conversions

During 2022, the Company wrote off real estate assets from fire damages. As of December 31, 2022, proceeds of $3,117,599 were received. For the year ended December 31, 2022, a gain from involuntary conversion of $1,531,629 was recorded in relation to the assessed outcome of the damages and is included as gain on involuntary conversions on the combined consolidated statements of operations.

During 2021, the Company wrote off real estate assets from fire and storm damages. As of December 31, 2021, proceeds of $4,019,752 were received. For the year ended December 31, 2021, a gain from involuntary conversion of $655,239 was recorded in relation to the assessed outcome of the damages and is included as gain on involuntary conversions on the combined consolidated statements of operations.

9. Unsecured Consumer Loans

The Company purchased $0 and $0 of aggregate principal in unsecured consumer loans from LendingClub and NBT during the years ended December 31, 2022 and 2021, respectively.

During the year ended December 31, 2018, the Company purchased a trust certificate in LendingClub Issuance Trust, Series 2016-NP1 ("LCIT 2016-NP1") with a fair value of $5,665,256 representing a 59.32% interest in LCIT 2016-NP1. We were not involved in the design or creation of the trust and our continuing involvement is typically passive in nature and does not provide us with the power to direct the activities that most significantly impact the economic performance of the securitization trust. As a result, the Company does not consolidate the Club 2017 Securitization trust associated with this securitization.

During the year ended December 31, 2018, the Company purchased a trust certificate in LendingClub Issuance Trust, Series 2016-NP2 ("LCIT 2016-NP2") with a fair value of $10,458,276 representing a 72.60% interest in LCIT 2016-NP2. We were not involved in the design or creation of the trust and our continuing involvement is typically passive in nature and does not provide us with the power to direct the activities that most significantly impact the economic performance of the securitization trust. As a result, the Company does not consolidate the Club 2017 Securitization trust associated with this securitization.

On March 21, 2018, the Company sold 28,474 of unsecured consumer loans (with a cost of $200,001,980 and accrued interest of $2,261,777) previously purchased from LendingClub to Consumer Loan Underlying Bond (CLUB) Depositor, LLC ("Club 2018-NP-1") for proceeds of $166,701,211 net of related transaction expenses, and a trust certificate with a fair value of $32,965,958 representing a 56.36% interest in the Club 2018-NP1. On the date of sale, the Company reversed the unrealized loss of $(334,812) and the accrued interest of $(2,261,777), recording realized losses of $(334,812). The Company acquired an additional residual interest in the securitization for $928,822, increasing the total interest in the Club 2018-NP1 to 57.95%.

The Company's portfolio of unsecured consumer loans consists of a large number of small balance homogeneous loans. As of December 31, 2022, the portfolio consisted of 216 loans having an average outstanding principal balance of $2,430 and a maximum balance of $50,000 at the time of origination. As of December 31, 2022, the unsecured consumer loans were issued with stated interest rates ranging from 8.0% to 36.0% with a weighted average interest rate of 18.6% based on outstanding principal of the unsecured consumer loans. As of December 31, 2021, the portfolio consisted of 841 loans having an average outstanding principal balance of $3,905 and maximum balance of $50,000 at the time of origination. As of December 31, 2021, the unsecured consumer loans were issued with stated interest rates ranging from 6.0% to 36.0% with a weighted average interest rate of 20.0% based on outstanding principal of the unsecured consumer loans.

The ability of the borrowers of the unsecured consumer loans to repay the Company are affected by their continuing financial stability. The credit risk of the unsecured consumer loans and the residual interest in securitizations is considered to be higher than for secured loans.

The Lending Platforms classify the unsecured consumer loans into separately identified pools by rating ("Rating"), which indicates the expected level of risk associated with the loan. Each Rating corresponds to an estimated average annualized loss rate range as of the time the Rating is given. The estimated annual loss rate for each loan is based primarily on a proprietary custom risk model developed by each of the Lending Platforms using their respective historical data, borrower specific factors and Fair Isaac Corporation score ("FICO score") obtained from a credit reporting agency. As part of the Rating determination, the Lending Platforms also consider borrower specific factors such as, but not limited to, credit related inquiries in the last six months and debt-to-income ratio.

Ratings are not consistent between Lending Platforms; as such the Company stratifies its unsecured consumer loans into separately identified pools based on the FICO score obtained from a credit reporting agency and as provided by each Lending Platform at origination. The stratified pools are designated "Super Prime," "Prime" or "Near Prime," and defined as follows: Super Prime loans as loans to borrowers with a FICO score of 720 or greater, Prime Loans as loans to borrowers with a FICO score of between 660 and 719 and Near Prime loans as loans to borrowers with a FICO score of between 600 and 659.

The following table summarizes the Company's unsecured consumer loans held as of December 31, 2022:

Category	Outstanding Principal	Fair Value	Interest Rate Range	Weighted Average Interest Rate*
Super Prime	$ 182,638	$ 182,194	8.0% - 20.5%	12.2%
Prime	211,193	204,355	12.0% - 25.0%	19.1%
Near Prime	131,088	134,397	19.5% - 36.0%	26.8%
Total Loans	**$ 524,919**	**$ 520,946**		**18.6%**

** Based on outstanding principal of the unsecured consumer loans.*

The following table summarizes the Company's unsecured consumer loans held as of December 31, 2021:

Category	Outstanding Principal	Fair Value	Interest Rate Range	Weighted Average Interest Rate*
Super Prime	$ 738,479	$ 722,898	7.0% - 20.5%	12.3%
Prime	1,317,461	1,242,844	6.0% - 25.0%	18.0%
Near Prime	1,228,172	1,255,377	6.0% - 36.0%	26.7%
Total Loans	**$ 3,284,112**	**$ 3,221,119**		**20.0%**

** Based on outstanding principal of the unsecured consumer loans.*

The following table summarizes the delinquency status of the unsecured consumer loans**:**

	December 31, 2022			December 31, 2021		
Delinquency Status	Outstanding Principal	Fair Value	% of Total	Outstanding Principal	Fair Value	% of Total
Current	$ 488,255	$ 491,804	93.00 %	$ 3,062,038	$ 3,107,025	93.24 %
1 - 30 days	23,907	21,852	4.60 %	95,595	75,454	2.91 %
31 - 60 days	5,877	4,623	1.10 %	51,460	28,052	1.57 %
61 - 90 days	6,879	2,667	1.30 %	19,046	4,099	0.58 %
91 - 120 days	—	—	— %	55,973	6,489	1.70 %
Total Loans	**$ 524,918**	**$ 520,946**	**100.00 %**	**$ 3,284,112**	**$ 3,221,119**	**100.00 %**

10. Collateralized Loan Obligations

The CLO investments held by NGL are subordinated debt interests in broadly syndicated loans managed by established collateral management teams with many years of experience in the industry.

The credit risk of a CLO is dependent on the underlying assets within the portfolio. For "traditional" CLOs, the collateral pool primarily consists of first lien, senior secured broadly syndicated bank loans (usually at least 90% of the total portfolio), and it may include a predetermined allowable portion of other asset types such as second lien bank loans (which are highly leveraged) and unsecured debt, as well as middle market loans.

Some CLOs consist predominantly of middle market loans as the underlying collateral. The average rating of the underlying collateral is typically single-B, and the leveraged bank loans are typically floating rate, based on LIBOR.

The securities held at NGL are B or BB rated mezzanine debt that pay a quarterly interest coupon, based on the notional balance held and a fixed spread plus LIBOR, which resets after each payment. The principal is returned through the CLO waterfall at the earlier of the call date or expected maturity. As of December 31, 2022, based on outstanding notional balance, 12.6% of the portfolio was invested in single-B rated tranches and 87.4% of the portfolio in BB rated tranches with a fixed spread plus LIBOR at the most recent reset date.

As of December 31, 2022, the outstanding investment of CLOs comprised of 94 investments with a fair value of $424,746,173 and a face value of $448,235,434. The average outstanding note is approximately $4,768,000 with a stated maturity date ranging from April 2026 to October 2033 and a weighted average stated maturity of 6.0 years as of December 31, 2022. Coupons range from three-month LIBOR ("3ML") plus 5.20% to 9.23% with a weighted average coupon of 3ML + 6.93%.

As of December 31, 2021, the outstanding investment of CLOs comprised of 43 investments with a fair value of $237,125,053 and a face value of approximately $246,306,660. The average outstanding note is approximately $5,728,000 with a stated maturity date ranging from April 2026 to January 2032 and a weighted average stated maturity of 5.0 years as of December 31, 2021. Coupons range from three-month LIBOR ("3ML") plus 5.45% to 9.45% with a weighted average coupon of 3ML + 7.16%.

The Company purchased $186,569,431 and $44,332,546, respectively, of aggregate principal of CLOs from various third-party brokers during the year ended December 31, 2022 and 2021, respectively, which are held by the Bank of New York Mellon as custodian.

11. Fair Value of Financial Instruments

The fair value of a financial instrument is defined as the price that we would receive upon selling an asset or pay to transfer a liability in an orderly transaction to an independent buyer in the principal or most advantageous market in which that financial instrument is transacted.

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.

Most of our financial instruments measured at fair value on a recurring basis were classified as Level 3 as of December 31, 2022 and 2021. During the year ended December 31, 2022, NGL's CLO portfolio totaling $237,125,053 was transferred from Level 2 to Level 3 at January 1, 2022 due to the volatility of the observable inputs, which were caused primarily by rising interest rates. The net change in unrealized (losses) gains on the investments that use Level 3 inputs was $1,276,630 as of December 31, 2022.
Other than as previously discussed, we did not transfer any assets or liabilities in or out of Level 3 during the year ended December 31, 2021. Transfers between levels, should they occur, will be recognized at the beginning of the quarter during which the asset or liability was transferred.

Unsecured Consumer Loans, Residual Interests in Securitizations, and Repurchase Agreements

The unsecured consumer loans, residual interests in securitizations, repurchase agreements, and collateralized loan obligations do not trade in an active market with readily observable prices. For the unsecured consumer loans and residual interests in securitizations, fair value is estimated by using a discounted cash flow methodology based upon significant unobservable inputs, such as loss adjusted discount rates and projected loss rates. The loss adjusted discount rates are used to discount the estimated future cash flows expected to be received from the underlying unsecured consumer loans, which includes both future principal and interest payments. The projected loss rates are based on the perceived credit risk inherent in each Rating of the unsecured loan portfolio. See Note 9 for details of the unsecured consumer loans.

Repurchase agreements are collateralized with the security portfolio. As the carrying value of the repurchase agreement approximates fair value, there were no unobservable inputs that have been internally developed by the Company as of December 31, 2022.

NGL qualifies as an investment company pursuant to ASC Topic 946, *Financial Services-Investment Companies*. Accordingly, the underlying CLO investments and repurchase agreements are carried at fair value and were retained in consolidation by the Company.

In determining the range of values for our investments in CLOs, management utilizes an independent valuation firm that 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.

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.

Corporate Bonds and Interest Rate Caps

Secondary corporate bonds purchased from a broker are recorded on a trade date basis and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt of coupon. The discount to par is amortized over the stated maturity of the corporate bond and recognized as part of interest income on the combined consolidated statements of operations. The typical settlement time for Depository Trust Company bonds is three days. Gains or losses from the sale or call of Corporate Bonds are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale or call. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

On a recurring basis, the Company measures its interest rate cap at its estimated fair value. In determining the fair value of the Company's derivative, the Company uses the present value of expected cash flows based on market observable interest rate yield curve commensurate with the term of the instrument. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and that of the respective counterparty in the fair value measurement. The credit valuation adjustments utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by either the respective counterparty or the Company. However, the Company determined that as of December 31, 2022, the impact of the credit valuation adjustments were not significant to the overall valuation of the derivatives. As a result, the fair value of the derivative is considered to be based primarily on Level 2 inputs.

The following table shows the fair value of our unsecured consumer loans, residual interest in securitizations, CLOs, interest rate caps, corporate bonds, and repurchase agreements, disaggregated into the three levels of the ASC 820 valuation hierarchy as of December 31, 2022.

	Level 1	Level 2	Level 3	Total
Assets				
Unsecured consumer loans	$ —	$ —	$ 520,946	$ 520,946
Residual interests in securitizations	—	—	8,540,118	8,540,118
Collateralized loan obligations	—	—	424,746,173	424,746,173
Corporate bonds	—	11,616,950	—	11,616,950
Interest rate cap	—	25,724,128	—	25,724,128
Total investments at fair value	**$ —**	**$ 37,341,078**	**$ 433,807,237**	**$ 471,148,315**
Liabilities				
Reverse repurchase facilities	$ —	$ —	$ 196,118,000	$ 196,118,000
Total liabilities at fair value	**$ —**	**$ —**	**$ 196,118,000**	**$ 196,118,000**

For the year ended December 31, 2022, the Company had charge-offs of $(285,500) and recoveries of $463,304 to Level 3 unsecured consumer loans. Also, the Company borrowed $87,315,000 and repaid $1,247,000 relating to repurchase agreements during 2022.

The following table shows the fair value of our unsecured consumer loans, residual interest in securitizations, CLOs, interest rate caps, corporate bonds, and repurchase agreements, disaggregated into the three levels of the ASC 820 valuation hierarchy as of December 31, 2021.

	Level 1	Level 2	Level 3	Total
Assets				
Unsecured consumer loans	$ —	$ —	3,221,119	$ 3,221,119
Residual interests in securitizations	—	—	1,348,844	1,348,844
Collateralized loan obligations	—	237,125,053	—	237,125,053
Corporate bonds	—	8,032,000	—	8,032,000
Interest rate cap	—	3,311,090	—	3,311,090
Total investments at fair value	**$ —**	**$ 248,468,143**	**$ 4,569,963**	**$ 253,038,106**
Liabilities				
Reverse repurchase facilities	$ —	$ —	$ 110,050,000	$ 110,050,000
Total liabilities at fair value	**$ —**	**$ —**	**$ 110,050,000**	**$ 110,050,000**

For the year ended December 31, 2021, the Company had charge-offs of $471,989 and recoveries of $1,275,919 to Level 3 unsecured consumer loans. In addition, the Company borrowed $48,969,000 and repaid $18,919,000 relating to repurchase agreements during 2021.

Refer to Note 9 for details of the unsecured consumer loans.

The ranges of unobservable inputs used in the fair value measurement of our Level 3 financial instruments as of December 31, 2022 and 2021 were as follows:

December 31, 2022					
Assets/Liabilities	**Fair Value**	**Valuation Technique**	**Unobservable Input**	**Range**	**Weighted Average**
Unsecured consumer loans	$ 520,946	Discounted cash flow	Loss-adjusted discounted rate	7.60% - 13.83%	8.40%
			Projected prepay rate	1.24% - 12.09%	7.63%
			Projected loss rate	0.11% - 8.25%	5.13%
			Recovery rate	7.50% - 11.00%	8.26%
Residual interests in securitizations	$ 8,540,118	Discounted cash flow	Forecasted prepay % of current balance	5.67% - 30.56%	30.14%
			Forecasted default % of current balance	6.08% - 14.54%	14.01%
			Severity	89.00% - 92.50%	92.48%
			Discount rate	10.00% - 15.00%	14.97%
Collateralized loan obligations	$ 424,746,173	Discounted Cash Flow	Discount Rate	10.60% - 17.00%	12.70%
			Weighted Average Life	2.5 - 5.0	4.3
Reverse repurchase facilities	$ 196,118,000	Cost, which approximates fair value	—	—	—

December 31, 2021					
Assets/Liabilities	**Fair Value**	**Valuation Technique**	**Unobservable Input**	**Range**	**Weighted Average**
Unsecured consumer loans	$ 3,221,119	Discounted cash flow	Loss-adjusted discounted rate	4.85% - 8.25%	7.49%
			Projected prepay rate	0.00% - 4.28%	0.05%
			Projected loss rate	0.00% - 1.95%	0.03%
			Recovery rate	7.50% - 11.00%	9.15%
Residual interests in securitizations	$ 1,348,844	Discounted cash flow	Forecasted prepay % of current balance	6.28% - 13.07%	12.56%
			Forecasted default % of current balance	5.52% - 11.41%	10.97%
			Severity	89.00% - 89.00%	89.00%
			Discount rate	7.00% - 7.00%	7.00%
Reverse repurchase facilities	$ 110,050,000	Cost, which approximates fair value	—	—	—

12. Corporate Bonds

The Company holds corporate bonds comprised of investment grade and high yield corporate bonds including performing credit strategies focused on income-oriented, senior loan and bond investment strategies targeting U.S. issuers.

The outstanding maturity is November 2026 including a bi-annual fixed interest coupon of 7.00%. Relevant details for the corporate bonds as of December 31, 2022 and 2021 are as follows:

December 31, 2022						
Purchase Date	**Security**	**Face Value (Par)**	**Price**	**Net Purchase Price**	**Maturity**	**Coupon**
12/7/2021	WRLD	$ 3,000,000	99.75	$ 2,992,500	11/1/2026	7.00%
12/16/2021	WRLD	5,000,000	100.00	5,000,000	11/1/2026	7.00%
2/15/2022	WRLD	7,000,000	94.00	6,580,000	11/1/2026	7.00%
3/23/2022	WRLD	2,572,000	87.75	2,256,930	11/1/2026	7.00%
3/30/2022	WRLD	1,250,000	88.25	1,103,125	11/1/2026	7.00%
4/4/2022	WRLD	310,000	88.25	273,575	11/1/2026	7.00%
		$ 19,132,000		**$ 18,206,130**		

December 31, 2021						
Purchase Date	**Security**	**Face Value (Par)**	**Price**	**Net Purchase Price**	**Maturity**	**Coupon**
12/7/2021	WRLD	$ 3,000,000	99.75	$ 2,992,500	11/1/2026	7.00%
12/16/2021	WRLD	5,000,000	100.00	5,000,000	11/1/2026	7.00%
		$ 8,000,000		**$ 7,992,500**		

Secondary corporate bonds purchased from a broker are recorded on a trade date basis and are recorded as the settlement value of cash, plus purchased accrued interest. Purchased accrued interest is treated as a return of capital upon receipt of coupon. The discount to par is amortized over the stated maturity of the corporate bond and recognized as part of interest income on the combined consolidated statements of operations. The typical settlement time for Depository Trust Company bonds is three days. Gains or losses from the sale or call of Corporate Bonds are recorded as a realized gain or loss on the combined consolidated statements of operations and recognized on the date of sale or call. Unrealized gains or losses are recorded on the combined consolidated statements of operations and recognized on each valuation date.

13. Reverse Repurchase Facilities

On October 30, 2019, NGL entered into a Master Repurchase Agreement (the “Repo Agreement”) with Nomura Securities International, Inc. (“Nomura”) to provide a borrowing facility ("Repo") from which NGL could pledge securities as collateral and borrow up to $105,000,000 under agreed upon terms. Under the terms of the Repo Agreement, NGL received cash up to 75% of the market value of securities with an interest charge of a minimum of 1.80% plus LIBOR, calculated as T-2 days for the reference rate. For the year ending December 31, 2021, the Company paid $3,335,130 of interest to Nomura. The term of the Repo is two years from commencement date subject to eight rolling three-month periods where upon each reset date, the entire Repo is closed and reopened, and borrowed interest is due to Nomura. Securities in the Repo can be purchased back at any time, subject to maintaining the agreed upon minimum draw on the Repo: 60% drawn during the ramp up period, as defined in the Repo Agreement, ending January 31, 2020, (subsequently extended to March 15, 2020 in the January 15, 2020 amended and restated Repo Agreement), and 90% drawn subsequent to the end of the ramp up period. Should the value of the securities drop to an LTV greater than 77.5%, NGL Limited must contribute cash or securities to Nomura’s collateral account until the combined value is below 70%. There was $0 of additional cash and securities pledged as collateral as of December 31, 2021.

On August 5, 2020, NGL agreed to the amended and restated Repo Agreement lowering the maximum borrowing under the agreement to $80,000,000, lowering the minimum LTV from 60% to 50% and reducing the deleveraging requirement from 77.5% to 60% including a drop in combined LTV from 70% to 50%. On April 27, 2022, NGL agreed to the fourth amended and restated repurchase agreement to increase the facility maximum to $200,000,000. Scheduled maturity of the facility is April 27, 2025, beginning with an accelerated paydown over the final twelve months of the facility starting on April 27, 2024.

Under the terms of the amended and restated Repo Agreement, NGL continues to receive cash up to 60% of the market value of securities with an interest charge of a minimum of 3.00%. The interest rate at December 31, 2022 was 3.00%. For the year ended December 31, 2022, the Company paid $6,002,989 of interest to Nomura. Should the value of the securities drop to an LTV greater than 50%, NGL Limited must contribute cash or securities to Nomura’s

collateral account until the combined value is below 60%. There was $0 of additional cash and securities pledged as collateral as of December 31, 2022.

The following table presents a summary of our repurchase agreement borrowings and interest as of December 31, 2022 and 2021:

Master Repurchase Agreement	December 31, 2022	December 31, 2021
Beginning Balance	$ 110,050,000	$ 79,803,125
Principal Borrowed	87,315,000	48,969,000
Principal Paid	(1,247,000)	(18,919,000)
Amortization of debt issuance cost	—	196,875
Total Outstanding Principal	**196,118,000**	**110,050,000**
Less: unamortized debt issuance cost	—	—
Total Outstanding Principal, net of unamortized debt issuance cost	**$ 196,118,000**	**$ 110,050,000**

14. Mortgages Payable

The Company has outstanding mortgages payable that bear interest at either a fixed or variable rate. Each mortgage payable is secured by a respective real estate property and certain cash reserve accounts required by the borrowing agreements, which are included as restricted cash on the accompanying combined consolidated balance sheets. The following table presents a summary of our mortgages payable as of December 31, 2022 and 2021:

Mortgage Note	Interest Rate [2]	Maturity Date	Amortizing or Interest Only	Outstanding Principal 12/31/2022	Outstanding Principal 12/31/2021
Verandas at Rocky Ridge (1)	2.71%	2/1/2031	Amortizing	$ —	$ 18,410,000
Abbie Lakes	4.20%	10/1/2024	Amortizing	9,872,848	10,060,723
Brooksedge	4.20%	10/1/2024	Amortizing	10,402,426	10,600,379
Reserve at Abbie Lakes	4.20%	10/1/2024	Amortizing	19,047,787	19,410,258
Lakes Edge	4.20%	10/1/2024	Amortizing	9,532,405	9,713,802
Sunbury Ridge	4.20%	10/1/2024	Amortizing	9,910,675	10,099,270
Stonebridge	4.20%	10/1/2024	Amortizing	14,639,050	14,917,624
Jefferson Chase	4.20%	10/1/2024	Amortizing	11,575,063	11,795,331
Lake Ridge	4.11%	10/1/2024	Amortizing	7,607,986	7,754,390
Orchard Village	4.43%	12/1/2025	Amortizing	25,148,946	25,603,331
Sterling Crimson - Loan 1	4.20%	10/1/2026	Amortizing	40,457,910	41,139,939
Hawk's Ridge	4.20%	10/1/2026	Amortizing	24,348,306	24,758,764
Islander Village	4.20%	10/1/2026	Amortizing	10,592,616	10,771,184
Campus Quarters	4.20%	10/1/2026	Amortizing	13,902,809	14,137,179
District on Luther	4.20%	10/1/2026	Amortizing	31,442,416	31,972,465
West 22 - Loan 1	4.20%	10/1/2026	Amortizing	43,868,144	44,607,662
Legacy	4.77%	1/1/2029	Interest Only	7,480,000	7,480,000
Seasons	4.59%	2/1/2029	Interest Only	153,580,000	153,580,000
Abbie Lakes - Loan 2	5.82%	10/1/2024	Amortizing	2,510,634	2,545,879
Brooksedge - Loan 2	5.82%	10/1/2024	Amortizing	2,402,144	2,435,866
Reserve at Abbie Lakes - Loan 2	5.82%	10/1/2024	Amortizing	2,989,719	3,031,689
Lakes Edge - Loan 2	5.84%	10/1/2024	Amortizing	4,225,101	4,284,179
Sunbury Ridge - Loan 2	5.83%	10/1/2024	Amortizing	3,490,218	3,539,117
Stonebridge - Loan 2	5.84%	10/1/2024	Amortizing	2,734,793	2,773,032
Jefferson Chase - Loan 2	5.82%	10/1/2024	Amortizing	4,762,044	4,828,894
Lake Ridge - Loan 2	5.82%	10/1/2024	Amortizing	1,499,364	1,520,297
Villages of Baymeadows	4.14%	11/1/2027	Interest Only	76,452,417	76,560,000
Casa del Mar	4.14%	11/1/2027	Interest Only	12,222,800	12,240,000
Sutton Place	4.03%	12/1/2029	Interest Only	44,044,000	44,044,000
Silver Oaks	4.03%	12/1/2029	Interest Only	14,185,000	14,185,000
Steeplechase	4.07%	2/1/2028	Interest Only	36,668,000	36,668,000
West 22 - Loan 2	6.00%	10/1/2026	Amortizing	3,714,149	3,770,458
Sterling Crimson - Loan 2	6.04%	10/1/2026	Amortizing	1,762,483	1,789,001
Olentangy Commons	4.43%	6/1/2030	Interest Only	92,876,000	92,876,000

Mortgage Note	Interest Rate [2]	Maturity Date	Amortizing or Interest Only	Outstanding Principal 12/31/2022	Outstanding Principal 12/31/2021
Villages of Wildwood	4.46%	8/1/2030	Interest Only	39,525,000	39,525,000
Falling Creek	4.52%	9/1/2030	Interest Only	19,335,000	19,335,000
Reserve at Abbie Lakes - Loan 3	5.88%	10/1/2024	Amortizing	5,415,477	5,496,945
Sunbury Ridge - Loan 3	5.94%	10/1/2024	Amortizing	1,180,296	1,197,850
Abbie Lakes - Loan 3	5.94%	10/1/2024	Amortizing	1,116,931	1,133,543
Brooksedge - Loan 3	5.90%	10/1/2024	Amortizing	2,306,590	2,341,157
Jefferson Chase - Loan 3	5.90%	10/1/2024	Amortizing	2,174,244	2,206,828
Lake Ridge - Loan 3	5.91%	10/1/2024	Amortizing	2,174,490	2,207,016
Crown Pointe	4.44%	9/1/2030	Interest Only	89,400,000	89,400,000
Lorring Park	4.83%	11/1/2030	Interest Only	47,680,000	47,680,000
Hamptons Apartments	4.61%	2/1/2031	Interest Only	79,520,000	79,520,000
The Isle	3.79%	7/1/2031	Interest Only	21,200,000	21,200,000
Druid Hills	4.26%	8/1/2046	Interest Only	79,104,000	79,104,000
Abbie Lakes - Loan 4	4.71%	10/1/2024	Amortizing	1,446,688	1,471,786
Reserve at Abbie Lakes - Loan 4	4.65%	10/1/2024	Amortizing	1,373,647	1,397,741
Lakes Edge - Loan 3	4.45%	10/1/2024	Amortizing	2,647,053	2,695,209
Sunbury Ridge - Loan 4	4.67%	10/1/2024	Amortizing	2,054,221	2,090,121
Stonebridge - Loan 3	4.48%	10/1/2024	Amortizing	6,396,752	6,512,491
Parcstone	3.14%	11/1/2029	Interest Only	30,127,000	30,127,000
Stone Ridge	3.14%	11/1/2029	Interest Only	14,662,000	14,662,000
Sterling Place	3.95%	11/1/2031	Interest Only	34,196,000	34,196,000
West 22	4.06%	10/1/2026	Amortizing	2,493,507	2,540,709
University Crossing - Loan 2	5.04%	7/1/2030	Interest Only	14,679,000	14,679,000
Arlington Park	5.00%	11/1/2030	Interest Only	13,494,000	13,494,000
Hampton on Jupiter	2.90%	11/1/2032	Interest Only	27,590,000	27,590,000
Palmetto Creek	3.32%	9/1/2030	Interest Only	25,865,000	25,865,000
Valora at Homewood	2.80%	8/1/2030	Interest Only	63,844,000	63,844,000
The Dylan at Fairburn	3.10%	10/1/2026	Interest Only	43,900,000	43,900,000
The Dylan at Grayson	3.10%	10/1/2026	Interest Only	40,500,000	40,500,000
Sutton Place - Loan 2	4.36%	12/1/2029	Amortizing	10,414,291	10,592,577
Silver Oaks - Loan 2	4.36%	12/1/2029	Amortizing	4,688,853	4,769,123
Chimneys of Greenville	3.10%	2/1/2031	Interest Only	14,075,000	14,075,000
The Laurel Apartments	3.06%	3/1/2031	Interest Only	42,025,000	42,025,000
The Willows Apartments	3.06%	3/1/2031	Interest Only	19,000,000	19,000,000
The Edge at Clear Lake	3.87%	4/1/2033	Interest Only	25,496,000	25,496,000
Pear Orchard	3.20%	7/1/2033	Interest Only	38,175,000	38,175,000
Lakeshore Landing	3.20%	7/1/2033	Interest Only	16,950,000	16,950,000
Reflection Pointe	3.20%	7/1/2033	Interest Only	31,050,000	31,050,000
Crosswinds	3.20%	7/1/2033	Interest Only	33,825,000	33,825,000
Parcstone	4.60%	11/1/2029	Interest Only	12,666,000	12,666,000
Stone Ridge	4.60%	11/1/2029	Interest Only	6,883,000	6,883,000
Falling Creek	4.18%	9/1/2030	Interest Only	6,039,000	6,039,000
Elliot Norcross	5.60%	12/1/2024	Interest Only	101,123,607	98,800,000
West Vue	3.40%	1/1/2025	Interest Only	73,000,000	73,000,000
Enclave at Wolfchase	3.67%	4/1/2027	Interest Only	60,000,000	—
Twin Oaks	4.15%	4/1/2027	Interest Only	33,960,361	—
Lancaster Place	4.15%	4/1/2027	Interest Only	28,535,911	—
Rutland Place	4.15%	4/1/2027	Interest Only	22,710,174	—
Southport Crossing	3.46%	4/1/2032	Interest Only	36,075,000	—
Cheyenne	4.71%	6/1/2032	Interest Only	17,656,000	—
Pueblo	4.71%	6/1/2032	Interest Only	20,166,000	—
Stillwater	4.71%	6/1/2032	Interest Only	15,328,000	—
Kokomo	4.71%	6/1/2032	Interest Only	12,753,000	—
Villages of Wildwood - Loan 2	6.80%	8/1/2030	Interest Only	18,868,000	—
Villages of Baymeadows - Loan 2	7.19%	11/1/2027	Interest Only	14,196,784	—
Casa del Mar - Loan 2	7.19%	11/1/2027	Interest Only	3,541,202	—

Mortgage Note	Interest Rate [2]	Maturity Date	Amortizing or Interest Only	Outstanding Principal 12/31/2022	Outstanding Principal 12/31/2021
Pear Orchard - Loan 2	4.50%	7/1/2033	Interest Only	4,800,000	—
Lakeshore Landing - Loan 2	4.50%	7/1/2033	Interest Only	1,005,000	—
Reflection Pointe - Loan 2	4.50%	7/1/2033	Interest Only	2,153,000	—
Crosswinds - Loan 2	4.50%	7/1/2033	Interest Only	4,776,000	—
Total outstanding principal				**2,197,284,332**	**1,923,161,809**
Less: unamortized discount and debt issuance costs				(15,151,751)	(14,895,356)
Total mortgages payable, net of unamortized discount and debt issuance costs				**$ 2,182,132,581**	**$ 1,908,266,453**

(1) Verandas at Rocky Ridge was disposed of on February 1, 2022 (Note 3). The mortgage payable was extinguished at date of sale.
(2) Floating interest rates are indexed to the one month USD LIBOR or SOFR. Rates noted are as of December 31, 2022.

On February 1, 2022, in connection with the sale of Verandas at Rocky Ridge, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $18,410,000. As a result, the Company recognized a loss on early extinguishment of debt of $503,896, which is included within interest expense on the combined consolidated statements of operations.

On December 1, 2021, in connection with the sale of Gulf Coast Portfolio, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $90,718,320. As a result, the Company recognized a loss on early extinguishment of debt of $5,583,748, which is included within interest expense on the combined consolidated statements of operations.

On October 19, 2021, in connection with the sale of Forest Park Portfolio, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $43,517,256. As a result, the Company recognized a loss on early extinguishment of debt of $368,465, which is included within interest expense on the combined consolidated statements of operations.

On October 13, 2021, in connection with the sale of Canterbury Green, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $83,568,133. As a result, the Company recognized a loss on early extinguishment of debt of $9,560,112, which is included within interest expense on the combined consolidated statements of operations.

On January 29, 2021, in connection with the sale of Union Place, as described in Note 3, *Recent Real Estate Transactions*, the Company utilized sale proceeds to repay the associated outstanding mortgage balance in the amount of $51,800,000. As a result, the Company recognized a loss on early extinguishment of debt of $185,139, which is included within interest expense on the combined consolidated statements of operations.

Future scheduled principal payments of mortgage payable are as follows: $102,602,746 (2023), $209,243,169 (2024), $169,687,696 (2025), $99,500,222 (2026), $168,815,348 (2027), and $1,447,435,151 (thereafter).

15. Ground Leases

The Company entered into ground lease agreements through acquisition of Druid Hills and West Vue. If the Company has right to extend the term of a ground lease, such option period has been included within the calculation of the right of use assets and lease liabilities. The Company incurred initial costs of $15,689,752 to acquire the leases, which is included in the intangibles and amortized over the life of the lease. As of December 31, 2022 and 2021, the right-of-use asset were $24,311,989 and $31,917,176, respectively. As of December 31, 2022 and 2021, the lease liability was $26,926,303 and $26,445,556, respectively. During the years ended December 31, 2022 and 2021, the lease expense recognized on a straight-line basis was $4,263,995 and $234,999, respectively, and is included in property operating expenses on the accompanying combined consolidated statements of operations.

The Company utilized the risk-free rate over the term of each lease as the discount rate to be applied to its future lease payments when accounting for its right of use assets and lease liabilities, which ranged between 4.26% and 7.11%.

The table below presents the summarized quantitative information with regard to lease contracts the Company has entered into as of December 31, 2022:

Category	Term
Weighted avg. of remaining term - operating leases (months)	956
Weighted avg. of remaining term - operating leases (years)	80
Weighted avg. of annual discount rate - operating leases	6.04%

The future minimum lease payments to be paid under noncancelable leases in effect as of December 31, 2022 are as follows:

Year	Payment
2023	$ 1,405,577
2024	1,432,408
2025	1,459,777
2026	1,487,692
2027	1,516,166
Thereafter	374,228,549
Total balance due	381,530,169
Less: lease discount	(354,603,866)
Lease liabilities	**$ 26,926,303**

Total cash paid for amounts included in lease liabilities for the years ended December 31, 2022 and 2021 are $1,381,446 and $64,000, respectively.

In addition, as of December 31, 2022 and 2021, the Company also has an equipment lease liability of $573,807 and $610,133, respectively.

16. Income Taxes

Income taxes consisted of the following for the years ended:

	December 31, 2022	December 31, 2021
Current federal tax expense	$ —	$ —
Current state tax expense	(11,380)	(7,219)
Net deferred federal tax expense	—	—
Net deferred state tax expense	—	—
Income tax expense	**$ (11,380)**	**$ (7,219)**

17. Equity

As of December 31, 2022 and 2021, the Company authorized 100,000,000 common shares, par value $0.001. NPH is the Company's sole common stockholder. As of December 31, 2022 and 2021, the Company paid an aggregate of $876,160,619 and $872,160,619 of dividends on common shares, respectively.

As of December 31, 2022 and 2021, the Company had 125 shares outstanding in connection with a private placement of 12.5% Series A Cumulative Non-Voting Preferred Stock, par value $0.001 per share (Series A Preferred Stock), respectively. In general, holders of Series A Preferred Stock are entitled to receive cumulative dividends semiannually at a per annum rate equal to 12.5% of the total purchase price of $1,000 per share plus accumulated and unpaid dividends. The Series A Preferred Stock is redeemable by the Company for $1,000 per share plus accumulated and unpaid dividends. Upon liquidation and dissolution of the Company, the holders of the Series A Preferred Stock are entitled to a liquidation preference in the amount of the share's purchase price, plus all accumulated and unpaid dividends. Series A Preferred Stock are not convertible or exchangeable for any other property or securities of the Company. As of December 31, 2022 and 2021, the Company paid an aggregate of $266,749 and $251,124 of dividends on Series A preferred shares, respectively.

18. Related Party Transactions

On December 31, 2013, the Company entered into a management assistance agreement with Prospect Administration LLC ("Prospect") to provide significant managerial assistance to the Company on behalf of PSEC.

In accordance with the Investment Company Act of 1940, PSEC must make available "significant managerial assistance" to the Company. Prospect provides assistance with significant guidance and counsel concerning the management, operations, and business objectives and policies to the Company. Services may include arranging financing, managing relationships with financing sources, restructuring existing debt and evaluating acquisition and divestiture opportunities. Prospect also exercises a controlling influence over the policies of the Company. On a quarterly basis, the Company pays a managerial assistance fee to Prospect for time and effort in assisting and providing commercial and mezzanine lending, investment banking, and private equity investing services. The Company incurred managerial assistance fees of $2,100,000 for each of the years ended December 31, 2022 and 2021, which are included in management fees in the accompanying combined consolidated statements of operations.

On a quarterly basis, the Company pays Prospect for professional services provided related to legal counsel, taxation, and general accounting. For the years ended December 31, 2022 and 2021, the Company incurred professional service fees of $1,773,219 and $1,988,417, respectively, which are included in general and administrative expenses in the accompanying combined consolidated statements of operations. As of December 31, 2022 and 2021, $651,770 and $1,056,934, respectively, is due to Prospect and is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

As of December 31, 2022, $78,112, $8,738 and $3,323 is due to Prospect, Prospect Capital Management ("PCM") and PSEC, respectively, for reimbursement of expenses paid on behalf of the Company and is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

As of December 31, 2021, $0, $17,446 and $748 is due to Prospect, PCM and PSEC, respectively, for reimbursement of expenses paid on behalf of the Company and is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

The Company generally incurs a 2% to 3% structuring fee for the PSEC equity portion of each acquired property. The structuring fee is paid to PSEC for structuring and providing guidance for each purchase transaction. For the years ended December 31, 2022 and 2021, the Company incurred structuring fees of $2,685,990 and $3,005,230, respectively.

The Company also entered into property management agreements with the non-controlling interest joint venture partners to manage the operations of the properties. The Company pays a monthly management fee of 2% - 5% of the gross monthly rents to the property managers. For the years ended December 31, 2022 and 2021, property management fees were $8,604,274 and $7,818,818, respectively, and are included in management fees in the combined consolidated statements of operations.

The Company also pays a monthly asset management fee up to 2.00% of the gross monthly rents to the property managers. For the years ended December 31, 2022 and 2021, asset management fees were $2,676,322 and $2,255,770, respectively. These amounts are included in the management fee line item in the accompanying combined consolidated statements of operations.

As of December 31, 2022 and 2021, $5,510,912 and $3,931,933 of management fees and asset management fees, respectively, were payable to property managers, and is included in due to affiliates in the accompanying combined consolidated balance sheets.

The property management agreements also stipulate that a construction management fee up to 5% of project cost is to be paid to the property managers. For the years ended December 31, 2022 and 2021, capitalized construction management fees were $4,951,656 and $3,475,815, respectively, and are included within building and improvements in the accompanying combined consolidated balance sheets.

The Company generally incurs an acquisition fee from 0.5% to 1% of the purchase price of each acquired property. The acquisition fee is paid to the Property Managers for services rendered in connection with the investigation, selection, sourcing, due diligence and acquisition of a property or investment. For the years ended December 31, 2022 and 2021, the Company incurred acquisition fees of $2,013,700 and $255,000, respectively. The amounts related to the years ended December 31, 2022 and 2021 have been capitalized and included in real estate assets in the accompanying combined consolidated balance sheets.

In connection with the acquisitions of several properties during the year ended December 31, 2022, the Company has retained a portion of the non-controlling joint venture partners' acquisition fees as deferred acquisition fees. These deferred acquisition fees are earned by and payable to the non-controlling joint venture partner upon reaching certain performance measures. During the years ended 2022 and 2021, $0 and $631,360, respectively, were paid to the non-controlling joint venture partners, respectively. As of December 31, 2022 and 2021, $2,068,799 and $1,540,799, respectively, of deferred acquisition fees were retained by the Company and included within due to affiliates on the combined consolidated balance sheets. As of December 31, 2022, $540,365 and $0, respectively, of deferred

acquisition fees retained by the Company are included within restricted cash on the combined consolidated balance sheets.

The Company noted that certain expenses are paid for by the property managers and have yet to be reimbursed. As of December 31, 2022 and 2021, unreimbursed advances and other amounts due to related parties were $2,848,376 and $2,355,220, respectively, and are recorded by the Company as due to affiliates on the combined consolidated balance sheets.

19. Senior Secured Term Loans - Related Party

NPRC Credit Agreement

On April 1, 2014, the Company entered into a credit agreement (the "Credit Agreement") with PSEC in the form of a senior secured term loan. As of December 31, 2022 and 2021, the total commitment was $2,700,000,000 and $2,500,000,000, respectively. The maturity date of the senior secured term loans under the amended Credit Agreement is December 31, 2023.

On November 9, 2022, the Company amended the Credit Agreement. The amendment resulted in a new tranche of senior secured term loan E ("TLE"). Under the amended and restated Credit Agreement, the new TLE incurs cash interest equivalent to three-month USD LIBOR rate with a floor of 5.00%, plus 2.00%, and PIK interest of 7.00%.

The Credit Agreement does not require payments on the outstanding principal until maturity, with prepayments allowed but may be subject to a prepayment penalty. During the year ended December 31, 2022, the Company has voluntarily pre-paid in aggregate $94,351,510 of the Term Loan A and B and incurred a prepayment penalty of $98,515. During the year ended December 31, 2021, the Company had voluntarily pre-paid in aggregate $315,481,965 of the Term Loan A and B and incurred a prepayment penalty of $2,945,820.

The Company is required to make payments for Residual Profit Interest equivalent to 8.33% of the residual profit earned during the applicable period. The Company determines the residual profit as all gross receipts from operations received by the Company less the sum of operating expenses, interest expense, structuring fees, M&A fees, and cost basis in connection to the sale of any real estate property during the applicable period.

Cash interest and Residual Profit Interest are payable in cash quarterly. PIK interest due quarterly is added to the outstanding principal balance of the loan or paid in cash, in whole or in part, at the option of the Company.

The Company generally incurs structuring fees from restructuring or refinancing the Credit Agreement, which are deferred and amortized over the life of the senior secured term loan. The structuring fees are capitalized as a direct offset to the Term Loan balance on the combined consolidated balance sheets. For the years ended December 31, 2022 and 2021, the Company incurred $0 and $0 of structuring fees for borrowings under the senior secured term loans, respectively. For the years ended December 31, 2022 and 2021, $4,106,358 and $4,106,358 were amortized and recorded within interest expense on the combined consolidated statements of operations, respectively.

The following tables present a summary of our senior secured term loan terms and payable as of December 31, 2022 and 2021:

	As of December 31, 2022		
Senior Secured Term Loan	**Cash Rate**	**PIK Rate**	**Outstanding Principal**
Term Loan A	3-Mo LIBOR[(1)] + 1.44%	3.53%	$458,747,266
Term Loan B	3-Mo LIBOR[(1)] + 2.00%	5.50%	23,080,000
Term Loan C	3-Mo LIBOR[(2)] + 10.00%	2.25%	200,600,000
Term Loan D	3-Mo LIBOR[(1)] + 0.50%	2.50%	183,425,355
Term Loan E	3-Mo LIBOR[(3)] + 2.0%	7.00%	13,151,592
Total outstanding principal			**879,004,213**
Less: unamortized debt issuance costs			(4,106,358)
Total senior secured term loans, net of debt issuance costs			**$874,897,855**
(1) Rates are accrued at minimum LIBOR floor of 300 basis points			
(2) Rates are accrued at minimum LIBOR floor of 100 basis points			
(3) Rates are accrued at minimum LIBOR floor of 500 basis points			

	As of December 31, 2021		
Senior Secured Term Loan	**Cash Rate**	**PIK Rate**	**Outstanding Principal**
Term Loan A	3-Mo LIBOR[(1)] + 1.44%	3.53%	$287,150,130
Term Loan B	3-Mo LIBOR[(1)] + 2.00%	5.50%	6,600,000
Term Loan C	3-Mo LIBOR[(2)] + 10.00%	2.25%	108,600,000
Term Loan D	3-Mo LIBOR[(1)] + 0.50%	2.50%	183,425,355
Total outstanding principal			**585,775,485**
Less: unamortized debt issuance costs			(8,212,716)
Total senior secured term loans, net of debt issuance costs			**$577,562,769**
(1) Rates are accrued at minimum LIBOR floor of 300 basis points			
(2) Rates are accrued at minimum LIBOR floor of 100 basis points			

For the year ended December 31, 2022, the Company incurred $49,159,031, $25,055,620, and $81,118,070 of cash interest, PIK interest, and Residual Profit Interest, respectively. For the year ended December 31, 2022, a total of $25,050,506 of PIK interest was paid in cash on the senior secured term loans. As of December 31, 2022, $0 of cash interest and $5,115 of PIK interest is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

For the year ended December 31, 2021, the Company incurred $36,687,547, $22,573,362, and $38,849,306 of cash interest, PIK interest, and Residual Profit Interest, respectively. For the year ended December 31, 2021, a total of $22,565,566 of PIK interest was paid in cash on the senior secured term loans. As of December 31, 2021, $34,100 of cash interest and $7,796 of PIK interest is recorded by the Company as due to affiliates on the combined consolidated balance sheets.

20. Commitments and Contingencies

The Company believes that it has complied with the requirements of the mortgage payable by obtaining the requisite third-party insurance coverage for losses that may be incurred at the properties. Losses for amounts below the threshold of the deductible amounts specified in certain of the Company's insurance policies are self-insured; however, management does not believe that this exposure will have a material adverse effect on the Company's combined consolidated financial position or results of operations.

Periodically, the Company may become involved in various investigations, claims and legal proceedings that arise in the ordinary course of business. The Company does not believe that there are any proceedings threatened or pending, if determined adversely, that would have a material adverse effect on the financial position, results of operations, or liquidity of the Company.

During the year ended December 31, 2021, the Company entered into confidential agreements related to certain investments. The Company recognized a gain of $15,151,362 in connection with those agreements. No lawsuit was filed in connection with those agreements, and all parties thereto denied wrongdoing.

The Company may at times issue certain loan guarantees to obtain financing related to the Company's investments. These guarantees may include but are not limited to repayment guarantees, completion guarantees, and debt ratio guarantees to certain lenders of the Company's investments in real estate assets. Under certain guarantees, the Company may be liable in the event of fraud, misappropriation, environmental liabilities and other recourse obligations. As of December 31, 2022, the Company has not violated any of these guaranty provisions.

21. Subsequent Events

On March 14, 2023, Hampton on Jupiter entered into a supplemental mortgage agreement for $11,253,000. The supplemental mortgage is secured by the real estate property and certain cash reserve accounts required by the borrowing agreements. The supplemental mortgage accrues interest at 6.84% and matures on December 1, 2032.

On June 27, 2023, the Gramercy purchased a rate cap agreement for $822,000. The agreement covers the notional amount of $14,679,000. The strike rate of the cap agreement is 2.00% and matures on July 1, 2025.

On July 21, 2023, Palmetto Creek purchased a rate cap agreement for $1,330,000. The agreement covers the notional amount of $25,856,000. The strike rate of the cap agreement is 2.00% and matures on August 1, 2025.

The Company has evaluated subsequent events through August 10, 2023, the date of which these combined consolidated financial statements were available to be issued, and has determined that, except for the above, there have not been any additional events that have occurred that would require adjustments to, or disclosures in, the combined consolidated financial statements.