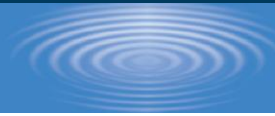




# DIFFERENTIATED PERFORMANCE



## FORWARD-LOOKING STATEMENTS AND DISCLAIMERS

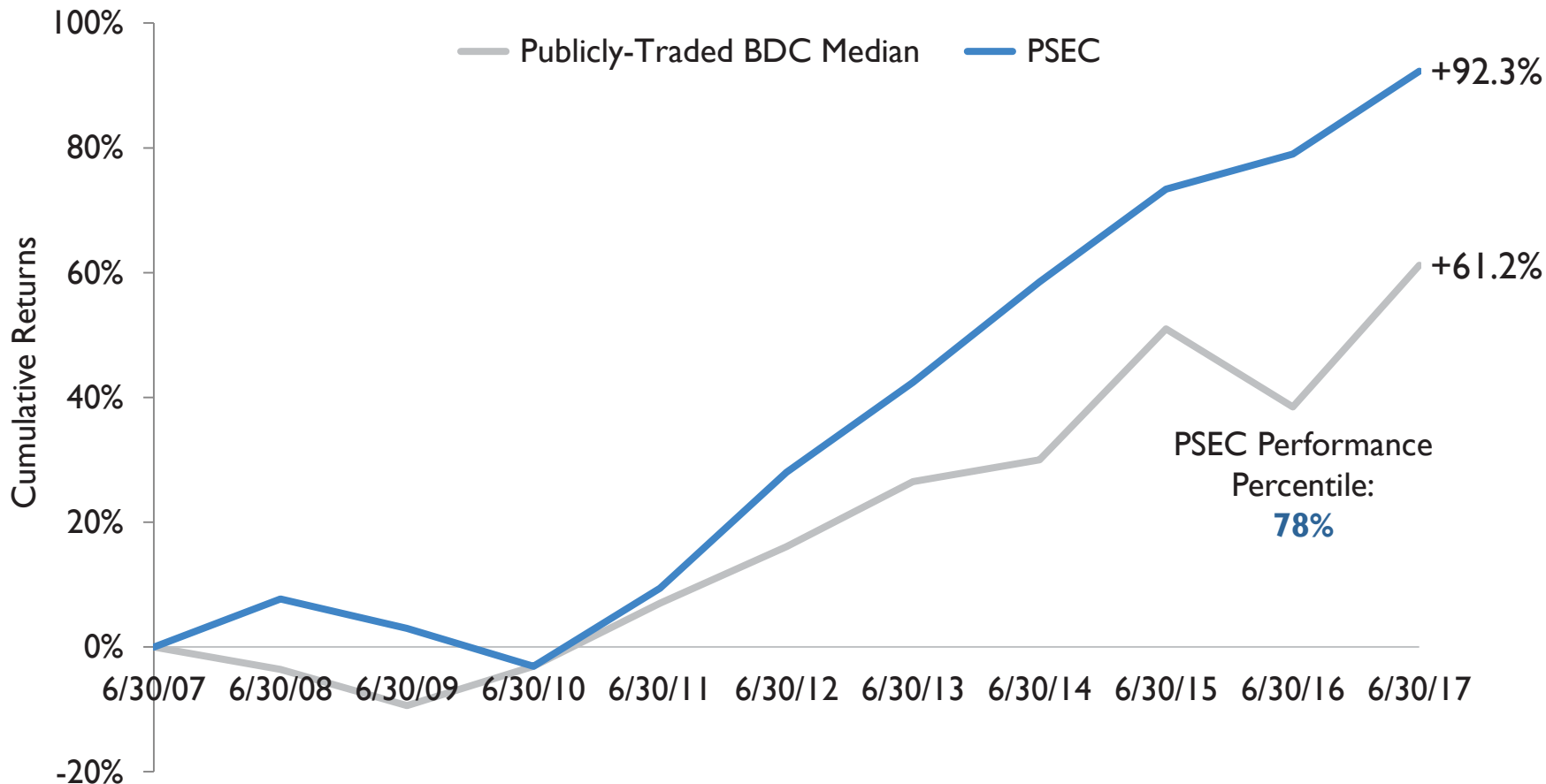
Certain statements made by us in this presentation that are not historical facts or that relate to future plans, events or performances are forward-looking statements within the meaning of the federal securities laws. Forward-looking statements predict or describe our future operations, business plans, business and investment strategies and portfolio management and the performance of our investments and our investment management business. Our actual results or actions may differ materially from those expressed in any forward-looking statements made by us. Forward-looking statements involve a number of risks of uncertainties including, but not limited to, the risks described under headings such as “Risk Factors” in our SEC filings. All forward-looking statements are qualified by those risk factors. All statements made by us in this presentation are further qualified in all respects by the information disclosed in our SEC filings. We disclaim any obligation to update our forward looking statements unless required by law.

Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third-party sources and has not been independently verified and, accordingly, Prospect Capital Corporation makes no representation or warranty in respect of this information.

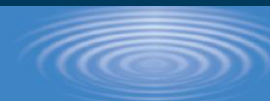
The following slides contain summaries of certain financial and statistical information about Prospect Capital Corporation. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of Prospect Capital Corporation, or information about the market, as indicative of Prospect Capital Corporation’s future results. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of Prospect Capital Corporation.

# PSEC HAS GENERATED SUPERIOR OPERATING RETURNS COMPARED WITH PUBLICLY-TRADED BDC MEDIAN OVER THE PAST 10 YEARS

**Compounded Dividends Plus Change in NAV Per Share**



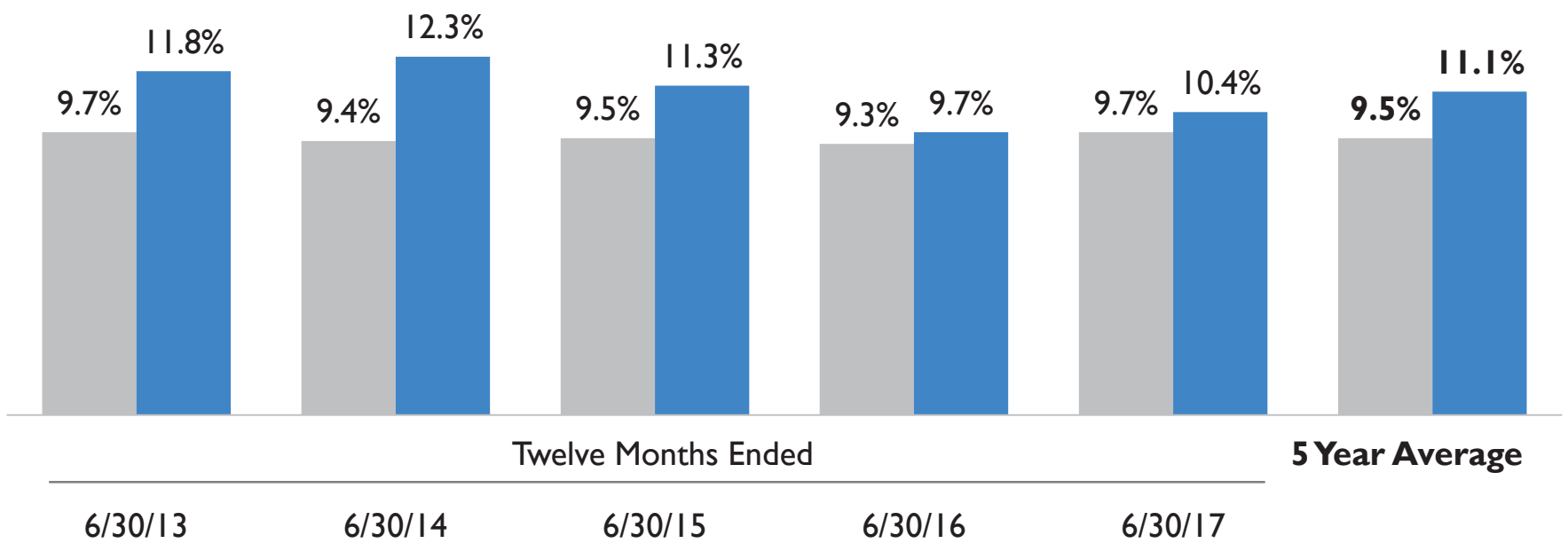
Note: Dividends plus change in net asset value compounded on a quarterly basis. Investors purchase and sell shares of PSEC common stock at prevailing market prices, which may be higher or lower than NAV. Information related to past performance, while potentially helpful as an evaluative tool, is not indicative of future results. Source: PSEC analysis of Capital IQ data as of 9/22/17 for the 19 BDCs for which there is quarterly data for the ten years ended 6/30/17.



# PSEC'S BOOK EQUITY DIVIDEND YIELD HAS OUTPERFORMED PUBLICLY-TRADED BDC MEDIAN OVER EACH OF THE PAST 5 YEARS

### Dividend / NAV (Dividend Yield)

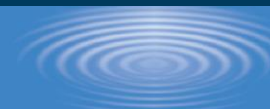
Publicly-Traded BDC Median    PSEC



PSEC Performance Percentile:

<b>84%</b>	<b>95%</b>	<b>82%</b>	<b>59%</b>	<b>81%</b>	<b>84%</b>
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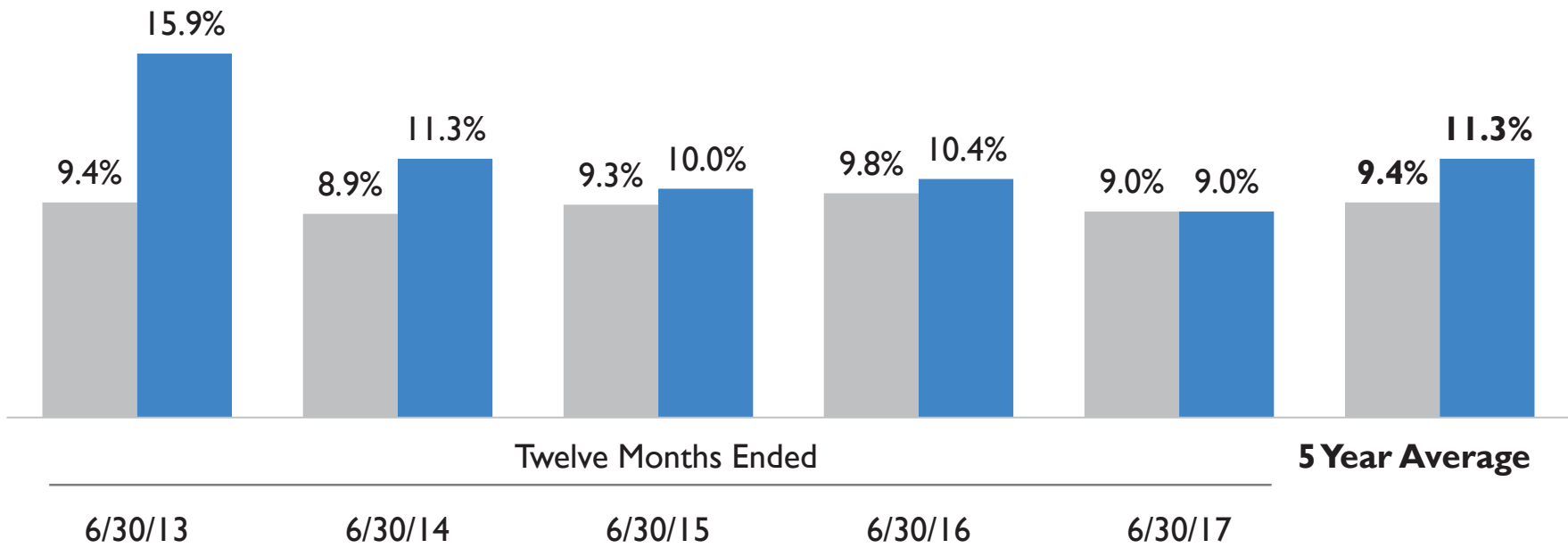
Note: Dividend yield calculated as dividends per share over twelve month period divided by NAV per share at the beginning of the period. Information related to past performance, while potentially helpful as an evaluative tool, is not indicative of future results. Approximately 10% of BDCs do not focus on generation of current income, which has the effect of making it easier for PSEC's net income, net investment income and dividends to exceed the BDC median. Source: PSEC analysis of Capital IQ data as of 9/22/17 of BDCs for which there is quarterly data for each entire period (38 for the twelve months ended 6/30/13, 43 for twelve months ended 6/30/14, 50 for twelve months ended 6/30/15, 50 for twelve months ended 6/30/16, and 49 for twelve months ended 6/30/17).



# PSEC'S BOOK EQUITY NET INVESTMENT INCOME YIELD HAS OUTPERFORMED PUBLICLY-TRADED BDC MEDIAN OVER THE PAST 5 YEARS

## Net Investment Income / NAV (NII Yield)

Publicly-Traded BDC Median PSEC



PSEC Performance Percentile:

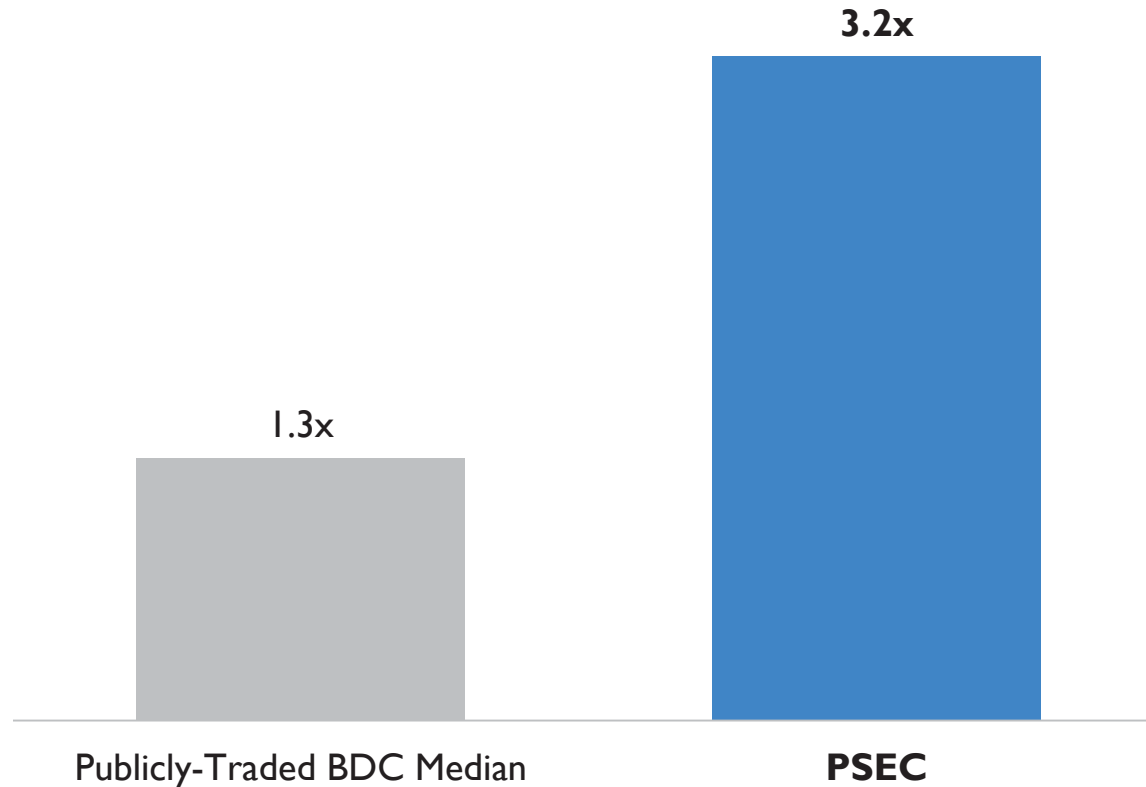
**100%**
**84%**
**67%**
**63%**
**48%**
**92%**

Note: Book equity earnings yield calculated as twelve month period net investment income divided by average of beginning and ending book value of equity. Information related to past performance, while potentially helpful as an evaluative tool, is not indicative of future results. Approximately 10% of BDCs do not focus on generation of current income, which has the effect of making it easier for PSEC's net income, net investment income and dividends to exceed the BDC median. Source: PSEC analysis of Capital IQ data as of 9/22/17 of BDCs for which there is quarterly data for each entire period (40 for the twelve months ended 6/30/13, 45 for twelve months ended 6/30/14, 50 for twelve months ended 6/30/15, 50 for twelve months ended 6/30/16, and 49 for twelve months ended 6/30/17).

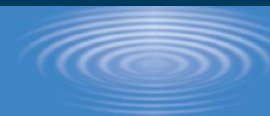


# PSEC HAS GENERATED SUPERIOR RISK-ADJUSTED OPERATING RETURNS FOR THE TRAILING FIVE YEARS ENDED 6/30/17

## Returns / Volatility – Trailing 5 Years

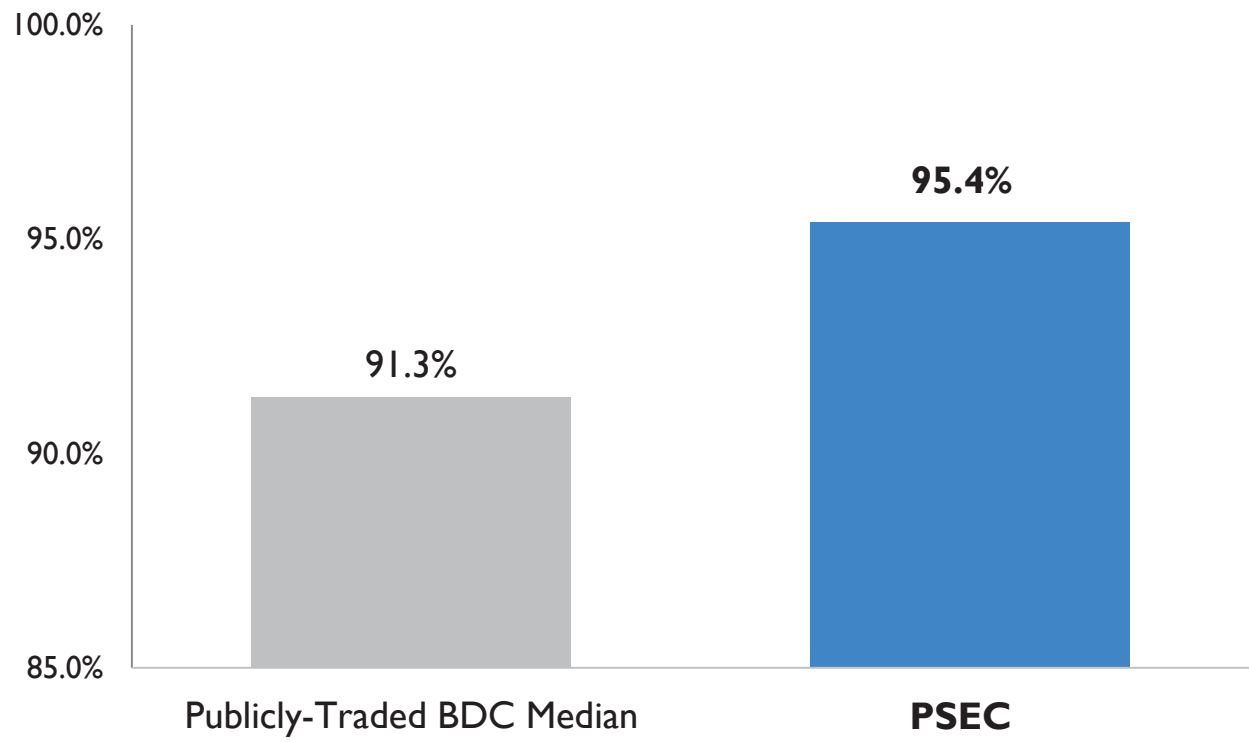


Note: Returns calculated as change in net asset value per share plus dividends. Volatility measured as one standard deviation in returns. Returns and volatility are measured on a quarterly basis and annualized to calculate returns / volatility ratio. Information related to past performance, while potentially helpful as an evaluative tool, is not indicative of future results. Source: PSEC analysis of Capital IQ data as of 9/22/17 for the 35 BDCs for which there is quarterly data for the five years ended 6/30/17.



# PSEC CURRENTLY DERIVES A HIGHER PERCENTAGE OF INVESTMENT INCOME FROM RECURRING INTEREST PAYMENTS THAN THE PUBLICLY-TRADED BDC MEDIAN

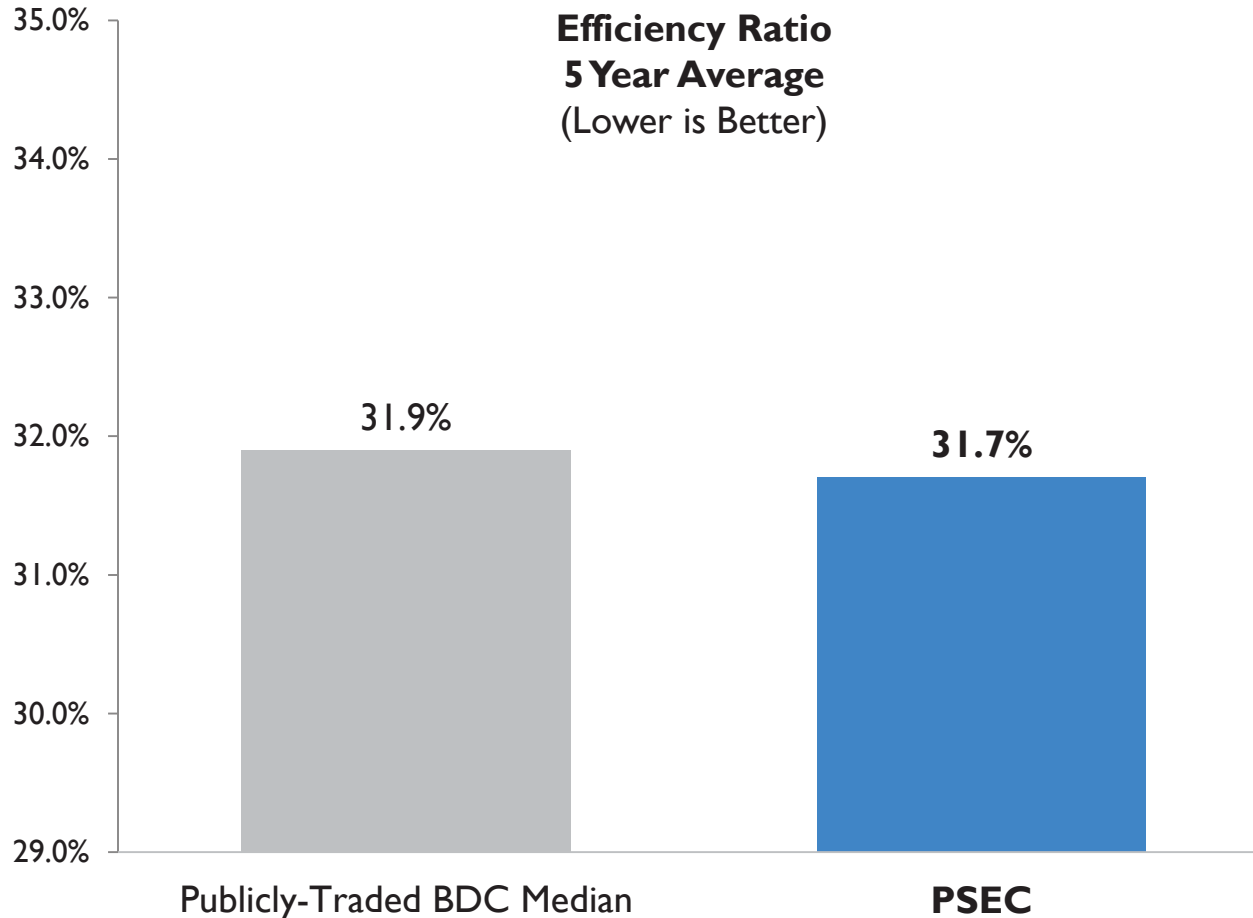
**Interest Income / Total Investment Income**  
Twelve Months Ended 6/30/17



Source: PSEC analysis of public filings available as of 9/22/17 for quarters ending from 9/30/16 to 6/30/17. Approximately 10% of the BDCs do not focus on generation of current income, which has the effect of making it easier for PSEC to exceed the BDC median.



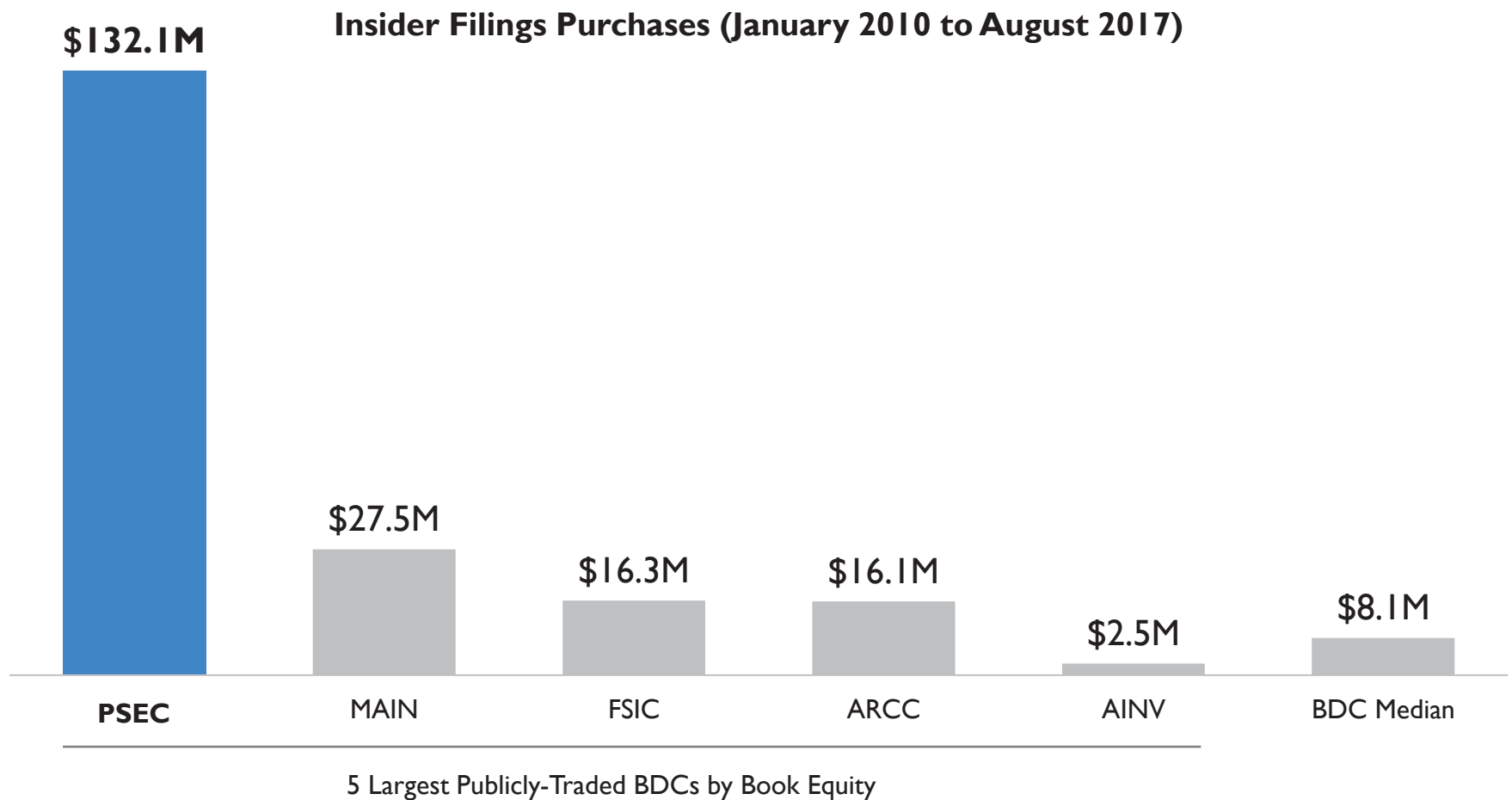
## PSEC'S EXPENSES (INCLUDING ALL MANAGEMENT FEES AND EXPENSES) COMPARE FAVORABLY TO THE PUBLICLY-TRADED BDC MEDIAN



Note: Efficiency ratio defined as non-financing operating expenses (including all management fees and expenses) divided by gross investment income. Information related to past performance, while potentially helpful as an evaluative tool, is not indicative of future results. Approximately 10% of BDCs do not focus on generation of current income, which has the effect of making it easier for PSEC's net income, net investment income, and dividends to exceed the BDC median. Source: PSEC analysis of Capital IQ data as of 9/22/17 for the 38 BDCs for which there is quarterly data for the five years ended 6/30/17.



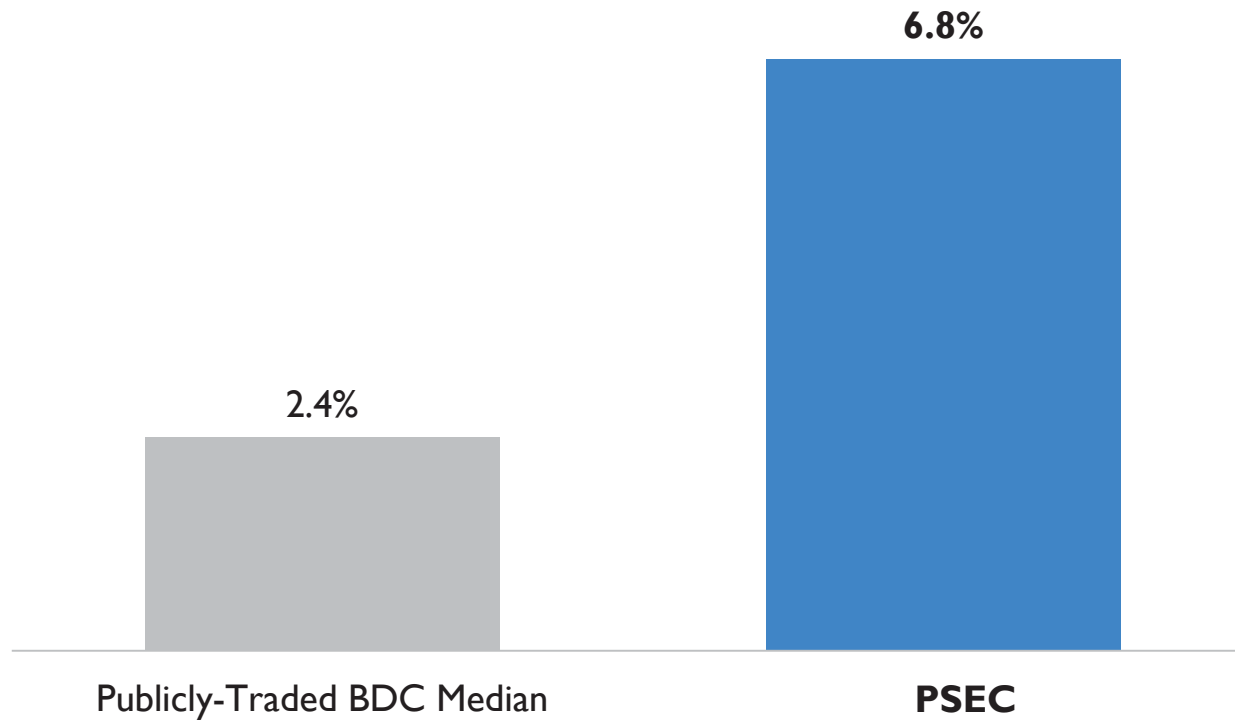
# SENIOR MANAGEMENT HAS MADE SIGNIFICANT INVESTMENTS IN PSEC



Source: PSEC analysis of 23 BDCs that have been active during this period. PSEC senior management has not sold any of such investments.

# SENIOR MANAGEMENT IS A SIGNIFICANT INVESTOR IN PSEC

**Insider Ownership as of 9/22/17**



Source: PSEC analysis of Capital IQ data as of 9/22/17 for 50 BDCs. PSEC senior management has not sold any of such investments in PSEC.