

# Section 1: 497 (497)

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement and the accompanying prospectus supplement and prospectus are not offers to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion  
Preliminary Pricing Supplement dated  
December 24, 2018



## Prospect Capital Corporation Prospect Capital InterNotes® 5.750% Notes due 2024 (the "2024 Notes") 6.000% Notes due 2026 (the "2026 Notes," and together with the 2024 Notes, the "Notes")

Filed under Rule 497, Registration Statement No. 333-227124  
Preliminary Pricing Supplement Nos. 631 and 632 — Dated Monday, December 24, 2018  
(To: Prospectus Dated October 31, 2018, and Prospectus Supplement Dated November 9, 2018)

CUSIP Number	ISIN Number	Principal Amount	Selling Price	Gross Concession	Net Proceeds	Coupon Type	Coupon Rate	Coupon Frequency	Maturity Date	1st Coupon Date	1st Coupon Amount	Survivor's Option	Product Ranking
74348YG62	US74348YG621	\$	100.000%	1.250%	\$	Fixed	5.750%	Semi-Annual	1/15/2024	7/15/2019	\$30.51	Yes	Unsecured Notes

**Redemption Information: Callable at 100.000% on 7/15/2019 and every business day thereafter ("Optional Redemption Date").**

CUSIP Number	ISIN Number	Principal Amount	Selling Price	Gross Concession	Net Proceeds	Coupon Type	Coupon Rate	Coupon Frequency	Maturity Date	1st Coupon Date	1st Coupon Amount	Survivor's Option	Product Ranking
74348YG70	US74348YG704	\$	100.000%	1.750%	\$	Fixed	6.000%	Semi-Annual	1/15/2026	7/15/2019	\$31.83	Yes	Unsecured Notes

**Redemption Information: Callable at 100.000% on 7/15/2019 and every business day thereafter ("Optional Redemption Date").**

Trade Date: Monday, December 31, 2018 @ 12:00 PM ET  
Settle Date: Friday, January 4, 2019  
Minimum Denomination/Increments: \$1,000.00/\$1,000.00  
Initial trades settle flat and clear SDFS: DTC Book Entry only

The Notes will be issued pursuant to the Indenture, dated as of February 16, 2012, as amended and supplemented by that certain Six Hundred Thirty-First and Six Hundred Thirty-Second Supplemental Indenture dated as of January 4, 2019.

The date from which interest shall accrue on the Notes is Friday, January 4, 2019. The "Interest Payment Dates" for the Notes shall be January 15 and July 15 of each year, commencing July 15, 2019; the interest payable on any Interest Payment Date, will be paid to the Person in whose name the Notes (or one or more predecessor Notes) is registered at the close of business on the Regular Record Date (as defined in the Indenture) for such interest, which shall be January 1 or July 1, as the case may be, next preceding such Interest Payment Date.

The Notes will be redeemable in whole or in part at any time or from time to time, at the option of Prospect Capital Corporation, on or after July 15, 2019 at a redemption price of \$1,000 per Note plus accrued and unpaid interest payments otherwise payable for the then-current semi-annual interest period accrued to, but excluding, the date fixed for redemption and upon not less than 5 days nor more that 60 days prior notice to the noteholder and the trustee, as described in the prospectus.

Except for Notes sold to level-fee accounts, Notes offered to the public will be offered at the public offering price set forth above. Agents purchasing Notes on an agency basis for client accounts shall purchase Notes at the public offering price. Notes sold by the Agents for their own account may be sold at the public offering price less the discount specified above. Notes purchased by the Agents on behalf of level-fee accounts may be sold to such accounts at the discount to the public offering price specified above, in which case, such Agents will not retain any portion of the sales price as compensation.

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

This preliminary pricing supplement relates only to the securities described in the accompanying prospectus supplement and prospectus, is only a summary of changes and should be read together with the accompanying prospectus supplement and prospectus, including among other things the section entitled "Risk Factors" beginning on page S-8 of such prospectus supplement and page 12 of such prospectus. This preliminary pricing supplement and the accompanying prospectus

supplement and prospectus contain important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the "SEC." This information is available free of charge by contacting us at 10 East 40<sup>th</sup> Street, 42<sup>nd</sup> Floor, New York, NY 10016

or by telephone at (212) 448-0702. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) where such information is available without charge upon written or oral request. Our internet website address is [www.prospectstreet.com](http://www.prospectstreet.com). Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and you should not consider information contained on our website to be part of this prospectus supplement or the accompanying prospectus.

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

InterNotes<sup>®</sup> is a registered trademark of Incapital Holdings LLC.

#### **Recent Developments:**

Pursuant to notice to call provided on October 12, 2018, we redeemed \$70.1 million of our Prospect Capital InterNotes<sup>®</sup> at par maturing between May 15, 2020 and November 15, 2020, with a weighted average rate of 4.92%. Settlement of the call occurred on November 15, 2018.

On December 4, 2018, we made a \$25.0 million Second Lien Term Loan investment in Global Tel\*Link Corporation, a leading provider of integrated technology solutions used by inmates, investigators, and administrators in the U.S. corrections industry.

On November 28, 2018, we priced an underwritten public offering of \$50.0 million in aggregate principal amount of 6.875% unsecured notes due 2029 (the "2029 Notes"). The 2029 Notes settled on December 5, 2018 for total proceeds, net of underwriting discounts, of \$48.4 million. We have granted the underwriters a 30 day option to purchase up to an additional \$7.5 million in aggregate principal amount of the Notes.

On November 28, 2018, Rocket Software, Inc. fully repaid the \$50.0 million Second Lien Term Loan receivable to us. After the repayment, we made a new \$50.0 million Second Lien Term Loan investment in Rocket Software, Inc., a global provider of infrastructure software with over 16,000 global corporate customers across a variety of industries in over 80 countries.

On December 7, 2018, we made additional \$12.0 million of Senior Secured Term Loan A and \$12.0 million of Senior Secured Term Loan B investments in MRP Holdco, Inc. to support an acquisition.

On December 7, 2018, we made an investment of \$2.7 million to refinance and extend our 90.54% ownership of the subordinated notes in Symphony CLO XV, Ltd. In addition to the equity injection, we made an investment of \$11.4 million to purchase the single-B rated debt tranche of Symphony CLO XV, Ltd.

On December 10, 2018, Prospect purchased all of the voting stock of Universal Turbine Parts, LLC ("UTP") and appointed a new Board of Directors to UTP, including three Prospect employees. As a result of the purchase, Prospect's investment in UTP is classified as a control investment.

We have provided notice to call on December 14, 2018 with settlement on January 15, 2019, \$24.0 million of our Prospect Capital InterNotes<sup>®</sup> at par maturing on July 15, 2020, with a weighted average rate of 4.71%.

During the period from November 9, 2018 to December 17, 2018, we issued \$1.6 million in aggregate principal amount of our 2024 Notes for net proceeds of \$1.6 million and have issued \$0.6 million in aggregate principal amount of our 2028 Notes for net proceeds of \$0.6 million.

On November 19, 2018, we increased total commitments to our revolving credit facility ("the Revolving Credit Facility") for Prospect Capital Funding LLC, one of our GAAP consolidated subsidiaries, by \$80.0 million to \$910.0 million in the aggregate. On November 28, 2018, we further increased total commitments to the Revolving Credit Facility by \$55.0 million to \$965.0 million in the aggregate. On December 3, 2018, we further increased total commitments to the Revolving Credit Facility by \$25.0 million to \$990.0 million in the aggregate. On December 18, 2018, we further increased total commitments to the Revolving Credit Facility by \$10.0 million to \$1.0 billion in the aggregate.

During the period from November 10, 2018 through December 20, 2018, we issued \$10.9 million in aggregate principal amount of our Prospect Capital InterNotes<sup>®</sup> for net proceeds of \$10.7 million.

During the period from December 14, 2018 to December 21, 2018, we repurchased \$13.5 million in aggregate principal amount of our 2020 Convertible Notes at a price of 99.50, including commission.

PROSPECTUS SUPPLEMENT  
(To Prospectus dated October 31, 2018)



## Prospect Capital Corporation

### Prospect Capital InterNotes®

- We may offer to sell our Prospect Capital InterNotes® from time to time. The specific terms of the notes will be set prior to the time of sale and described in a pricing supplement. You should read this prospectus supplement, the accompanying prospectus and the applicable pricing supplement carefully before you invest. We may offer other debt securities from time to time other than the notes under our Registration Statement or in private placements.
- We may offer the notes to or through agents for resale. The applicable pricing supplement will specify the purchase price, agent discounts and net proceeds of any particular offering of notes. The agents are not required to sell any specific amount of notes but will use their reasonable best efforts to sell the notes. We also may offer the notes directly. We have not set a date for termination of our offering.
- The agents have advised us that from time to time they may purchase and sell notes in the secondary market, but they are not obligated to make a market in the notes and may suspend or completely stop that activity at any time. Unless otherwise specified in the applicable pricing supplement, we do not intend to list the notes on any stock exchange.

*Investing in the notes involves certain risks, including those described in the “Risk Factors” section beginning on page S-9 of this prospectus supplement and page 12 of the accompanying prospectus.*

This prospectus supplement and the accompanying prospectus contain important information you should know before investing in our securities. Please read it before you invest and keep it for future reference. We file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission, or the “SEC.” This information is available free of charge by contacting us at 10 East 40<sup>th</sup> Street, 42<sup>nd</sup> Floor, New York, NY 10016 or by telephone at (212) 448-0702. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) where such information is available without charge upon written or oral request. Our internet website address is [www.prospectstreet.com](http://www.prospectstreet.com). Information contained on our website is not incorporated by reference into