
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report: May 12, 2020

Prospect Capital Corporation

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction
of incorporation)

814-00659
(Commission File Number)

43-2048643
(IRS Employer
Identification No.)

10 East 40th Street, 42nd Floor, New York, New York 10016
(Address of principal executive offices, including zip code)

(212) 448-0702

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value	PSEC	NASDAQ Global Select Market
6.25% Notes due 2024, par value \$25	PBB	New York Stock Exchange
6.25% Notes due 2028, par value \$25	PBY	New York Stock Exchange
6.875% Notes due 2029, par value \$25	PBC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 7.01. Regulation FD Disclosure.

At 6:00 a.m. (Eastern Time) on May 12, 2020, Prospect Capital Corporation (the “Company”) issued a press release, included herewith as Exhibit 99.1, and by this reference incorporated herein.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Prospect Capital Corporation

By: /s/ M. Grier Eliasek

Name: M. Grier Eliasek

Title: Chief Operating Officer

Date: May 12, 2020

Exhibit Number	Description
99.1	Press Release, dated May 12, 2020

[\(Back To Top\)](#)

Section 2: EX-99.1 (EXHIBIT 99.1)

Exhibit 99.1

PROSPECT CAPITAL

Prospect CEO Writes Letter to Shareholders

May 11, 2020

Fellow Owners:

"I've missed more than 9,000 shots in my career. I've lost almost 300 games. 26 times, I've been trusted to take the game winning shot and missed. I've failed over and over and over again in my life. And that is why I succeed."

- Michael Jordan

Since 1988, when Prospect Capital Management launched our first public fund, we have weathered stock market crashes, credit market dislocations, liquidity crunches, SARS, MERS, H1N1, and now the Wuhan virus. Learning something from each challenge has made us better stewards of your savings.

Starting two years ago, we began reducing debt at Prospect Capital Corporation ("Prospect"). We were the only large traded BDC not to quickly elect a lower minimum asset coverage, which would have enabled us to add leverage and grow assets, but only by taking on more risk.

When the virus hit, we carried less leverage than almost any other large seasoned BDC. Because of our decision to de-risk, the virus caused our NAV per share to decline 7.9% versus a 13.7% median traded BDC NAV per share decline.

Prospect continues to hold investment grade ratings from Standard & Poor's, Moody's, Kroll, and Egan Jones. Only one other BDC has four investment grade ratings.

De-risking Prospect protected our NII and distribution. For the 3/31/20 quarter, we earned \$68.5 million of NII and paid \$66.2 million in distributions. Today, we are declaring distributions for the next four months at the same rate as the past 32 months.

While I believe asset values and our NAV should reflate from the 3/23/20 low in the S&P 500, which as of May 8, 2020 is up 31% (and the VIX down 51%), we are staying true to the strategy that has served us well since 1988, managing portfolio risk to protect capital entrusted to us and generate shareholder earnings.

As in 2009 when we purchased Patriot Capital, market dislocations are presenting investment opportunities. To provide more financial flexibility, we elected 150% minimum regulatory asset coverage and, as in the past, are seeking approval from shareholders for a one-year option to issue shares below NAV, which enabled us to acquire Patriot.

As Prospect's largest shareholder, I want to increase our NAV, NII, and share price. I believe we now have tools in place to achieve that goal. Should investors see a steadily increasing NAV and NII, we may see our stock price respond.

Warm regards,

John Barry



John F. Barry III
Chairman and Chief Executive Officer

[\(Back To Top\)](#)