PSEC Preferred Exchange / Conversion / Redemption Form

PROSPECT CAPITAL

Prospect Capital Corporation
Series M3 Convertible Preferred Stock ("Series M3")

Instructions

For any help or questions please call 855-422-3223 or email psecredemptions@pcsalts.com

Exchanges: Prospect Capital Corporation ("PSEC") accepts requests to exchange 6.50% Series M3 Preferred Stock ("M3 Shares") with CUSIPs that will not be subject to the M1/M2/M3 Shares Clawback (as defined in the Prospectus Supplement) for the applicable Holder Conversion Exercise Date (as defined in the Prospectus Supplement) as of the date a completed form is submitted (each such M3 Share an "Eligible M3 Share") for Floating Rate Series M4 Preferred Stock ("M4 Shares") on a continual basis with a deadline on the last business day of every month (each an "exchange deadline"). Please allow approximately 15 calendar days after the applicable exchange deadline for processing upon a submission of an exchange request that is in good order. Exchange requests will generally be processed the following month, typically before the record date for that month's dividend on the M3 Shares and M4 Shares. If you elect to exchange Eligible M3 Shares for M4 Shares, you will receive accrued but unpaid dividends on your Eligible M3 Shares as of the settlement date of the exchange in cash, and dividends will begin to accrue on your M4 Shares on the settlement date of the exchange. If you hold your Eligible M3 Shares directly as a shareholder of record through the Direct Registration System ("DRS"), you must check the Preferred Stock Dividend Reinvestment Plan ("DRIP") election box below to enroll or re-enroll in the DRIP for the M4 Shares (see option under "Exchange Request" below); if you hold your Eligible M3 Shares through The Depository Trust Company ("DTC" i.e. in "street name"), you will need to contact your broker or other financial intermediary to request enrollment or re-enrollment in the DRIP for the M4 Shares. With respect to reinvested dividends, the purchase price for purchases of M4 Shares directly from us will be $25.00 per share (100% of the Stated Value (as defined in our 2023 Annual Report) of $25.00 per share of M4 Shares); and the investment date will be the dividend payment date for the month. See the section titled "Preferred Stock Dividend Reinvestment Plan" in the "Series M4 Exchange Offer Prospectus", attached hereto. The terms, conditions and risks applicable to an exchange of Eligible M3 Shares for M4 Shares is contained in the Series M4 Exchange Offer Prospectus, attached hereto.

Conversions and Redemptions: PSEC accepts conversion or redemption requests on a continual basis with deadlines on the 15th (or the preceding business day if the 15th is not a business day) and last business day of every month (each, a conversion or redemption deadline, as applicable). Please allow approximately 15-30 calendar days for processing upon a submission of a conversion or redemption request that is in good order. Requests will be processed twice a month. **PSEC may elect to settle conversions or redemptions of preferred shares in cash or common stock in accordance with the terms of the preferred shares and that decision will be made on an individual conversion or redemption basis.**

In addition, you may use this form to request that your conversions or redemptions be processed over the next two, four, eight, or twelve conversion or redemption deadlines, as applicable (see Alternative Conversion / Redemption Processing Option in the "Conversion / Redemption Request" section below). The price of PSEC's common stock may fluctuate significantly and therefore selection of the Alternative Conversion / Redemption Processing Option will result in averaging over a variety of settlement rates.

If you hold your M3 Shares through DRS, the default payment method is via check. A wire can be requested, but a $100 fee will be deducted from the payment to the shareholder. ACH is not available. If you hold your M3 Shares through DTC, cash and/or stock, as elected by PSEC, will be remitted to your qualifying brokerage account. Physical certificates will not be remitted to the investor. PSEC's transfer agents may coordinate further with institutions based upon the information provided to properly deliver cash or shares of common stock.If you participate in the Preferred Stock Dividend Reinvestment Plan, completion of this form below will not automatically disenroll you from the Preferred Stock Dividend Reinvestment Plan.

All Exchanges & Conversions must include:
- This form must be completed with an Original Medallion Stamp Guarantee,
- Signatures of all required investors, and
- A recent account statement showing where the preferred shares (including ownership of the number of shares
- for conversion/redemption) are being held.

Trust Exchanges & Conversions require the same as above as well as:
- A copy of the Trust Documents.

Death Redemptions require the same as above as well as:
- A copy of the death certificate,
- Submission of this form by an authorized representative(s) of the deceased with signature(s), and
- Documentation showing that the redeeming individual(s) have authority (e.g. POA, TOD, LOT, Trust docs etc.).

Please send all paperwork to the following address:
Preferred Shareholder Services
Attn: Investor Services - Conversions
3290 Northside Parkway NW, Suite 800 Atlanta, GA 30327

Exchange / Conversion Fee Details

Exchanges of Eligible M3 Shares for M4 Shares are not subject to any fees. All M3 Share conversions are completed at stated value, which is $25 per share; however, during year one, the settlement amount is reduced by the aggregate amount of all dividends, whether paid or accrued, on an M3 Share in the three full months prior to the exercise date (the "3-Month Dividend Clawback").

Exchange Request

☐ Exchange Offer for M4 Shares

Number of shares for exchange

Preferred CUSIP

☐ DRS DRIP Election
For DTC DRIP election, contact your broker or other financial intermediary to enroll or re-enroll in the DRIP.

M3 Shares with CUSIPs subject to the M1/M2/M3 Shares Clawback for the applicable Holder Conversion Exercise Date as of the date a completed Form is submitted are not Eligible M3 Shares and are not eligible for exchange.

Conversion / Redemption Request (Select One)

☐ Holder Conversion

☐ Death Conversion/ Redemption

Number of shares for conversion / redemption

Preferred CUSIP

Alternative Conversion / Redemption Processing Option

☐ Two Deadlines ☐ Four Deadlines ☐ Eight Deadlines ☐ Twelve Deadlines

Holders may use this form to request that their conversion or redemption be processed over the next two, four, eight or twelve conversion or redemption deadlines, as applicable (which generally occur twice per month). One-half, one-fourth, one-eighth or one-twelfth of the preferred shares such holder requests for conversion or redemption will be applied to and processed at the settlement rate applicable to each of the next two, four, eight or twelve conversion or redemption deadlines, as applicable. Please select Alternative Conversion/ Redemption Processing only if you wish to have your request processed over the next two, four, eight or twelve conversion or redemption deadlines, as applicable. The price of PSEC's common stock may fluctuate significantly and therefore selection of the Alternative Conversion / Redemption Processing Option will result in averaging over a variety of settlement rates.

Investor Information

Investor Name

Social Security or Tax ID

Co-Investor Name

Social Security or Tax ID

Address

Phone Number

City, State & Zip

E-mail

Exchange / Conversion / Redemption Proceeds Instructions

Conversion or redemption of preferred shares will settle in common stock unless cash settlement is elected by PSEC, subject to the terms and conditions described in the prospectus.

For M3 Shares held through DRS at Computershare, common stock will be remitted to an Equiniti Financial (PSEC's common stock transfer agent) account. The default delivery method for cash is via check by mail to the shareholder. A wire can be requested for an additional fee. If a wire is requested, please complete the wire instructions immediately below.

Have cash remitted to the following bank account via wire

Bank Name

Routing #

Account #

For M3 Shares held through DTC, stock and/or cash proceeds will be remitted to the holders qualifying brokerage account.

Exchange Investor Acknowledgment & Signature

The undersigned is the owner (or duly authorized agent of the owner) of the Eligible M3 Shares presented for exchange and thus is authorized to present the Eligible M3 Shares for exchange. The Eligible M3 Shares are fully transferable and have not been assigned, pledged, or otherwise encumbered in any way. The Eligible M3 Shares are being exchanged for M4 Shares for the undersigned's own account. The undersigned (a) has received, read, and understands the Series M4 Exchange Offer Prospectus, attached hereto, as modified or amended, including the documents and reports incorporated by reference into the Series M4 Exchange Offer Prospectus, wherein the terms, conditions and risks of the offering of M4 Shares are described and (b) agrees to be bound by the terms and conditions. The undersigned acknowledges that the M4 Shares are not traded and there is no public market for the M4 Shares, that the undersigned may not be able to sell the M4 Shares and that the undersigned will have a limited right to require the redemption of the M4 Shares. The undersigned acknowledges that holder optional redemptions of M4 Shares may be subject to the 6-Month Dividend Clawback in the first year from issuance and the 3-Month Dividend Clawback in the second year from issuance, which will be measured from when such M4 Shares are issued in exchange for Eligible M3 Shares (i.e., the prior holding period of the Eligible M3 Shares will not be "tacked on" to the holding period of the M4 Shares for purposes of applying the 6-Month or 3-Month Dividend Clawback). The undersigned understands that an investment in the M4 Shares is intended as a long-term investment and the undersigned has adequate means of providing for the undersigned's current financial needs and personal contingencies. If the undersigned holds Eligible M3 Shares directly as a shareholder of record through DRS, the undersigned must check the DRIP election box to enroll or re-enroll in the DRIP for the M4 Shares (see option under "Exchange Request"). The undersigned acknowledges that, if it holds Eligible M3 Shares in "street name" through DTC, it will need to contact its broker or other financial intermediary to enroll or re-enroll in the DRIP for the M4 Shares. The undersigned attests to having the knowledge and experience in financial matters such that the undersigned is capable of evaluating the risks of the offering of the M4 Shares. The undersigned considers this investment suitable in meeting the undersigned's overall investment objectives. The undersigned is in compliance with the USA PATRIOT Act and not on any government authority watch list. The undersigned hereby indemnifies and holds harmless PSEC, and its respective officers and directors, from and against any liabilities, damages and expenses (including reasonable legal fees) arising out of or in connection with any misrepresentation made herein.

Investor Signature		Custodian (if qualified account)	
Co-Investor Signature		Custodian Signature	
Date		Date	

Medallion Stamp Signature Guarantee

Medallion Stamp Signature Guarantee

Conversion / Redemption Investor Acknowledgment & Signature

The undersigned is the owner (or duly authorized agent of the owner) of the M3 Shares presented for conversion or redemption and thus is authorized to present the M3 Shares for conversion or redemption. The M3 Shares presented for conversion or redemption are eligible for conversion or redemption pursuant to the terms of the preferred shares. The M3 Shares are fully transferable and have not been assigned, pledged, or otherwise encumbered in any way. The undersigned acknowledges that PSEC has the choice to convert or redeem the shares by delivering stock or cash in accordance with the terms of the preferred shares. The undersigned acknowledges that there may be a conversion fee. The undersigned hereby indemnifies and holds harmless PSEC, and its respective officers and directors, from and against any liabilities, damages, and expenses (including reasonable legal fees) arising out of or in connection with any misrepresentation made herein.

Investor Signature		Custodian (if qualified account)	
Co-Investor Signature		Custodian Signature	
Date		Date	

Medallion Stamp Signature Guarantee

Medallion Stamp Signature Guarantee

Advisor Information

Advisor Name		Phone Number	
Address		E-mail	
City, State & Zip			

Broker Dealer / Custodian Information

Broker Dealer Name		Phone Number	
Operations Contact		E-mail	
Address		Clearing Firm	
City, State & Zip		DTC Participation ID (Optional)	

Please send all paperwork to the following address:
Preferred Shareholder Services
3290 Northside Parkway NW, Suite 800 Atlanta, GA 30327
Attn: Investor Services - Conversions
For any help or questions please Call: 1-855-422-3223 Email: psecredemptions@pcsalts.com

Back Office Use Only

Date Received		Payment Type	
Date Completed		Date Submitted for Payment	
Notes			

Prospect Capital Corporation

OFFER TO EXCHANGE
ANY OR ALL OUTSTANDING
6.50% SERIES M3 PREFERRED STOCK (THE "SERIES M3 SHARES")
FOR
FLOATING RATE SERIES M4 PREFERRED STOCK (THE "SERIES M4 SHARES")

Dated January 31, 2024

To the Stockholders of the Series M3 Shares of Prospect Capital Corporation with CUSIPs that will not be subject to the M1/M2/M3 Shares Clawback (as defined in the Prospectus Supplement) for the applicable Holder Conversion Exercise Date (as defined in the Prospectus Supplement) as of the date a completed Form (as defined below) is submitted (each such Series M3 Share, an "Eligible Series M3 Share"):

Prospect Capital Corporation, a Maryland Corporation (the "Company," "we," "us," or "our"), is offering an ongoing opportunity to exchange the Company's currently outstanding Eligible Series M3 Shares, par value $0.001 per share, for newly-issued shares of the Company's Series M4 Shares, par value $0.001, on the terms and subject to the conditions set forth in this offer to exchange (the "Exchange Offer Prospectus") and in the accompanying exchange / conversion / redemption form for the Eligible Series M3 Shares (the "Form"), each as may be amended or supplemented from time to time. We refer to this offer, on the terms and subject to the conditions set forth in this Exchange Offer Prospectus and the Form, as the "Exchange Offer."

The Company is offering Stockholders of Eligible Series M3 Shares the ability to exchange any or all of their Eligible Series M3 Shares for newly-issued Series M4 Shares on a continuous basis. Exchanges will be processed on a monthly basis, with the deadline for a Stockholder of Eligible Series M3 Shares to submit a completed Form for each month being the last business day of the prior month (the "Exchange Deadline").

Exchange requests received in good order by the Exchange Deadline will generally be processed the following month on a business day of our choosing, which will typically be before the record date for that month's dividend on the Series M3 Shares and Series M4 Shares (the "Exchange Exercise Date"). Stockholders who exchange Eligible Series M3 Shares for Series M4 Shares will receive unpaid dividends on their Eligible Series M3 Shares accrued to, but not including, the Exchange Exercise Date in cash, and dividends will begin to accrue on their new Series M4 Shares on the Exchange Exercise Date.

Exchanges of Eligible Series M3 Shares for Series M4 Shares are not subject to any selling commission or dealer manager fees.

The terms of the Series M4 Shares differ in important ways from those of the Series M3 Shares, including with respect to terms and conditions of conversion and redemption. The terms of the Series M4 Shares are set forth in our Prospectus Supplement dated December 29, 2023 relating to the offer and sale of the Series M4 Shares and other securities (as amended or supplemented from time to time, the "Prospectus Supplement"), which is available at https://pcsalts.com/pc-prefseries-overview/.

You should rely only on the information contained or incorporated by reference in this Exchange Offer Prospectus and any applicable supplement. The Company has not authorized anyone to provide you with different information. The Company is not making an offer of the Series M4 Shares in any state where such offer or sale is not permitted. You should not assume that the information contained in this Exchange Offer Prospectus and any applicable supplement is accurate as of any date other than the date of this Exchange Offer Prospectus or the date of the applicable supplement.

IMPORTANT

THE COMPANY MAKES NO RECOMMENDATION TO ANY STOCKHOLDER AS TO WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER. STOCKHOLDERS MUST MAKE THEIR OWN DECISIONS AS TO WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER, AND, IF THEY CHOOSE TO DO SO, THE AMOUNT OF SERIES ELIGIBLE M3 SHARES TO EXCHANGE.

BECAUSE EACH STOCKHOLDER'S INVESTMENT DECISION IS A PERSONAL ONE, BASED ON ITS FINANCIAL CIRCUMSTANCES, NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY AS TO WHETHER ANY STOCKHOLDERS SHOULD PARTICIPATE IN THE EXCHANGE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THOSE CONTAINED HEREIN OR IN THE FORM. IF GIVEN OR MADE, SUCH RECOMMENDATION AND SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED ON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THE CONTENTS OF THIS OFFER TO EXCHANGE ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH STOCKHOLDER SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISOR AND TAX ADVISOR AS TO LEGAL, BUSINESS AND TAX ADVICE. INVESTMENT IN THE SERIES M4 SHARES MAY NOT BE SUITABLE FOR ALL STOCKHOLDERS.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED

ON THE FAIRNESS OR MERITS OF SUCH TRANSACTION OR ON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Questions, requests for assistance and requests for additional copies of the Exchange Offer may be directed in writing to:

Preferred Shareholder Services
3290 Northside Parkway NW, Suite 800
Atlanta, GA 30327

Forward-Looking Statements

Any projections, forecasts and estimates contained or incorporated by reference herein are forward-looking statements and are based upon certain assumptions. Projections, forecasts and estimates are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any projections, forecasts or estimates will not materialize or will vary significantly from actual results. Actual results may vary from any projections, forecasts and estimates and the variations may be material. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates, market, financial or legal uncertainties, and the timing and frequency of defaults on underlying investments. Consequently, the inclusion of any projections, forecasts and estimates herein should not be regarded as a representation by the Company, Prospect Capital Management L.P. (the "Investment Adviser") or any of their respective affiliates or any other person or entity of the results that will actually be achieved by the Company. None of the Company, the Investment Adviser or their respective affiliates has any obligation to update or otherwise revise any projections, forecasts and estimates including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

NOTICE TO INVESTORS

We are relying on Section 3(a)(9) of the Securities Act of 1933 (the "Securities Act") to exempt the Exchange Offer from the registration requirements 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.

No dealer, salesman or other person has been authorized to give any information or to make any representations with respect to the matters described in this Exchange Offer, other than those contained in, or incorporated by reference into, this Exchange Offer. If given or made, such information or representations may not be relied upon as having been authorized by us.

In making an investment decision, Stockholders must rely on their own examination of us and the terms of the Exchange Offer, including the merits and risks involved. The information contained in this Exchange Offer Prospectus is correct in all material respects as of the date hereof. Neither the delivery of this Exchange Offer Prospectus nor the consummation of the Exchange Offer will create the implication that the information contained herein is correct at any time after the date hereof; however, if a material change occurs in the information contained in this Exchange Offer Prospectus, we will disseminate promptly disclosure of the change to you. Our business, financial condition, results of operations and prospects may change after that date.

No representation is made to any Stockholder regarding the legality of an investment in the Series M4 Shares under any applicable legal investment or similar laws or regulations. The contents of this Exchange Offer Prospectus are not to be construed as legal, financial or tax advice. Stockholders should consult their own attorneys, financial advisors or tax advisors as to legal, financial or tax advice with respect to the Exchange Offer.

The Exchange Offer

The Company is offering Stockholders of Eligible Series M3 Shares the ability to exchange any or all of their Eligible Series M3 Shares for newly-issued Series M4 Shares on a continuous basis. An Eligible Series M3 Share Stockholder participating in the Exchange Offer will receive (a) one (1) Series M4 Share for each whole Eligible Series M3 Share exchanged, and (b) a cash payment equal to any unpaid dividends on the exchanged Eligible Series M3 Shares accrued to, but not including, the Exchange Exercise Date, plus any fractional amount of an Eligible Series M3 Share exchanged multiplied by $25.00 (collectively, the "Cash Consideration"). Eligible Series M3 Share Stockholders may elect to participate in the Exchange Offer by completing the Form attached hereto.

Exchanges will be processed on a monthly basis, with the deadline for an Eligible Series M3 Share Stockholder to submit a completed Form for each month being the last business day of the prior month (the Exchange Deadline). Exchange requests received in good order by the Exchange Deadline will generally be processed the following month on a business day of our choosing, which will typically be before the record date for that month's dividend on the Series M3 Shares and Series M4 Shares (the Exchange Exercise Date). Stockholders who exchange Eligible Series M3 Shares for Series M4 Shares will receive unpaid dividends on their Eligible Series M3 Shares accrued to, but not including, the Exchange Exercise Date as part of the Cash Consideration, and dividends will begin to accrue on their new Series M4 Shares on the Exchange Exercise Date.

Exchanges of Eligible Series M3 Shares for Series M4 Shares are not subject to any selling commission or dealer manager fees.

The terms of the Series M4 Shares differ in important ways from those of the Series M3 Shares, including with respect to terms and conditions of conversion and redemption. The terms of the Series M4 Shares are set forth in the Prospectus Supplement, which is available at https://pcsalts.com/pc-prefseries-overview/.

The issuance of Series M4 Shares in the Exchange Offer will constitute an initial issuance of Series M4 Shares. Therefore, Series M4 Shares received in the Exchange Offer will be subject to the Series M4 Shares Clawback (as defined in the Prospectus Supplement) for the first twenty-four months after the settlement date for the Exchange Offer on which the Series M4 Shares are issued. This means that if a Series M4 Share Stockholder exercises its option to redeem some or all of its Series M4 Shares within the first twenty-four months after the Exchange Exercise Date on which the Series M4 Shares are issued, the settlement amount payable in the redemption will be reduced by (i) during the first twelve months of issuance of such Series M4 Shares, the aggregate amount of all dividends, whether paid or accrued, on such M4 Shares in the six-month period prior to the Holder Redemption Exercise Date (as defined in the Prospectus Supplement), and (ii) during the second twelve months of issuance of such Series M4 Shares, the aggregate amount of all dividends, whether paid or accrued, on such M4 Shares in the three-month period prior to the Holder Redemption Exercise Date. See "Risk Factors".

All questions as to the validity, form and eligibility, including time or receipt of Forms and whether a Series M3 Share is an Eligible Series M3 Share, will be determined by us in our sole discretion. Our determination will be final and binding on all parties, subject to a Stockholder challenging our determination in a court of competent jurisdiction and such court issuing a judgment to the contrary.

We may withdraw the Exchange Offer at any time in our sole discretion with or without notice.

Summary of Preferred Stock Liquidity Features

The information set forth in the section of the Prospectus Supplement titled "Summary of Preferred Stock Liquidity Features" is incorporated herein by reference.

Risk Factors

Your investment in shares of our Preferred Stock will involve certain risks. Before deciding whether to invest in shares of our Preferred Stock, you should, in consultation with your own financial and legal advisors, carefully consider the following supplementary risk factors together with the risk factors set forth in the attached Prospectus Supplement and as described in the section titled "Risk Factors" in our most recent Annual Report on Form 10-K and most recent Quarterly Reports on Form 10-Q, as well as in subsequent filings with the U.S. Securities and Exchange Commission ("SEC"), which are incorporated by reference into this Exchange Offer Prospectus in their entirety, together with other information in this Exchange Offer Prospectus, the attached Prospectus Supplement and the documents incorporated by reference herein and therein. The risks described below and in these documents are not the only risks we face. Additional risks and uncertainties not presently known to us might also impair our operations and performance. If any of the events described herein or in such documents occur, our business, financial condition and results of operations could be materially and adversely affected. Past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. If any of these risks actually occurs, our business, reputation, financial condition, results of operations, revenue, and future prospects could be seriously harmed. Please also read carefully the section titled "Forward-Looking Statements" in

this Exchange Offer Prospectus, the attached Prospectus Supplement and in our filings with the SEC.

The twenty-four month Series M4 Shares Clawback period will commence upon the exchange of Eligible Series M3 Shares for Series M4 Shares.

The Series M4 Shares are subject to the Series M4 Shares Clawback (as defined in the Prospectus Supplement) upon exercise of the Holder Optional Redemption (as defined in the Prospectus Supplement) within the first twenty-four months of issuance of such Series M4 Shares. The twenty-four month Series M4 Shares Clawback effective period will commence upon exchange of Eligible Series M3 Shares for Series M4 Shares pursuant to the Exchange Offer since the Series M4 Shares received in the Exchange Offer will be newly issued.

The Company is 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 Series M4 Share Stockholder, including qualifying for the waiver and exercising a Holder Optional Conversion during the pendency of the term of such waiver. Although the Company retains the right to waive the Series M4 Shares Clawback in the manner described above, the Company is not required to establish any such waivers and we may never establish any such waivers.

Description of the Preferred Stock

The information set forth in the section of the Prospectus Supplement titled "Description of the Preferred Stock" is incorporated herein by reference.

Supplement to Material U.S. Federal Income Tax Considerations

The following summary of certain U.S. federal income tax considerations supplements the discussion set forth under the heading "Supplement to Material U.S. Federal Income Tax Considerations" in the Prospectus Supplement and is subject to the qualifications and assumptions set forth therein. The following summary is for general information only and is not tax advice. This discussion does not purport to deal with all aspects of taxation that may be relevant to particular Stockholders in light of their personal investment or tax circumstances and does not apply to Stockholders subject to special tax rules. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. Each Stockholder is urged to consult its own tax advisor regarding the tax consequences to it of participating in the Exchange Offer and of the ownership and disposition of the Series M4 Shares.

We intend to treat the exchange of Eligible Series M3 Shares for Series M4 Shares pursuant to the Exchange Offer as a "recapitalization" within the meaning of Section 368(a)(1)(E) of the Code. Assuming such exchange is so treated, an exchanging Stockholder will generally not recognize gain or loss on the exchange, except that cash received in respect of accrued but unpaid dividends may be treated as a distribution on the Eligible Series M3 Shares, as described under "Supplement to Material U.S. Federal Income Tax Considerations—Distributions" in the Prospectus Supplement. A Stockholder's adjusted tax basis in Series M4 Shares received in exchange would

equal its tax basis in the corresponding Eligible Series M3 Shares exchanged therefor, and its holding period in the Series M4 Shares would include the holding period for the corresponding Eligible Series M3 Shares.

See "Supplement to Material U.S. Federal Income Tax Considerations" in the Prospectus Supplement for a general discussion of the consequences of owning and disposing of Series M4 Shares received in the exchange.

Preferred Stock Dividend Reinvestment Plan

The information set forth in our 2023 Annual Report in the section titled "Item 1. Business—Preferred Stock Dividend Reinvestment Plan" is incorporated herein by reference.

With respect to reinvested dividends, the purchase price for purchases of shares of Series M4 Shares directly from us will be $25.00 per share of Series M4 Shares, and the investment date will be the dividend payment date for the month. See the section titled "Preferred Stock Dividend Reinvestment Plan" in our 2023 Annual Report for additional information.

For Stockholders who hold their Eligible Series M3 Shares through the Direct Registration System, you **must** check the Preferred Stock Dividend Reinvestment Plan ("DRIP") election box on the Form to enroll or re-enroll in the DRIP for the new Series M4 Shares. For Stockholders who hold their Eligible Series M3 Shares though The Depository Trust Company (i.e., in "street name"), you will need to contact your broker or other financial intermediary to enroll or re-enroll in the DRIP for the new Series M4 Shares.

Use of Proceeds

The information set forth in the section of the Prospectus Supplement titled "Use of Proceeds" is incorporated herein by reference.

Capitalization

The information set forth in the section of the Prospectus Supplement titled "Capitalization" is incorporated herein by reference.

Sales of Common Stock Below Net Asset Value

The information set forth in the section of the Prospectus Supplement titled "Sales of Common Stock Below Net Asset Value" is incorporated herein by reference.

Incorporation by Reference

We have "incorporated by reference" information that we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. We incorporate by reference into this Exchange Offer Prospectus the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of

1934, including any filings on or after the date of this Exchange Offer Prospectus from the date of filing (excluding any information furnished, rather than filed), until we have sold all of the offered securities to which this Exchange Offer Prospectus relates or the Exchange Offer is otherwise terminated. The information incorporated by reference is an important part of this Exchange Offer Prospectus. Any statement in a document incorporated by reference into this Exchange Offer Prospectus will be deemed to be automatically modified or superseded to the extent a statement contained in (1) this Exchange Offer Prospectus or (2) any other subsequently filed document that is incorporated by reference into this Exchange Offer Prospectus modifies or supersedes such statement.

The documents incorporated by reference herein include:

- our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 filed with the SEC on September 8, 2023;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023, filed with the SEC on November 8, 2023;
- our Current Report on Form 8-K filed with the SEC on September 29, 2023, October 30, 2023, December 22, 2023, December 29, 2023 and January 25, 2023 (Item 3.03 only); and
- our definitive Proxy Statement on Schedule 14A filed with the SEC on September 20, 2023 and additional definitive proxy materials on Schedule 14A filed with the SEC on September 29, 2023.

To obtain copies of these filings, see "Available Information" in this Exchange Offer Prospectus. We will also provide without charge to each person, including any beneficial owner, to whom this Exchange Offer Prospectus is delivered, upon written or oral request, a copy of any and all of the documents that have been or may be incorporated by reference in this Exchange Offer Prospectus. You should direct requests for documents by writing to:

Preferred Shareholder Services
3290 Northside Parkway NW, Suite 800
Atlanta, GA 30327

Available Information

The information set forth in the section of the Prospectus Supplement titled "Available Information" is incorporated herein by reference.