Oxford Lane Capital Corp.
Form N-2/A
August 01, 2018

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U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 x

(Check appropriate box or boxes)

Pre-Effective Amendment No. 1

Post-Effective Amendment No. ¨

and

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 x

Amendment No. 17 x

OXFORD LANE CAPITAL CORP.

(Exact name of Registrant as specified in charter)

8 Sound Shore Drive, Suite 255

Greenwich, CT 06830

(Address of Principal Executive Offices)

Registrant’s telephone number, including Area Code: (203) 983-5275

Jonathan H. Cohen

Chief Executive Officer

Oxford Lane Capital Corp.

8 Sound Shore Drive, Suite 255

Greenwich, CT 06830

(Name and address of agent for service)

COPIES TO:

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(202) 383-0100

Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. x

It is proposed that this filing will become effective (check appropriate box):

¨ when declared effective pursuant to section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Proposed Maximum Aggregate Offering Price[1]			Amount of Registration Fee[1]	
Common Stock, $0.01 par value per share(2)(3)					
Preferred Stock, $0.01 par value per share(2)					
Subscription Rights(2)					
Debt Securities(4)					
Total(5)	$	500,000,000	(5)	$ 33,395	(6)

(1) Estimated pursuant to Rule 457(o) under the Securities Act of 1933 solely for the purpose of determining the registration fee. The proposed maximum offering price per security will be determined, from time to time, by the Registrant in connection with the sale by the Registrant of the securities registered under this Registration Statement.

(2) Subject to Note 5 below, there is being registered hereunder an indeterminate number of shares of common stock or preferred stock, or subscription rights to purchase shares of common stock as may be sold, from time to time.

(3) Includes such indeterminate number of shares of common stock as may, from time to time, be issued upon conversion or exchange of other securities registered hereunder, to the extent any such securities are, by their terms, convertible or exchangeable for common stock.

(4) Subject to Note 5 below, there is being registered hereunder an indeterminate number of debt securities as may be sold, from time to time. If any debt securities are issued at an original issue discount, then the offering price shall be in such greater principal amount as shall result in an aggregate price to investors not to exceed $500,000,000.

(5) In no event will the aggregate offering price of all securities issued from time to time pursuant to this Registration Statement exceed $500,000,000.

(6) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION, DATED AUGUST 1, 2018

$500,000,000

Oxford Lane Capital Corp.

Common Stock

Preferred Stock

Subscription Rights

Debt Securities

We are a non-diversified, closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, or the "1940 Act." Our investment objective is to maximize our portfolio's risk-adjusted total return. We have implemented our investment objective by purchasing portions of equity and junior debt tranches of collateralized loan obligation, or "CLO," vehicles. Structurally, CLO vehicles are entities formed to originate and manage a portfolio of loans.

An investment in our securities is subject to significant risks and involves a heightened risk of total loss of investment. The price of shares of our common stock may be highly volatile and our common stock may frequently trade at a discount to our net asset value. In addition, the residual interests of the CLO securities in which we invest are subject to a high degree of special risks, including: CLO structures are highly complicated and may be subject to disadvantageous tax treatment; CLO vehicles are highly levered and are made up of below investment grade loans in which we typically have a residual interest that is much riskier than the loans that make up the CLO vehicle; and the market price for CLO vehicles may fluctuate dramatically (including dramatic declines during certain periods in 2015 and 2016), which may make portfolio valuations unreliable and negatively impact our net asset value and our ability to make distributions to our stockholders. 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. See "Risk Factors" beginning on page 19 to read about factors you should consider, including the risk of leverage, before investing in our securities.

We may offer, from time to time, in one or more offerings or series, up to $500,000,000 of our common stock, preferred stock, subscription rights to purchase shares of our common stock or debt securities, which we refer to, collectively, as our "securities." The preferred stock, subscription rights and debt securities offered hereby may be convertible or exchangeable into shares of our common stock. The securities may be offered at prices and on terms to be described in one or more supplements to this prospectus.

In the event we offer common stock, the offering price per share of our common stock less any underwriting discounts or commissions will generally not be less than the net asset value per share of our common stock at the time we make the offering. However, we may issue shares of our common stock pursuant to this prospectus at a price per share that is less than our net asset value per share (i) in connection with a rights offering to our existing stockholders, (ii) with the prior approval of the majority (as defined in the 1940 Act) of our common stockholders or (iii) under such other circumstances as the Securities and Exchange Commission, or the "SEC," may permit.

Our securities may be offered directly to one or more purchasers, or through agents designated from time to time by us, or to or through underwriters or dealers. Each prospectus supplement relating to an offering will identify any agents or underwriters involved in the sale of our securities, and will disclose any applicable purchase price, fee, discount or commissions arrangement between us and our agents or underwriters or among our underwriters or the basis upon which such amount may be calculated. See "Plan of Distribution." We may not sell any of our securities through agents, underwriters or dealers without delivery of this prospectus and a prospectus supplement describing the method and terms of the offering of such securities.

Our common stock is traded on the NASDAQ Global Select Market under the symbol "OXLC." On July 31, 2018, the last reported sales price on the NASDAQ Global Select Market for our common stock was $11.12 per share, which was at a premium of 10.32% to the net asset value per share of our common stock as of March 31, 2018. Our 7.50% Series 2023 Term Preferred Shares, or "Series 2023 Term Preferred Shares," and our 6.75% Series 2024 Term Preferred Shares, or "Series 2024 Term Preferred Shares," are also traded on the NASDAQ Global Select Market under the symbols "OXLCO" and "OXLCM," respectively. On July 31, 2018, the last reported sales prices on the NASDAQ Global Select Market of our Series 2023 Term Preferred Shares and our Series 2024 Term Preferred Shares were $25.345 and $25.4555 per share, respectively. We are required to determine the net asset value per share of our common stock on a quarterly basis. Our net asset value per share of our common stock as of March 31, 2018 was $10.08.

This prospectus and any accompanying prospectus supplement contains important information about us that a prospective investor should know before investing in our securities. Please read this prospectus and any accompanying prospectus supplement before investing and keep it for future reference. We are required to file annual, semi-annual and quarterly reports, proxy statements and other information about us with the SEC. This information is available free of charge by contacting us by mail at 8 Sound Shore Drive, Suite 255, Greenwich, CT 06830, by telephone at (203) 983-5275 or on our website at http://www.oxfordlanecapital.com. The SEC also maintains a website at http://www.sec.gov that contains such information. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider that information to be part of this prospectus.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus may not be used to consummate sales of our securities unless accompanied by a prospectus supplement. This prospectus and any accompanying prospectus supplement will together constitute the prospectus for an offering of the Company's securities.

The date of this prospectus is , 2018.

You should rely only on the information contained, collectively, in this prospectus and any accompanying prospectus supplement. We have not authorized any person to give any information or to make any representation other than those contained in this prospectus or any accompanying prospectus supplement. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any accompanying prospectus do not constitute an offer to sell or a solicitation of any offer to buy any security other than the registered securities to which they relate, nor do they constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The information contained in this prospectus and any accompanying prospectus supplement is accurate as of the dates on their covers; however, the prospectus and any accompanying prospectus supplement will be updated to reflect any material changes.

OXFORD LANE CAPITAL CORP.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the SEC, using the “shelf” registration process. Under the shelf registration process, we may offer, from time to time, in one or more offerings up to $500,000,000 of our common stock, preferred stock, subscription rights to purchase shares of our common stock or debt securities, on terms to be determined at the time of the offering. The securities may be offered at prices and on terms described in one or more supplements to this prospectus. This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between information in this prospectus and any accompanying prospectus supplement, you should rely only on the information contained in the prospectus supplement. Please carefully read this prospectus and any prospectus supplement together with any exhibits and the additional information described under the headings “Available Information” and “Risk Factors” before you make an investment decision.

SUMMARY

The following summary contains basic information about this offering. It may not contain all the information that is important to an investor. For a more complete understanding of this offering, you should read this entire document and the documents to which we have referred.

Except where the context requires otherwise, the terms “Oxford Lane Capital,” the “Company,” the “Fund,” “we,” “us” and “o refer to Oxford Lane Capital Corp.; “Oxford Lane Management” and “investment adviser” refer to Oxford Lane Management, LLC; “Oxford Funds” and “administrator” refer to Oxford Funds, LLC (formerly known as BDC Partners, LLC); and “Alaric” and “Alaric Compliance Services” refer to Alaric Compliance Services, LLC.

Overview

We are a non-diversified closed-end management investment company that has registered as an investment company under the 1940 Act. Our investment objective is to maximize our portfolio’s risk-adjusted total return.

We have implemented our investment objective by purchasing portions of equity and junior debt tranches of CLO vehicles. Our investment strategy also includes warehouse facilities, which are financing structures intended to aggregate loans that may be used to form the basis of a CLO vehicle. Substantially all of the CLO vehicles in which we may invest would be deemed to be investment companies under the 1940 Act but for the exceptions set forth in section 3(c)(1) or section 3(c)(7). Structurally, CLO vehicles are entities formed to originate and manage a portfolio of loans. The loans within the CLO vehicle are limited to loans which meet established credit criteria and are subject to concentration limitations in order to limit a CLO vehicle’s exposure to a single credit. A CLO vehicle is formed by raising various classes or “tranches” of debt (with the most senior tranches being rated “AAA” to the most junior tranches typically being rated “BB” or “B”) and equity. The CLO vehicles which we focus on are collateralized primarily by senior secured loans made to companies whose debt is unrated or is rated below investment grade, or “Senior Loans,” and generally have very little or no exposure to real estate, mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans. Below investment grade securities are often referred to as “junk.” We may also invest, on an opportunistic basis, in other corporate credits of a variety of types. We expect that each of our investments will range in size from $5 million to $50 million, although the investment size may vary consistent with the size of our overall portfolio. Oxford Lane Management manages our investments and its affiliate arranges for the performance of the administrative services necessary for us to operate.

CLO vehicles, due to their high leverage, are more complicated to evaluate than direct investments in Senior Loans. Since we invest in the residual interests of CLO securities, our investments are riskier than the profile of the Senior Loans by which such CLO vehicles are collateralized. Our investments in CLO vehicles are riskier and less transparent to us and our stockholders than direct investments in the underlying Senior Loans. Our portfolio of investments may lack diversification among CLO vehicles which would subject us to a risk of significant loss if one or more of these CLO vehicles experience a high level of defaults on its underlying Senior Loans. The CLO vehicles in which we invest have debt that ranks senior to our investment. The market price for CLO vehicles may fluctuate dramatically, which would make portfolio valuations unreliable and negatively impact our net asset value and our ability to make distributions to our stockholders. Our financial results may be affected adversely if one or more of our significant equity or junior debt investments in such CLO vehicles defaults on its payment obligations or fails to perform as we expect.

Our investments in CLO vehicles may be subject to special anti-deferral provisions that could result in us incurring tax or recognizing income prior to receiving cash distributions related to such income. Specifically, the CLO vehicles in which we invest generally constitute “passive foreign investment companies”, or “PFICs.” Because we acquire investments in PFICs (including equity tranche investments in CLO vehicles that are PFICs), we may be subject to U.S. federal income tax on a portion of any “excess distribution” or gain from the disposition of such investments even if such income is distributed as a taxable dividend by us to our stockholders. See “Risk Factors — Risks Related to Our

Investments” beginning on page 19 to read about factors you should consider before investing in our securities.

For the fiscal year ended March 31, 2018, our total return based on market value was 6.41%. Total return based on market value is calculated assuming that shares of the Fund’s common stock were purchased at the market price as of the beginning of the period, and that distribution, capital gains and other distributions were reinvested as provided for in the Fund’s distribution reinvestment plan, excluding any discounts, and that the total number of shares were sold at the closing market price per share on the last day of the period. The computation does not reflect any sales commission investors may incur in purchasing or selling shares of the Fund. For the fiscal year ended March 31, 2018, our total return based on net asset value was 18.53%. Total return based on net asset value is the change in ending net asset value per share plus distributions per share paid during the period assuming participation in the Company's dividend reinvestment plan divided by the beginning net asset value per share. The total return based on net asset value does not reflect any sales commission investors may incur in purchasing or selling shares of the Company. Our total return figures are subject to change and, in the future, may be greater or less than the rates set forth above.

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Distributions

In order to be subject to pass-through tax treatment as a regulated investment company, or “RIC,” and to eliminate our liability for corporate-level U.S. federal income tax on the income we distribute to our stockholders, we are required, under Subchapter M of the Internal Revenue Code of 1986, as amended, or the “Code,” to distribute to our stockholders on an annual basis 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.

The following table reflects the cash distributions, including distributions reinvested and returns of capital, if any, per share that we have declared on our common stock in the last five fiscal years and the current fiscal year, as well as our per share net investment income and distributions in excess of net investment income:

Months Ended	Record Date	Payment Date	**Distributions**(1)	GAAP Net Investment Income (3)	Distributions (in excess of) / Less than Net Investment Income (3)
Fiscal 2019					
September 30, 2018	September 20, 2018	September 28, 2018	$ 0.135	N/A	N/A
August 31, 2018	August 23, 2018	August 31, 2018	0.135	N/A	N/A
July 31, 2018	July 23, 2018	July 31, 2018	0.135	N/A	N/A
Sub-total for the quarter ended September 30, 2018			0.405	— (4)	— (4)
June 30, 2018	June 21, 2018	June 29, 2018	0.135	N/A	N/A
May 31, 2018	May 23, 2018	May 31, 2018	0.135	N/A	N/A
April 30, 2018	April 20, 2018	April 30, 2018	0.135	N/A	N/A
Sub-total for the quarter ended June 30, 2018			0.405	— (4)	— (4)
Fiscal 2018(5)					
March 31, 2018	March 22, 2018	March 30, 2018	0.135	N/A	N/A
February 28, 2018	February 20, 2018	February 28, 2018	0.135	N/A	N/A
January 31, 2018	January 23, 2018	January 31, 2018	0.135	N/A	N/A
Sub-total for the quarter ended March 31, 2018			0.405	$ 0.40	$ (0.005)
December 31, 2017	December 15, 2017	December 29, 2017	0.40	0.41	0.01
September 30, 2017	September 15, 2017	September 29, 2017	0.40	0.37	(0.03)
June 30, 2017	June 16, 2017	June 30, 2017	0.40	0.42	0.02
Total Fiscal 2018			1.605	1.60	$ (0.005)
Fiscal 2017					
March 31, 2017	March 16, 2017	March 31, 2017	0.60	0.46	(0.14)
December 31, 2016	December 16, 2016	December 30, 2016	0.60	0.38	(0.22)
September 30, 2016	September 16, 2016	September 30, 2016	0.60	0.37	(0.23)
June 30, 2016	June 16, 2016	June 30, 2016	0.60	0.30	(0.30)
Total Fiscal 2017			2.40	1.51	(0.89)
Fiscal 2016					
March 31, 2016	March 16, 2016	March 31, 2016	0.60	0.36	(0.24)
December 31, 2015	December 16, 2015	December 31, 2015	0.60	0.46	(0.14)
September 30, 2015	September 30, 2015	October 30, 2015	0.60	0.33	(0.27)

June 30, 2015	June 16, 2015	June 30, 2015		0.60			0.44		(0.16	)
Total Fiscal 2016				2.40			1.59		(0.81	)
Fiscal 2015										
March 31, 2015	March 17, 2015	March 31, 2015		0.60			0.41		(0.19	)
December 31, 2014	December 17, 2014	December 31, 2014		0.60			0.29		(0.31	)
September 30, 2014	September 16, 2014	September 30, 2014		0.60			0.28		(0.32	)
June 30, 2014	June 16, 2014	June 30, 2014		0.60			0.38		(0.22	)
Total Fiscal 2015				2.40			1.36		(1.04	)
Fiscal 2014										
March 31, 2014	March 17, 2014	March 31, 2014		0.60			0.29		(0.31	)
	March 17, 2014	March 31, 2014		0.10	(2)		—		—	
December 31, 2013	December 17, 2013	December 31, 2013		0.55			0.32		(0.23	)
September 30, 2013	September 16, 2013	September 30, 2013		0.55			0.35		(0.20	)
June 30, 2013	June 14, 2013	June 28, 2013		0.55			0.28		(0.27	)
Total Fiscal 2014				2.35			1.24		(1.11	)
			$	11.16		$	7.30	$	(3.86	)

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(1) All of our cash distributions in the table above were funded from taxable income except for the fiscal year ended March 31, 2017. Cash distributions for the fiscal year ended March 31, 2017 include a tax return of capital of approximately $0.44 per share for tax purposes. The ultimate tax character of the Fund's earnings cannot be determined until tax returns are prepared after the end of the fiscal year, consequently, the tax characterization of cash distributions for the fiscal years ended March 31, 2018 and 2019 will not be known until the tax returns for those years are finalized.
(2) Represents a special dividend for the fiscal year ended March 31, 2014.
(3) Investment income is determined on a quarterly basis.
(4) We have not yet reported investment income for this period.
(5) Beginning January 1, 2018, the Board began to declare monthly distributions in lieu of quarterly distributions.

For the fiscal year ended March 31, 2018, we paid distributions totaling $6,780,002, $1,174,249 and $3,671,916 on the Series 2023 Term Preferred Shares, 8.125% Series 2024 Term Preferred Shares and 6.75% Series 2024 Term Preferred Shares, respectively. For the fiscal year ended March 31, 2017, we paid dividends totaling $5,844,609 and $4,102,473 on the Series 2023 Term Preferred Shares and the 8.125% Series 2024 Term Preferred Shares, respectively. For the fiscal year ended March 31, 2016, we paid distributions totaling $421,888, $7,383,791 and $4,862,802 on the 8.50% Series 2017 Term Preferred Shares, or the "Series 2017 Term Preferred Shares," the Series 2023 Term Preferred Shares and the 8.125% Series 2024 Term Preferred Shares, respectively. For the fiscal year ended March 31, 2015, we paid $1,344,083, $5,286,287 and $2,912,844 on the Series 2017 Term Preferred Shares, the Series 2023 Term Preferred Shares and the 8.125% Series 2024 Term Preferred Shares, respectively. For the fiscal year ended March 31, 2014, we paid $1,344,083 and $2,638,151 in preferred dividends on the Series 2017 Term Preferred Shares and the Series 2023 Term Preferred Shares, respectively. The 2017 Term Preferred Shares were fully redeemed in July 2015 and the 8.125% Series 2024 Term Preferred Shares were fully redeemed in July 2017.

For accounting purposes the distributions declared on our common stock for the fiscal years ended March 31, 2018, 2017, 2016, 2015, 2014 and 2013 were in excess of the reported earnings under Generally Accepted Accounting Principles, or "GAAP." However, as a RIC, earnings and distributions are determined on a tax basis. Furthermore, taxable earnings are determined according to tax regulations and differ from reported income for accounting purposes under GAAP. Therefore, the characterization of distributions for federal income tax purposes may differ from the characterization for GAAP. For the fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012, taxable earnings exceeded our distributions, and there was no tax return of capital for these years. For the fiscal year ended March 31, 2017, there was a tax return of capital of approximately $0.44 per share for federal income tax purposes.

The tax characterization of distributions for the year ended March 31, 2018 will not be known until the tax return is finalized. To the extent that taxable earnings for any fiscal year are less than the amount of the distributions paid during the year, there would be a tax return of capital to shareholders. Distributions in excess of current and accumulated taxable earnings and profits will generally not be taxable to the shareholders, because a tax return of capital represents a return of a portion of a shareholder's original investment in our common stock, net of fund fees and expenses, to the extent of a shareholder's basis in our stock. Generally, a tax return of capital will reduce an investor's basis in our stock for federal tax purposes, which will result in the shareholder recognizing additional gain (or less loss) when the stock is sold. Assuming that a shareholder holds our stock as a capital asset, any such additional gain would be a capital gain. Shareholders should not assume that the source of all distributions is from our net profits and shareholders may periodically receive the payment of a distribution consisting of a return of capital. The tax character of any distributions will be determined after the end of the fiscal year. Tax matters are very complicated and the tax consequences to an investor of an investment in our shares will depend on the facts of 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 federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

We have elected to be treated, and intend to continue to qualify annually, as a RIC under Subchapter M of the Code beginning with our 2011 taxable year. To maintain RIC tax treatment, we must, among other things, 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. In order to avoid certain U.S. federal excise taxes imposed on RICs, we currently intend to distribute during each calendar year an amount at least equal to the sum of: (1) 98% of our ordinary income for the calendar year; (2) 98.2% of our capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year; and, (3) 100% of any ordinary income and net capital gains for preceding years that were not distributed during such years and on which we paid no U.S. federal income tax. In addition, although we currently intend to distribute realized net capital gains (i.e., net long term capital gains in excess of short term capital losses), if any, at least annually, we may in the future decide to retain such capital gains for investment and elect to treat such gains as deemed distributions to you. If this happens, you will be treated as if you had received an actual distribution of the capital gains we retain and reinvested the net after tax proceeds in us. In this situation, you would be eligible to claim a tax credit (or, in certain circumstances, a tax refund) equal to your allocable share of the tax we paid on the capital gains deemed distributed to you. See “Material U.S. Federal Income

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Tax Considerations." We can offer no assurance that we will achieve results that will permit the payment of any cash distributions and, to the extent that we issue senior securities, we will 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.

We may make distributions by issuing additional shares of our common stock under our distribution reinvestment plan, unless you elect to receive your dividends and/or long-term capital gains distributions in cash. We reserve the right to purchase shares in the open market in connection with our implementation of the distribution reinvestment plan. See "Distribution Reinvestment Plan." If you hold shares in the name of a broker or financial intermediary, you should contact the broker or financial intermediary regarding your election to receive distributions in cash. 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 will 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.

Distribution Policy

Oxford Lane is subject to significant and variable differences between its accounting income under GAAP and its taxable income particularly as it relates to our CLO equity investments. We invest in CLO entities which generally constitute PFICs and which are subject to complex tax rules; the calculation of taxable income attributed to a CLO equity investment can be dramatically different from the calculation of income for financial reporting purposes under GAAP. Taxable income is based upon the distributable share of earnings as determined under tax regulations for each CLO equity investment, which may be consistent with the cash flows generated by those investments (although significant differences are possible), while accounting income is currently based upon an effective yield calculation (this requires the calculation of a yield to expected redemption date based upon an estimation of the amount and timing of future cash flows, including recurring cash flows as well as future principal repayments). The Fund's final taxable earnings for the fiscal year ended March 31, 2018 will not be known until our tax returns are filed but our experience has been that cash flows from CLO equity investments have historically represented a generally reasonable estimate of taxable earnings; however, we can offer no assurance that will be the case in the future, particularly during periods of market disruption and volatility. There may be significant differences between Oxford Lane Capital's GAAP earnings and its taxable earnings, particularly related to CLO equity investments where its taxable earnings are based upon the taxable reported earnings provided by the CLO equity positions in which we invest, while GAAP earnings are based are upon an effective yield calculation. In general, the Fund currently expects its taxable earnings to be higher than its reportable GAAP earnings. However, under certain circumstances we may be required to take into account income for tax purposes no later than when such income is taken into account for GAAP purposes.

While reportable GAAP income from our CLO equity investments for the year ended March 31, 2018 was approximately $71.1 million, we received or were entitled to receive approximately $108.6 million in distributions from our CLO equity investments. While the tax characterization of our distributions for the fiscal year ended March 31, 2018 will not be known until our tax returns are finalized, we expect that our taxable income will exceed our earnings and profits as determined under GAAP for this period. In general, we currently expect our annual taxable income to be higher than our GAAP earnings on the basis of the difference between cash distributions from CLO equity investments actually received or entitled to be received and the effective yield income calculated under GAAP. Our distribution policy is based upon our estimate of our taxable net investment income.

Oxford Lane Management

Our investment activities are managed by Oxford Lane Management, which is an investment adviser that has registered under the Investment Advisers Act of 1940, or the "Advisers Act." Under our investment advisory agreement with Oxford Lane Management, which we refer to as our "Investment Advisory Agreement," we have agreed to pay Oxford Lane Management an annual base management fee based on our gross assets, as well as an incentive fee based on our performance. See "Investment Advisory Agreement."

We expect to benefit from the ability of our investment adviser's team to identify attractive opportunities, conduct diligence on and value prospective investments, negotiate terms where appropriate, and manage and monitor a diversified portfolio although we do not intend to operate as a "diversified" investment company within the meaning of the 1940 Act. Our investment adviser's senior investment team members have broad investment backgrounds, with prior experience at investment banks, commercial banks, unregistered investment funds and other financial services companies, and have collectively developed a broad network of contacts to provide us with our principal source of investment opportunities.

Our investment adviser is led by Jonathan H. Cohen, our Chief Executive Officer, and Saul B. Rosenthal, our President. Messrs. Cohen and Rosenthal are assisted by Darryl M. Monasebian, Executive Vice President, and Debdeep Maji, who serves as Senior Managing Director for Oxford Lane Management. We consider Messrs. Cohen, Rosenthal, Monasebian and Maji to be Oxford Lane Management's senior investment team.

Messrs. Cohen, Rosenthal, Monasebian and Maji together with the other members of Oxford Lane Management's investment team, have developed an infrastructure that we believe provides Oxford Lane Capital with a competitive advantage in locating and acquiring attractive CLO investments.

Charles M. Royce is a non-managing member of Oxford Lane Management. Mr. Royce serves as Chairman of the Board of Managers of Royce & Associates, LLC, or "Royce & Associates." From 1972 until 2017, Mr. Royce served as Chief Executive Officer of Royce & Associates. He also manages or co-manages eight of Royce & Associates' open- and closed-end registered funds. Mr. Royce currently serves on the Board of Trustees of The Royce Funds and Board of Directors of Oxford Square Capital Corp. Mr. Royce is also a non-managing member of Oxford Square Management, LLC, the investment adviser for Oxford Square Capital Corp. Mr. Royce, as a non-managing member of Oxford Lane Management, does not take part in the management or participate in the operations of Oxford Lane Management.

We will reimburse Oxford Funds, an affiliate of Oxford Lane Management, our allocable portion of overhead and other expenses incurred by Oxford Funds in performing its obligations under an administration agreement by and among us and Oxford Funds or the "Administration Agreement," including rent, the fees and expenses associated with performing administrative functions, and our allocable portion of the compensation of our Chief Financial Officer and any administrative support staff, including accounting personnel. We will also pay indirectly the costs associated with the functions performed by our Chief Compliance Officer under the terms of an agreement between us and Alaric Compliance Services, a compliance consulting firm. These arrangements could create conflicts of interest that our Board of Directors must monitor.

Investment Focus

Our investment objective is to maximize our portfolio's risk-adjusted total return. Our current focus is to seek that return by investing in structured finance investments, specifically the equity and junior debt tranches of CLO vehicles, which are collateralized primarily by a diverse portfolio of Senior Loans, and which generally have very little or no exposure to real estate loans, or mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans. Our investment strategy also includes investing in warehouse facilities, which are financing structures intended to aggregate Senior Loans that may be used to form the basis of a CLO vehicle. As of March 31, 2018, we held debt investments in four different CLO structures and equity investments in approximately 70 different CLO structures and four investments in warehouse facilities. We may also invest, on an opportunistic basis, in a variety of other types of corporate credits.

The CLO investments we currently hold in our portfolio generally represent either a residual economic interest, in the case of an equity tranche, or a debt investment collateralized by a portfolio of Senior Loans. The value of our CLO investments generally depend on both the quality and nature of the underlying portfolio it references and also on the specific structural characteristics of the CLO itself.

CLO Structural Elements

Structurally, CLO vehicles are entities formed to originate and manage a portfolio of loans. The loans within the CLO vehicle are generally limited to loans which meet established credit criteria and are subject to concentration limitations in order to limit a CLO vehicle's exposure to a single credit.

A CLO vehicle is formed by raising multiple “tranches” of debt (with the most senior tranches being rated “AAA” to the most junior tranches typically being rated “BB” or “B”) and equity. As interest payments are received, the CLO vehicle makes contractual interest payments to each tranche of debt based on their seniority. If there are funds remaining after each tranche of debt receives its contractual interest rate and the CLO vehicle meets or exceeds required collateral coverage levels (or other similar covenants) the remaining funds may be paid to the equity tranche. The contractual provisions setting out this order of payments are set out in detail in the CLO vehicle’s indenture. These provisions are referred to as the “priority of payments” or the “waterfall” and determine any other obligations that may be required to be paid ahead of payments of interest and principal on the

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securities issued by a CLO vehicle. In addition, for payments to be made to each tranche, after the most senior tranche of debt, there are various tests which must be complied with, which are different for each CLO vehicle.

CLO indentures typically provide for adjustments to the priority of payments in the event that certain cashflow or collateral requirements are not maintained. The collateral quality tests that may divert cashflows in the priority of payments are predominantly determined by reference to the par values of the underlying loans, rather than their current market values. Accordingly, we believe that CLO equity and junior debt investments allow investors to gain exposure to the Senior Loan market on a levered basis without being structurally subject to mark-to-market price fluctuations of the underlying loans. As such, although the current valuations of CLO equity and junior debt tranches are expected to fluctuate based on price changes within the loan market, interest rate movements and other macroeconomic factors, those tranches will generally be expected to continue to receive distributions from the CLO vehicle periodically so long as the underlying portfolio does not suffer defaults, realized losses or other covenant violations sufficient to trigger changes in the waterfall allocations. We therefore believe that an investment portfolio consisting of CLO equity and junior debt investments of this type has the ability to provide attractive risk-adjusted rates of return.

The diagram below is for illustrative purposes only. The CLO structure highlighted below is illustrative only and structures among CLO vehicles in which we may invest may vary substantially from the example set forth below.

We typically invest in the equity tranches, which are not rated, and to a lesser extent the “B” and “BB” tranches of CLO vehicles. As of March 31, 2018, 97.4% of our portfolio on a fair value basis was invested in the equity tranches of CLO vehicles.

The Syndicated Senior Loan Market

We believe that while the syndicated leveraged corporate loan market is relatively large, with Standard and Poor’s estimating the total par value outstanding at approximately $1.1 trillion as of July 31, 2018, this market remains largely inaccessible to a significant portion of investors that are not lenders or approved institutions. The CLO market permits wider exposure to syndicated Senior Loans, but this market is almost exclusively private and predominantly institutional.

The Senior Loan market is characterized by various factors, including:

- Floating rate instruments. A Senior Loan typically contains a floating versus a fixed interest rate, which we believe provides some measure of protection against the risk of interest rate fluctuation. However, all of our CLO investments have many Senior Loans which are subject to interest rate floors and since interest rates on Senior Loans may only reset periodically and the amount of the increase following an interest rate reset may be below the interest rate floors of such Senior Loans, our ability to benefit from rate resets following an increase in interest rates may be limited.

- ***Frequency of interest payments.*** A Senior Loan typically provides for scheduled interest payments no less frequently than quarterly.

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Investment Opportunity

We believe that the market for CLO-related assets continues to provide us with opportunities to generate attractive risk-adjusted returns over the long term. We believe that a number of factors support this conclusion, including:

— The long-term and relatively low-cost capital that many CLO vehicles have secured, compared with current asset spreads, and have created opportunities to purchase certain CLO equity and junior debt instruments that may produce attractive risk-adjusted returns. Additionally, given that the CLO vehicles we invest in are cash flow-based vehicles, this term financing may be beneficial in periods of market volatility.

— The market to invest in warehouse facilities, which are short and medium-term facilities that are generally expected to form the basis of CLO vehicles (which the Fund may participate in or be repaid by), has created additional attractive risk-adjusted investment opportunities for us.

— Investing in CLO securities, and CLO equity instruments and warehouse facilities in particular, requires a high level of research and analysis. We believe that transactions in this market can only be adequately conducted by knowledgeable market participants as this market and these structures tend to be highly specialized.

— The U.S. CLO market is relatively large with total assets under management of approximately $495 billion.(1) We estimate that the notional amount outstanding of the junior-most debt tranches (specifically the tranches originally rated “BB” and “B”) is approximately $24 billion and the notional amount outstanding of the equity tranches is approximately $48 billion.(2)

We continue to review a large number of CLO investment opportunities in the current market environment, and we expect that the majority of our portfolio holdings, over the near to intermediate-term, will continue to be comprised of CLO debt and equity securities, with the more significant focus over the near-term likely to be on CLO equity securities and warehouse facilities.

Summary Risk Factors

The value of our assets, as well as the market price of our securities, will fluctuate. Our investments may be risky, and you may lose all or part of your investment in us. Investing in Oxford Lane Capital involves other risks, including the following:

• Our portfolio of investments may lack diversification among CLO vehicles which may subject us to a risk of significant loss if one or more of these CLO vehicles experiences a high level of defaults on its underlying Senior Loans;

• The Senior Loan portfolios of the CLO vehicles in which we will invest may be concentrated in a limited number of industries, which may subject those vehicles, and in turn us, to a risk of significant loss if there is a downturn in a particular industry in which a number of our CLO vehicles' investments are concentrated;

• 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 the Company.

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

- Investing in CLO vehicles, Senior Loans and other high-yield corporate credits involves a variety of risks, any of which may adversely impact our performance;

- The CLO equity market has experienced significant downturns from time to time, which has negatively impacted our net asset value per share and, if those reduced values are realized over time, you may not receive dividends or our dividends may decline or may not grow over time;

- We have a limited operating history as a closed-end investment company;

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[1] As of December 31, 2017 — Source: Wells Fargo Securities, The CLO Monthly Market Overview, dated May 1, 2018.

[2] Oxford Lane has estimated this amount based in part on the Wells Fargo Securities report (noted in footnote 1 above).

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- Our investment portfolio is recorded at fair value, with our Board of Directors having final responsibility for overseeing, reviewing and approving, in good faith, its estimate of fair value and, as a result, there will be uncertainty as to the value of our portfolio investments;

- We are dependent upon Oxford Lane Management's key personnel for our future success;

- Our incentive fee structure and the formula for calculating the fee payable to Oxford Lane Management may incentivize Oxford Lane Management to pursue speculative investments, use leverage when it may be unwise to do so, or refrain from de-levering when it would otherwise be appropriate to do so;

- A general increase in interest rates may have the effect of making it easier for our investment adviser to receive incentive fees, without necessarily resulting in an increase in our net earnings;

- A disruption or downturn in the capital markets and the credit markets could impair our ability to raise capital and negatively affect our business;

- Regulations governing our operation as a registered closed-end management investment company affect our ability to raise additional capital and the way in which we do so. The raising of debt capital may expose us to risks, including the typical risks associated with leverage;

- We may borrow money and/or issue preferred stock to leverage our portfolio, which would magnify the potential for gain or loss on amounts invested and will increase the risk of investing in us;

- We may experience fluctuations in our quarterly results;

- We will be subject to corporate-level U.S. federal income tax if we are unable to maintain our RIC tax treatment under Subchapter M of the Code;

- There is a risk that our stockholders may not receive distributions or that our distributions may not grow or may be reduced over time, including on a per share basis as a result of the dilutive effects of this offering;

- We cannot predict how tax reform legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business.

- Common shares of closed-end management investment companies, including Oxford Lane Capital, have in the past frequently traded at discounts to their net asset values, and we cannot assure you that the market price of shares of our common stock will not decline below our net asset value per share;

- Our common stock price may be volatile and may decrease substantially;

- Any amounts that we use to service our indebtedness or preferred dividends, or that we use to redeem our preferred stock, will not be available for distributions to our common stockholders;

- Our common stock is subject to a risk of subordination relative to holders of our debt instruments and holders of our preferred stock; and

- Holders of our preferred stock have the right to elect two members of our Board of Directors and class voting rights on certain matters.

See "Risk Factors" beginning on page 19, and the other information included in this prospectus and any accompanying prospectus supplement, for additional discussion of factors you should carefully consider before investing in our securities.

Operating and Regulatory Structure

Oxford Lane Capital is a Maryland corporation that is a non-diversified closed-end management investment company that has registered as an investment company under the 1940 Act. As a registered closed-end fund, we are required to meet regulatory tests. See “Regulation as a Registered Closed-End Management Investment Company.” We may also borrow funds to make investments. In addition, we have elected to be treated for U.S. federal income tax purposes, and intend to qualify annually, as a RIC under Subchapter M of the Code. See “Material U.S. Federal Income Tax Considerations.”

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Our investment activities are managed by Oxford Lane Management and supervised by our Board of Directors. Oxford Lane Management is an investment adviser that is registered under the Advisers Act. Under our Investment Advisory Agreement, we have agreed to pay Oxford Lane Management an annual base management fee based on our gross assets as well as an incentive fee based on our performance. See "Investment Advisory Agreement." We have also entered into an administration agreement with Oxford Funds, which we refer to as the Administration Agreement, under which we have agreed to reimburse Oxford Funds for our allocable portion of overhead and other expenses incurred by Oxford Funds in performing its obligations under the Administration Agreement, including furnishing us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities, as well as providing us with other administrative services. See "Administration Agreement."

Oxford Funds also serves as the managing member of Oxford Lane Management. Messrs. Cohen and Rosenthal, in turn, serve as the managing member and non-managing member, respectively, of Oxford Funds.

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FOURTH QUARTER 2018 FINANCIAL HIGHLIGHTS

• Net asset value per share as of March 31, 2018 stood at $10.08 compared with a net asset value per share at December 31, 2017 of $10.02.

• Net investment income ("NII"), calculated in accordance with GAAP, was approximately $11.0 million, or approximately $0.40 per share, for the quarter ended March 31, 2018.

• Our core net investment income ("Core NII") was approximately $8.6 million, or approximately $0.31 per share, for the quarter ended March 31, 2018.

• Core NII represents net investment income adjusted for additional cash income distributions received, or entitled to be received (if any, in either case), CLO equity investments (excluding those cash distributions believed to represent a return of capital). (See additional information under "Supplemental Information Regarding Core Net Investment Income" below).

• While our experience has been that cash flow distributions have historically represented useful indicators of our CLO equity investments' annual taxable income during certain periods, we believe that current and future cash flow distributions may represent less accurate indicators of taxable income with respect to our CLO equity investments than they have in the past. Accordingly, our taxable income may be materially different than either NII or Core NII.

• Total investment income, calculated in accordance with GAAP, amounted to approximately $20.4 million for the quarter ended March 31, 2018.

• For the quarter ended March 31, 2018, we recorded total investment income from our portfolio as follows:

• approximately $19.7 million from our CLO equity investments, and

• approximately $0.7 million from our CLO debt investments, and other income.

• As of March 31, 2018, the following weighted average yields (which do not represent the total return to Shareholders) were calculated:

• the weighted average yield of our CLO debt investments at current cost was approximately 10.9%, compared with 10.1% as of December 31, 2017;

• the weighted average (GAAP) effective yield of our CLO equity investments at current cost was approximately 17.2%, compared with 17.1% as of December 31, 2017; and

• the weighted average cash yield of our CLO equity investments at current cost was approximately 17.3%, compared with 20.2% as of December 31, 2017.

• Net increase in net assets from operations was approximately $12.9 million, or approximately $0.47 per share, for the quarter ended March 31, 2018, including:

• Net investment income of approximately $11.0 million;

• Net realized gains of approximately $1.0 million; and

• Net unrealized appreciation of approximately $0.9 million.

- During the quarter ended March 31, 2018, we made additional CLO investments of approximately $136.0 million and we received approximately $86.9 million from sales and repayments of our CLO investments.

- During the quarter ended March 31, 2018, we issued a total of 1,859,343 shares of common stock pursuant to an "at-the-market" offering, resulting in net proceeds of approximately $18.6 million after deducting the sales agent's commissions and offering expenses.

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• On January 2, 2018, we announced that we entered into a repurchase transaction with Nomura Securities International, Inc. ("Nomura") pursuant to which we sold CLO securities to Nomura with a market value of approximately $106.2 million for a sale price of approximately $42.5 million.

Supplemental Information Regarding Core Net Investment Income

On a supplemental basis, we provide information relating to core net investment income, which is a non-GAAP measure. This measure is provided in addition to, but not as a substitute for, net investment income determined in accordance with GAAP. Our non-GAAP measures may differ from similar measures by other companies, even if similar terms are used to identify such measures. Core net investment income represents net investment income adjusted for additional cash income distributions received, or entitled to be received (if any, in either case), on our CLO equity investments.

Income from investments in the "equity" class securities of CLO vehicles, for GAAP purposes, is recorded using the effective interest method based upon an effective yield to the expected redemption utilizing estimated cash flows compared to the cost, resulting in an effective yield for the investment; the difference between the actual cash received or distributions entitled to be received and the effective yield calculation is an adjustment to cost. Accordingly, investment income recognized on CLO equity securities in the GAAP statement of operations differs from the cash distributions actually received by us during the period (referred to below as "CLO equity adjustments").

Further, in order to continue to qualify to be taxed as a regulated investment company, we are required, among other things, to distribute at least 90% of our investment company taxable income annually. Therefore, core net investment income may provide a better indication of estimated taxable income for a reporting period than does GAAP net investment income, although we can offer no assurance that will be the case as the ultimate tax character of our earnings cannot be determined until tax returns are prepared after the end of a fiscal year. We note that these non-GAAP measures may not be useful indicators of taxable earnings, particularly during periods of market disruption and volatility and our taxable income may differ materially from our core net investment income.

The following table provides a reconciliation of NII to Core NII for the three months and year ended March 31, 2018:

	Three Months Ended March 31, 2018		Year Ended March 31, 2018	
	Amount	Per Share Amounts	Amount	Per Share Amounts
Net investment income	$ 10,964,185	$ 0.399	$ 40,353,995	$ 1.606
CLO equity adjustments	(2,348,103)	(0.085)	(106,802)	(0.004)
Core net investment income	$ 8,616,082	$ 0.314	$ 40,247,193	$ 1.602

Recent Developments

On May 3, 2018, the Board of Directors declared monthly distributions of $0.135 per share on its common stock, as follows:

Month Ending	Record Date	Payment Date
July 31, 2018	July 23, 2018	July 31, 2018
August 31, 2018	August 23, 2018	August 31, 2018
September 30, 2018	September 20, 2018	September 28, 2018

On May 3, 2018, the Board of Directors declared the required monthly dividends on its Series 2023 and Series 2024 Term Preferred Shares (each, a "Share"), as follows:

	Per Share Dividend	2018 Record Dates	2018 Payable Dates

	Amount Declared		
Series 2023	$ 0.15625	June 21, July 23, August 23	June 29, July 31, August 31
Series 2024	$ 0.140625	June 21, July 23, August 23	June 29, July 31, August 31

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In accordance with their terms, each of the Series 2023 Shares and Series 2024 Shares will pay a monthly dividend at a fixed rate of 7.50% and 6.75%, respectively, of the $25.00 per share liquidation preference, or $1.875 and $1.6875 per share per year, respectively. This fixed annual dividend rate is subject to adjustment under certain circumstances, but will not in any case be lower than 7.50% and 6.75% per year, respectively, for each of the Series 2023 Shares and Series 2024 Shares.

On April 25, 2018, Oxford Lane Capital Corp. entered into an amended and restated repurchase transaction facility ("Nomura Agreement") with Nomura. Under this agreement, the term of the facility was extended by 3 months until January 2, 2019. In addition, effective April 2, 2018, the facility pricing rate was reduced from 3-month LIBOR plus 3.35 percent per annum to 3-month LIBOR plus 3.15 percent per annum.

Our Corporate Information

Our offices are located at 8 Sound Shore Drive, Suite 255, Greenwich, CT 06830, and our telephone number is (203) 983-5275.

OFFERINGS

We may offer, from time to time, up to $500,000,000 of our common stock, preferred stock, subscription rights to purchase shares of our common stock or debt securities, on terms to be determined at the time of the offering. We will offer our securities at prices and on terms to be set forth in one or more supplements to this prospectus. The offering price per share of our securities, less any underwriting commissions or discounts, generally will not be less than the net asset value per share of our securities at the time of an offering. However, we may issue shares of our securities pursuant to this prospectus at a price per share that is less than our net asset value per share (i) in connection with a rights offering to our existing stockholders, (ii) with the prior approval of the majority (as defined in the 1940 Act) of our common stockholders or (iii) under such other circumstances as the SEC may permit. Any such issuance of shares of our common stock below net asset value may be dilutive to the net asset value of our common stock. See "Risk Factors — Risks Relating to an Investment in our Common Stock."

Our securities may be offered directly to one or more purchasers, or through agents designated from time to time by us, or to or through underwriters or dealers. The prospectus supplement relating to an offering will identify any agents or underwriters involved in the sale of our securities, and will disclose any applicable purchase price, fee, commission or discount arrangement between us and our agents or underwriters or among our underwriters or the basis upon which such amount may be calculated. See "Plan of Distribution." We may not sell any of our securities through agents, underwriters or dealers without delivery of this prospectus and a prospectus supplement describing the method and terms of the offering of such securities.

Set forth below is additional information regarding offerings of our securities:

Use of Proceeds	We intend to use the net proceeds from the sale of our securities pursuant to this prospectus for acquiring investments in accordance with our investment objective and strategies described in this prospectus and/or for general working capital purposes. Each supplement to this prospectus relating to an offering will more fully identify the use of the proceeds from such offering. See "Use of Proceeds."
NASDAQ Global Select Market symbols	"OXLC" (common stock) "OXLCO" (Series 2023 Term Preferred Shares) "OXLCM" (Series 2024 Term Preferred Shares)
Distributions	To the extent that we have income available, we intend to distribute monthly distributions to our common stockholders. The amount of our distributions, if any, will be determined by our Board of Directors. Any distributions to our stockholders will be declared out of assets legally available for distribution. The specific tax characteristics of our distributions will be reported to shareholders after the end of each calendar year.
Taxation	We have 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 maintain our RIC tax treatment, we must meet specified source-of-income and asset diversification requirements and distribute annually 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. See “Price Range of Common Stock and Distributions” and “Material U.S. Federal Income Tax Considerations.”

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Investment Advisory Fees	We pay Oxford Lane Management a fee for its services under the Investment Advisory Agreement 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% of our gross assets, which includes any borrowings for investment purposes. The incentive fee is calculated and payable quarterly in arrears and equals 20.0% of our "pre-incentive fee net investment income" for the immediately preceding quarter, subject to a preferred return, or "hurdle," and a "catch up" feature. No incentive fees are payable to our investment adviser on any realized capital gains. See "Investment Advisory Agreement."
Administration Agreement	We reimburse Oxford Funds for our allocable portion of overhead and other expenses it incurs in performing its obligations under the Administration Agreement, including furnishing us with office facilities, equipment and clerical, bookkeeping and record keeping services at such facilities, as well as providing us with other administrative services. In addition, we reimburse Oxford Funds for our allocable portion of the compensation of our Chief Financial Officer and any administrative support staff, including accounting personnel. See "Administration Agreement." We will also pay indirectly the costs associated with the functions performed by our Chief Compliance Officer under the terms of an agreement between us and Alaric Compliance Services.
Leverage	Other than our currently outstanding preferred stock and amounts due under the Nomura Agreement, each of which is considered a form of leverage, we do not currently anticipate incurring indebtedness on our portfolio or paying any interest during the twelve months following completion of this offering. However, we may issue additional shares of preferred stock pursuant to the registration statement of which this prospectus forms a part. Although we have no current intention to do so, we may borrow funds to make investments. As a result, we may be exposed to the risks of leverage, which may be considered a speculative investment technique. In addition, the CLO vehicles in which we invest will be leveraged, which will indirectly expose us to the risks of leverage. The use of leverage magnifies the potential gain and loss on amounts invested and therefore increases the risks associated with investing in our securities. In addition, the costs associated with our borrowings, including any increase in the management fee payable to our investment adviser, Oxford Lane Management, will be borne by our

common stockholders. Under the 1940 Act, we are only permitted to incur additional indebtedness to the extent our asset coverage, as defined under the 1940 Act, is at least 300% immediately after each such borrowing. In addition, with respect to our outstanding preferred stock, we will generally be required to meet an asset coverage ratio, as defined under the 1940 Act, of at least 200% immediately after each issuance of such preferred stock. See “Regulation as a Registered Closed-End Management Investment Company.”

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Trading	Shares of closed-end investment companies frequently trade at a discount to their net asset value. The risk that our shares may trade at a discount to our net asset value is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether our shares will trade above, at or below net asset value.
Distribution Reinvestment Plan	We have adopted an "opt out" distribution reinvestment plan. If your shares of common stock are registered in your own name, your distributions will automatically be reinvested under our distribution reinvestment plan in additional whole and fractional shares of common stock, unless you "opt out" of our distribution reinvestment plan so as to receive cash distributions by delivering a written notice to our distribution paying agent. If your shares are held in the name of a broker or other nominee, you should contact the broker or nominee for details regarding opting out of our distribution reinvestment plan. Stockholders who receive distributions in the form of stock will be subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. See "Distribution Reinvestment Plan."
Certain Anti-Takeover Measures	Our charter and bylaws, as well as certain statutory and regulatory requirements, contain certain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. These anti-takeover provisions may inhibit a change in control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price for our common stock. See "Description of Securities."
Available Information	We are required to file periodic reports, proxy statements and other information with the SEC. This information is available at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549 and on the SEC's website at http://www.sec.gov. The public may obtain information on the operation of the SEC's public reference room by calling the SEC at (202) 551-8090. This information is available free of charge by contacting us at Oxford Lane Capital Corp., 8 Sound Shore Drive, Suite 255, Greenwich, CT 06830, by telephone at (203) 983-5275, or on our website at http://www.oxfordlanecapital.com.

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that you will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by “us” or “Oxford Lane Capital,” or that “we” will pay fees or expenses, you will indirectly bear such fees or expenses as an investor in Oxford Lane Capital Corp.

Stockholder transaction expenses:		
Sales load (as a percentage of offering price)	—	(1)
Offering expenses borne by us (as a percentage of offering price)	—	(2)
Distribution reinvestment plan expenses		