Oxford Lane Capital Corp.
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PROSPECTUS SUPPLEMENT
(To Prospectus dated November 24, 2015)

May 26, 2016

Oxford Lane Capital Corp.

$25,000,000
Common Stock

This prospectus supplement supplements the prospectus supplement dated March 7, 2016 (the First Prospectus Supplement) and the accompanying prospectus thereto, dated November 24, 2015 (collectively with the First Prospectus Supplement and this prospectus supplement, the Prospectus), which relate to the sale of shares of common stock of Oxford Lane Capital Corp. in an at the market offering pursuant to an equity distribution agreement, dated March 7, 2016, with Ladenburg Thalmann & Co. Inc.

You should carefully read the entire Prospectus before investing in our common stock. **You should also review the information set forth under the Supplementary Risk Factor section in this prospectus supplement, the Supplementary Risk Factor section on page S-17 of the First Prospectus Supplement and the Risk Factors section beginning on page 18 of the accompanying prospectus thereto before investing.**

The terms Oxford Lane, the Fund, we, us and our generally refer to Oxford Lane Capital Corp.

PRIOR SALES PURSUANT TO THE AT THE MARKET OFFERING

From March 7, 2016 to May 25, 2016, we sold a total of 419,275 shares of common stock pursuant to the at the market offering. The total amount of capital raised as a result of these sales of common stock was approximately $3,736,495 and net proceeds were approximately $3,528,811 after deducting the sales agent s commissions and offering expenses.

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 the 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)	2.00	%[(1)]
Offering expenses borne by us (as a percentage of offering price)	0.74	%[(2)]
Distribution reinvestment plan expenses	None	[(3)]
Total stockholder transaction expenses (as a percentage of offering price)	2.74	%
Annual expenses (as a percentage of net assets attributable to common stock):		
Base management fee	3.79	%[(4)]
Incentive fees payable under our investment advisory agreement (20% of net investment income)	4.46	%[(5)]
Interest payments on borrowed funds	0.00	%[(6)]
Preferred stock dividend payment	6.94	%[(7)]
Other expenses (estimated)	1.48	%[(8)]
Acquired fund fees and expenses	26.59	%[(9)]
Total annual expenses (estimated)	43.26	%

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. In calculating the following expense amounts, we have assumed that our annual operating expenses would remain at the levels set forth in the table above, and that we pay the transaction expenses set forth in the table above, including a sales load of 2.00% paid by you (the commission to be paid by us with respect to common stock sold by us in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$ 341	$ 686	$ 837	$ 940

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. The incentive fee under the Investment Advisory Agreement, which, assuming a 5.0% annual return, would either not be payable or would have an insignificant impact on the expense amounts shown above, is included in the example. Also, while the example assumes reinvestment of all distributions at net asset value, participants in our distribution reinvestment plan will receive a number of shares of our common stock, determined by dividing the total dollar amount of the distribution payable to a participant by the market price per share of our common stock at the close of trading on the distribution payment date, which may be at, above or below net asset value. See Distribution Reinvestment Plan in the Prospectus for additional information regarding our distribution reinvestment plan.

(1) Represents the commission with respect to the shares of our common stock being sold in this offering, which we will pay to Ladenburg Thalmann & Co. Inc. in connection with sales of shares of our common stock effected by Ladenburg Thalmann & Co. Inc. under the equity distribution agreement. There is no guaranty that there will be any sales of our common stock pursuant to this prospectus supplement and the Prospectus.

(2) The offering expenses of this offering are estimated to be approximately $185,000.

(3) The expenses of the distribution reinvestment plan are included in other expenses.

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(4) Assumes gross assets of $297.3 million and $141.0 million of leverage (includes $141.2 million of preferred stock issued and outstanding as of March 31, 2016, adjusted for $0.2 million of preferred stock repurchased from April 1, 2016 through May 25, 2016), and assumes net assets of $156.9 million (which has been adjusted to reflect the issuance of an additional $25.0 million of common stock). The above calculation reflects our base management fee as a percentage of our net assets. Our base management fee under the Investment Advisory Agreement, however, is based on our gross assets, which is defined as all the assets of Oxford Lane Capital, including those acquired using borrowings for investment purposes. As a result, to the extent we use leverage, it would have the effect of increasing our base management fee as a percentage of our net assets. See Investment Advisory Agreement in the Prospectus for additional information.

(5) Amount reflects the estimated annual incentive fees payable to our investment adviser, Oxford Lane Management, during the fiscal year following this offering. The estimate assumes that the incentive fee earned will be proportional to the fee earned during the fiscal year ended March 31, 2016. Based on our current business plan, we anticipate that substantially all of the net proceeds of this offering will be invested within three months after completion of this offering depending on the availability of investment opportunities that are consistent with our investment objective and other market conditions and/or to meet working capital needs. We expect that it will take up to three months to invest all of the proceeds of this offering, in part because equity and junior debt investments in CLO vehicles require substantial due diligence prior to investment.

The incentive fee, which is payable quarterly in arrears, equals 20.0% of the excess, if any, of our Pre-Incentive Fee Net Investment Income that exceeds a 1.75% quarterly (7.0% annualized) hurdle rate, which we refer to as the Hurdle, subject to a catch-up provision measured at the end of each calendar quarter. The incentive fee is computed and paid on income that may include interest that is accrued but not yet received in cash. The operation of the incentive fee for each quarter is as follows:

no incentive fee is payable to our investment adviser in any calendar quarter in which our Pre-Incentive Fee Net Investment Income does not exceed the Hurdle of 1.75%;

100% of our Pre-Incentive Fee Net Investment Income with respect to that portion of such Pre-Incentive Fee Net Investment Income, if any, that exceeds the Hurdle but is less than 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser. We refer to this portion of our Pre-Incentive Fee Net Investment Income (which exceeds the Hurdle but is less than 2.1875%) as the catch-up. The catch-up is meant to provide our investment adviser with 20.0% of our Pre-Incentive Fee Net Investment Income, as if a Hurdle did not apply when our Pre-Incentive Fee Net Investment Income exceeds 2.1875% in any calendar quarter; and

20.0% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized) is payable to our investment adviser (once the Hurdle is reached and the catch-up is achieved, 20.0% of all Pre-Incentive Fee Investment Income thereafter is allocated to our investment adviser).

No incentive fee is payable to our investment adviser on realized capital gains. For a more detailed discussion of the calculation of this fee, see Investment Advisory Agreement in the Prospectus.

(6) Assumes that we maintain our current level of no outstanding borrowings as of March 31, 2016 other than preferred stock, which is considered a form of leverage. We may issue additional shares of preferred stock pursuant to the registration statement of which this prospectus supplement forms a part. In the event we were to issue additional preferred stock, our borrowing costs, and correspondingly our total annual expenses, including our base management fee as a percentage of our net assets, would increase. See also note 7 below.

(7) Assumes that we continue to have an aggregate of $90.4 million of preferred stock with a preferred rate of 7.50% per annum, and an aggregate of $50.5 million of preferred stock with a preferred rate of 8.125% per annum, which were the amounts outstanding as of May 25, 2016 due to the repurchase of preferred stock from April 1, 2016 through May 25, 2016.

(8) Other expenses ($2.3 million) assumes that other expenses for the year will be proportional to other expenses incurred during the fiscal year ended March 31, 2016.

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(9) Reflects the estimated annual collateral manager fees that will be indirectly incurred by us in connection with our investments in CLO equity tranches during the twelve months following the date of this prospectus supplement, assuming the CLO equity investments held as of March 31, 2016 and net assets of $156.8 million (which has been adjusted to reflect the repurchase of $0.2 million of preferred stock from April 1, 2016 through May 25, 2016). Collateral manager fees are charged on the total assets of the CLO vehicle, including the assets acquired with borrowed funds, but are assumed to be paid from the residual cash flows after interest payments to the senior debt tranches. Therefore, these collateral manager fees (which are generally 0.40% to 0.50% of total assets) are effectively much higher when allocated only to the equity tranches. The debt tranches that we hold generally are not deemed to pay any such collateral manager fees. The calculation also includes operating expense ratios of the CLO vehicles of approximately 0.5%. These are only estimates of such operating expenses, as we generally do not have specific expense information on the CLO vehicles in which we invest and the actual amount of such expenses may be significantly different. Operating expenses of CLO vehicles are not routinely reported to shareholders on a basis consistent with the methodology employed for other estimates. As a result of our investments in such CLO equity investments, our stockholders will be required to pay two levels of fees and expenses in connection with their investment in our common stock, including fees payable under our Investment Advisory Agreement and fees and expenses charged to us on the CLO equity tranches in which we are invested.

SUPPLEMENTARY RISK FACTOR

Investing in our common stock involves a number of significant risks. Before you invest in our common stock, you should be aware of various risks, including those described below and those set forth in the First Prospectus Supplement and the accompanying prospectus thereto. You should carefully consider these risk factors, together with all of the other information included in the Prospectus, before you decide whether to make an additional investment in our common stock. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In such case, our net asset value and the trading price of our common stock could decline, and you may lose all or part of your investment. The risk factors described below, together with those set forth in the First Prospectus Supplement and the accompanying prospectus thereto, are the principal risk factors associated with an investment in us as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours.

Failure to regain compliance with the minimum asset coverage ratio could require us to use funds to redeem our preferred stock rather than for making investments and prohibit us from paying dividends.

As of March 31, 2016, our asset coverage ratio stood at 191%, and, as a result, we failed to maintain an asset coverage ratio of at least 200% as of the end of our fiscal quarter. We may cure the failed asset coverage ratio as of the date that is 30 days after the filing date of our quarterly, semi-annual or annual report related to such fiscal quarter (the Cure Date). We are pursuing measures to cure the ratio within the parameters of the governing document for our preferred stock and the Investment Company Act of 1940. If the asset coverage ratio is not cured as of the Cure Date, then we will be required to redeem, in accordance with the procedures specified in the governing document for our preferred stock, the minimum number of shares of our outstanding preferred stock that is legally available for such redemption in order to cure the failed asset coverage ratio. In addition, we will be prohibited from declaring a dividend on shares of our common stock until we cure the asset coverage ratio.

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SENIOR SECURITIES

Information about our senior securities is shown in the following table as of the end of each fiscal year since our formation. The information as of March 31, 2016, 2015, 2014 and 2013 has been derived from our financial statements that have been audited by an independent registered public accounting firm. The reports of our independent registered public accounting firm covering the total amount of senior securities outstanding as of March 31, 2016, 2015, 2014 and 2013 are attached as exhibits to the registration statement.

Year	Total Amount Outstanding Exclusive of Treasury Securities[1]	Asset Coverage Ratio Per Unit[2]	Involuntary Liquidation Preference Per Unit[3]	Average Market Value Per Unit[4]
Series 2017 Term Preferred Shares[5]				
2015	$ 15,811,250	$ 2.47	$ 25	1.03
2014	$ 15,811,250	$ 3.99	$ 25	1.05
2013	$ 15,811,250	$ 8.79	$ 25	1.03
Series 2023 Term Preferred Shares				
2016	$ 90,638,450	$ 1.91	$ 25	0.97
2015	$ 73,869,250	$ 2.47	$ 25	0.98
2014	$ 65,744,250	$ 3.99	$ 25	0.94
Series 2024 Term Preferred Shares				
2016	$ 50,539,775	$ 1.91	$ 25	1.00
2015	$ 60,687,500	$ 2.47	$ 25	1.01

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of our total consolidated assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities. Asset coverage per unit is expressed in terms of dollar amounts per share.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it.

(4) The Average Market Value Per Unit is calculated by taking the daily average closing price of the security for the respective period and dividing it by $25 per share to determine a unit price per share consistent with Asset Coverage Per Unit.

(5) On July 24, 2015, we redeemed all issued and outstanding Series 2017 Term Preferred Shares at the term redemption price.

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ANNUAL REPORT TO STOCKHOLDERS

On May 23, 2016, the Fund filed its Annual Report to stockholders for the period from April 1, 2015 to March 31, 2016. The text of the Annual Report is attached hereto and is incorporated herein by reference.

Information contained on our website is not incorporated by reference into this prospectus supplement or the Prospectus, and you should not consider that information to be part of this prospectus supplement or the Prospectus.

Oxford Lane Capital Corp.

Annual Report

March 31, 2016

oxfordlanecapital.com

OXFORD LANE CAPITAL CORP.

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Oxford Lane Capital Corp

May 23, 2016

To Our Shareholders:

We are pleased to submit to you the report of Oxford Lane Capital Corp. (we , us , our , the Fund or Oxford Lane the year ended March 31, 2016. The net asset value of our shares at that date was $7.04 per common share. The Fund s common stock is traded on the NASDAQ Global Select Market and its share price can differ from its net asset value. The Fund s closing price at March 31, 2016 was $8.45, down from $14.82 at March 31, 2015. The total return for Oxford Lane, for the year ended March 31, 2016, as reflected in the Fund s financial highlights, was (28.97%). This return reflects the change in market price for the period, as well as the positive impact of $2.40 per share in distributions declared and paid. On May 20, 2016, the last reported sale price of the Fund s common stock was $8.81.

We draw your attention to our distribution policy, which has been discussed in earlier reports, as we believe that the Fund s position deserves close attention. Oxford Lane s distribution policy is based upon its estimates of the ultimate taxable earnings for each respective period, which are based upon the cash flows for each investment. The final taxable amounts cannot be known until the tax return is filed, but the Fund s experience has been that cash flows have historically represented a 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 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. In addition, certain numbers may not tie to financial statements due to rounding.

While reportable GAAP revenue from our CLO equity investments for the year ended March 31, 2016 was approximately $57.2 million, we received or were entitled to receive approximately $87.1 million in distributions. 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 actually received and the effective yield income. Our distribution policy is based upon our estimate of our taxable income.

We further report that as of March 31, 2016, we failed to maintain an asset coverage ratio of at least 200%. We are pursuing measures to cure the ratio within the parameters of the governing documents for our preferred stock and the Investment Company Act of 1940. Please refer to Note 7. Mandatorily Redeemable Preferred Stock in the notes to the financial statements for additional information.

Investment Review

The Fund s investment objective is to maximize its portfolio s risk adjusted total return over our investment horizon. Our current focus is to seek that return by investing in structured finance investments, specifically CLO vehicles which primarily own senior secured corporate loans. Our investment strategy also includes investing in warehouse facilities, which are financing structures intended to aggregate senior secured corporate loans that may be used to form the basis of a CLO vehicle. As of March 31, 2016, we held debt investments in 3 different CLO structures and equity investments in 31 different CLO structures. We may also invest, on an opportunistic basis, in corporate debt securities on a direct basis and in a variety of other corporate credits.

Structurally, CLO vehicles are entities formed to purchase and manage portfolios of primarily senior secured corporate loans. The loans within a CLO vehicle are limited to those which, on an aggregated basis, meet established credit criteria. They are subject to concentration limitations in order to limit a CLO vehicle s exposure to individual credits and industries. The CLO vehicles on which the Fund focuses are collateralized primarily by senior secured corporate loans, and generally have minimal or no exposure to real estate loans, mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans.

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Investment Outlook

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

We believe that the long-term and relatively low-cost capital that many CLO vehicles have secured, compared with current asset spreads and associated LIBOR floors have created opportunities to purchase certain CLO equity and junior debt instruments that may produce attractive risk-adjusted returns. Although the senior secured corporate loan market has been volatile recently due in part to the oil and gas and commodities related sectors, this volatility may be beneficial as it has allowed some collateral managers of CLO vehicles to invest in loans at greater discounts to par and at wider loan spreads. Additionally, given that the CLO vehicles we invest in are cash flow-based vehicles, this term financing may be extremely beneficial in periods of market volatility.

We believe that 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.

We believe that 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 since this market and these structures tend to be highly specialized.

We believe that the U.S. risk retention requirements imposed for CLO managers under Section 941 of the Dodd-Frank Act has created some uncertainty in the market in regards to future CLO issuances. Given that certain CLO managers may require capital provider partners to satisfy this requirement when it becomes effective on December 24, 2016, we believe that this may create additional opportunities (and additional risks) for us in the future.

We believe that the U.S. CLO market is relatively large with total assets under management of approximately $436 billion.[(1)] We estimate that the amount outstanding of the junior-most debt tranches (specifically the tranches originally rated BB and B) and equity tranches together are approximately $70 billion.[(2)]

An investment in our Fund carries with it a significant number of meaningful risks, certain of which are discussed in the notes to our financial statements. Investors should read Note 11. Risks and Uncertainties carefully.

We continue to review a large number of CLO investment vehicles 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 focused on CLO debt and equity securities, with the more significant focus over the near-term likely to be on CLO equity securities and warehouse facilities.

Jonathan H. Cohen
Chief Executive Officer

1. As of May 2, 2016. Source: Wells Fargo Securities, LLC.
2. Oxford Lane has estimated this amount based on Guggenheim CLO new issue summary, dated April 20, 2016.

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OXFORD LANE CAPITAL CORP.
TOP TEN HOLDINGS
AS OF MARCH 31, 2016

Investment	Maturity	Fair Value	% of Net Assets
Atrium XII Subordinated Notes	October 22, 2026	$42,762,500	32.41%
Catamaran CLO 2015-1 Ltd Subordinated Notes	April 22, 2027	16,135,320	