

A Heritage of Success

Capital Southwest (NASDAQ: CSWC) was founded in Dallas, Texas in 1961 and has invested in over 275 middle market companies in its history. Since its initial \$15 million IPO, CSWC has distributed approximately \$858 million in cash and stock to shareholders and held approximately \$285 million in net assets as of December 31, 2016.

Investment Strategy

Capital Southwest is an internally-managed, credit-focused BDC that is an active lender to middle market companies across the capital structure. CSWC provides flexible capital that fills financing needs that traditional first lien senior lenders are unwilling to meet. In particular, CSWC is well-positioned to finance lower middle market businesses with \$3 to \$8 million of EBITDA.

CSWC manages investable capital in excess of \$600 million. As of December 2016, CSWC has funded approximately \$236 million in new credit investments, including the capital invested in its I-45 Senior Loan Fund.

The Company is managed by a investment team with decades of experience working with one another. The firm and all of its employees are located in Dallas, Texas.

Industry Preferences

CSWC is a **generalist** investment firm with certain preferred sectors:

- Industrial manufacturing and services
 - Value-added distribution
- Healthcare products and services
 - Business services
- Tech-enabled and digital media services
 - Consumer products and retail

Investment Parameters

Investment Size	<ul style="list-style-type: none"> • \$5 to \$50 million financings with active network of co-investors • \$5 to \$20 million commitment size per deal
Company Size	<ul style="list-style-type: none"> • Minimum of \$3 million of EBITDA • Typically \$5 to \$15 million of EBITDA
Situations	<ul style="list-style-type: none"> • New platform acquisitions • Dividend recapitalizations • Refinancings • Bolt-on acquisitions • Growth financings
Clients	<ul style="list-style-type: none"> • Financial sponsors • Investment banks and business brokers • Founder and independently-owned businesses • Independent sponsors
Investment Structures	<ul style="list-style-type: none"> • Unitranche debt (network of first out senior lending relationships) • First lien debt • Second lien debt • Subordinated debt • Preferred and common equity • Flexibility to invest across multiple securities
Equity Investments	<ul style="list-style-type: none"> • Equity co-investments alongside debt investments, up to 20% of total check • Non-control investor
Geography	<ul style="list-style-type: none"> • Anywhere in the United States
Partnership	<ul style="list-style-type: none"> • Relationship-centric firm focused on mutually beneficial partnerships over several deals
Committee Process	<ul style="list-style-type: none"> • Investment committee all co-located in Dallas • <u>CSWC deal leaders can “speak for the firm” and execute without surprises</u>

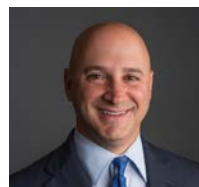
Capital Southwest Investment Team



Joseph Armes
Chairman
james@capitalsouthwest.com
(214) 884-3770



Bowen Diehl
President and CEO
bdiehl@capitalsouthwest.com
(214) 884-3780



Michael Sarner
Chief Financial Officer
msarner@capitalsouthwest.com
(214) 884-3829



Bill Ashbaugh
Managing Director
bashbaugh@capitalsouthwest.com
(214) 884-3800



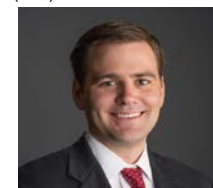
Douglas Kelley
Managing Director
dkelley@capitalsouthwest.com
(214) 884-3826



Josh Weinstein
Managing Director
jweinstein@capitalsouthwest.com
(214) 884-3835



Matt Darrah
Vice President
mdarrah@capitalsouthwest.com
(214) 884-3802



Ryan Kelly
Vice President
rkelly@capitalsouthwest.com
(214) 884-3830

Selected CSWC Investments: Direct Credit

<u>Company</u>	<u>Industry Sector</u>	<u>Ownership</u>	<u>Amount</u>	<u>Security</u>	<u>Date</u>
 RJO'Brien	Financial Services	Non-Sponsored	\$8mm	First Out Unitranche	May 2017
 WASTE WATER SPECIALTIES	Business Services	Sponsored	\$11mm	First Lien	April 2017
 Binswanger Glass	Business Services	Sponsored	\$14mm	First Lien / Equity	March 2017
 VISTAR MEDIA	Digital Marketing Services	Non-Sponsored	\$11mm	First Lien / Warrants	February 2017
 VISTAR MEDIA	Digital Marketing Services	Sponsored	\$13mm	Last Out Unitranche / Equity	February 2017
 Energy Solutions	Business Services	Sponsored	\$10mm	First Lien	October 2016
 KINGS BALDUCCI'S	Consumer Products & Retail	Sponsored	\$10mm	Last Out Unitranche	August 2016
 AMWARE	Logistics	Sponsored	\$13mm	First Lien	July 2016
 HYGEA Holdings Corp.	Healthcare Services	Non-Sponsored	\$8mm	First Lien / Warrants	February 2016
 Chandler Signs	Business Services	Sponsored	\$6mm	Secured Sub Debt / Equity	January 2016
 Threedy Group	Consumer Products & Retail	Sponsored	\$7mm	First Lien	December 2015
 WINZER	Distribution	Non-Sponsored	\$8mm	Secured Sub Debt	June 2015

Selected CSWC Investments: Syndicated Credit

<u>Company</u>	<u>Date</u>	<u>Company</u>	<u>Date</u>	<u>Company</u>	<u>Date</u>
 RESTAURANT TECHNOLOGIES	December 2016	 redbox.	September 2016	 infogroup	May 2016
 DIGITAL ROOM INC.	November 2016	 DUNN PAPER	August 2016	 IMAGINE PRINT SOLUTIONS	March 2016
 PGi	November 2016	 CALIFORNIA PIZZA KITCHEN	August 2016	 VIVIDSEATS	February 2016