UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☐ Definitive Proxy Statement

☒ Definitive Additional Materials

☐ Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

CAPITAL SOUTHWEST CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee paid previously with preliminary materials.

☐ Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11.

Posted on CSWC

Capital
@capital50845 · 50s

...

Fellow Shareholders,

I wanted to take a moment to introduce myself. My name is Michael Sarner, and I serve as CEO of Capital Southwest. More importantly, I am a fellow shareholder who is deeply invested in the long-term success of our company.

First, thank you for your support, engagement, and candid feedback. One of the things I appreciate most about our shareholder base is that you care deeply about the company and are willing to share your views. While I don't participate in online commentary very often, I do read it. I find it to be a valuable way to better understand the perspectives, questions, and concerns of our shareholders. Even when opinions differ, I believe open dialogue ultimately makes us a better company.

From my first day at Capital Southwest, I've focused on three principles: **transparency, conservatism, and shareholder friendliness**. We work hard to communicate openly, maintain a conservative approach to managing risk, and make decisions with a long-term view toward creating shareholder value. Those principles guide our investment strategy, capital allocation, and balance sheet management.

With that in mind, **I'd like to ask for your support of the proposal to increase our authorized shares**.

I know there has been concern among some shareholders that authorizing additional shares automatically leads to dilution. That is simply not the case. Authorizing shares simply provides the company with capital structure flexibility. We have the ability to raise equity at a significant premium to book value, which is a benefit to existing shareholders. Today, $CSWC trades at approximately 152% of book value, which is the second-highest price-to-book multiple in the public BDC market. **Issuing shares at those levels is materially accretive to net asset value per share** and provides capital that can be deployed into new investments that generate earnings for shareholders. Any future issuance of shares would still be subject to management's judgment, Board oversight, and our commitment to creating value for existing shareholders.

As a BDC, we operate under leverage limitations that differ from most operating companies. While debt is an important part of our capital structure, we firmly believe prudent leverage is paramount to managing a portfolio through all market environments. Maintaining a strong balance sheet protects shareholders, preserves flexibility, and allows us to continue supporting our portfolio companies when opportunities arise. Just as importantly, continued access to equity capital supports our ability to grow. Growth allows us to expand the investment portfolio, increase net investment income over time, and strengthen our ability to support and grow the dividend that many of our shareholders rely upon.

I appreciate the trust that you place in our management team and Board of Directors. Whether you agree with every decision or not, please know that we are committed to acting in the best interests of all shareholders and to maintaining an ongoing dialogue with the owners of this company.

If you are willing to support the company, **please call Georgeson at 877-576-4833, provide your name and address, and let them know you wish to support Capital Southwest's proposal to increase its authorized shares. We need support from two-thirds of all shareholders for this proposal to pass.** This means that every vote matters, no matter how big or how small.

Thank you again for your support, your feedback, and your consideration of the proposal.

Michael Sarner

Chief Executive Officer

Capital Southwest Corporation

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Post #9

Edit Your Message (15 min left)

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Michael Sarner
Chief Executive Officer
Capital Southwest Corporation