

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

SCHEDULE 13D

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

(Amendment No. 1)¹

Capital Southwest Corporation
(Name of Issuer)

Common Stock, \$1 Par Value
(Title of Class of Securities)

140501107
(CUSIP Number)

STEVEN WOLOSKY, ESQ.
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 29, 2008
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box x.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the *Notes*).

1	NAME OF REPORTING PERSON NED SHERWOOD	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) <input type="checkbox"/> OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.A.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 49,938
	8	SHARED VOTING POWER 198,919
	9	SOLE DISPOSITIVE POWER 73,938
	10	SHARED DISPOSITIVE POWER 198,919
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 272,857	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.0%	
14	TYPE OF REPORTING PERSON IN	

1	NAME OF REPORTING PERSON ZS CROSSOVER II GP, L.L.C.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) <input type="checkbox"/> OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 188,697
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 188,697
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 188,697	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 4.9%	
14	TYPE OF REPORTING PERSON PN	

1	NAME OF REPORTING PERSON ZS CROSSOVER II LP	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) <input type="checkbox"/> OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 106,342
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 106,342
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 106,342	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.7%	
14	TYPE OF REPORTING PERSON PN	

1	NAME OF REPORTING PERSON ZS SPECIAL I L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) <input type="checkbox"/> OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 82,355
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 82,355
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 82,355	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.1%	
14	TYPE OF REPORTING PERSON PN	

1	NAME OF REPORTING PERSON MRMP TRUST	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION SOUTH DAKOTA.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 49,938
	8	SHARED VOTING POWER -0-
	9	SOLE DISPOSITIVE POWER 49,938
	10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 49,938	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 1.3%	
14	TYPE OF REPORTING PERSON OO	

1	NAME OF REPORTING PERSON THE NED AND EMILY SHERWOOD FOUNDATION	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) <input type="checkbox"/> OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-
	8	SHARED VOTING POWER 10,222
	9	SOLE DISPOSITIVE POWER -0-
	10	SHARED DISPOSITIVE POWER 10,222
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 10,222	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) LESS THAN 1%	
14	TYPE OF REPORTING PERSON OO	

The following constitutes Amendment No. 1 to the Schedule 13D filed by the undersigned (the "Schedule 13D"). This Amendment No. 1 amends the Schedule 13D as specifically set forth.

Item 3 is hereby amended and restated to read as follows:

Item 3. Source and Amount of Funds or Other Consideration.

The aggregate purchase cost of the 272,857 Shares beneficially owned by the Reporting Persons is approximately \$35,273,234. The 106,342 Shares owned by Crossover II and the 82,355 Shares owned by Special I were acquired with their working capital. The 49,938 Shares beneficially owned by MRMP were acquired with MRMP's investment capital. The 10,222 Shares beneficially owned by the Foundation were acquired with the Foundation's investment capital. The 24,000 shares owned by Warlen and beneficially owned by Mr. Sherwood were acquired with Warlen's investment capital.

Item 4 is hereby amended to add the following:

For the past six months, at the request of the Issuers's Board, the Reporting Persons have engaged in private communications with the Issuer's President and CEO, Gary Martin, to address the corporate practices and issues of the Issuer that the Reporting Persons believe have resulted and continue to result in the significant deterioration of shareholder value of the Issuer. The Reporting Persons believe that the Issuer's stock price continues to trade at an excessive discount to the market value of its net assets. The Reporting Persons have made several attempts to meet with the Issuer's Board to discuss their action plan to narrow or eliminate this valuation gap. Since the Board has ignored the Reporting Persons' requests to meet, on January 29, 2008, Crossover II delivered a letter to the Issuer's Board setting forth the Reporting Persons action plan to narrow the valuation gap and unlock the intrinsic value of the Issuer for the benefit of all of the Issuer's shareholders. In the letter, Crossover II specifically urges the Issuer (i) to liquidate, in an expedited but orderly manner, the approximately \$55 million of non-control interests in public securities that it owns, (ii) to hire a nationally-recognized investment banking firm to evaluate strategic options with regard to CSWC's four major ownership stakes in public companies (WIRE, ALG, PHHM and HLYS) and (iii) to hire an independent firm to opine on the valuation of some of the Issuer's larger private company investments – such as Rectorseal/Whitmore, Lifemark, and Media Recovery. The letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5 is hereby amended and restated to read as follows:

Item 5. Interest in Securities of the Issuer.

(a) The aggregate percentage of Shares reported owned the Reporting Persons is based upon 3,889,151 Shares outstanding, which is the total number of Shares outstanding as of January 9, 2008, as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on January 9, 2008.

As of the close of business on January 29, 2008, Crossover II and Special I beneficially owned 106,342 and 82,355 Shares, respectively, constituting approximately 2.7%, and 2.1% respectively, of the Shares outstanding. Crossover GP as the general partner of each of Crossover II and Special I may be deemed to beneficially own the 188,697 Shares owned in the aggregate by Crossover II and Special I, constituting approximately 4.9% of the Shares outstanding. As a management committee member of Crossover GP, Mr. Sherwood may be deemed to beneficially own the Shares owned by Crossover GP.

As of the close of business on January 29, 2008, MRMP beneficially owned 49,938 Shares, constituting 1.3% of the Shares outstanding. As a trustee with sole voting and dispositive power over the Shares owned by MRMP, Mr. Sherwood may be deemed to beneficially own the Shares owned by MRMP.

As of the close of business on January 29, 2008, The Foundation may be deemed to beneficially own 10,222 Shares, constituting less than 1% of the Shares outstanding. As a director of the Foundation Mr. Sherwood may be deemed to beneficially own the 10,222 Shares owned by the Foundation.

As of the close of business on January 29, 2008, Mr. Sherwood beneficially owned an additional 24,000 Shares, constituting less than 1% of the Shares outstanding, by virtue of a written agreement between Mr. Sherwood and the Warlen L.P. ("Warlen") that gives Mr. Sherwood approval to control all purchases and sales of the Shares owned by Warlen.

(b) By virtue of his positions with Crossover II, Special I and the Foundation, Mr. Sherwood has shared power to vote and dispose of the 198,919 Shares aggregately owned by Crossover II, Special I and the Foundation. Mr. Sherwood has sole power to vote and dispose of the 49,938 Shares owned by MRMP. By virtue of his agreement with Warlen, Mr. Sherwood has the sole power to dispose of the 24,000 Shares that he may be deemed to beneficially own. Mr. Sherwood does not have voting power over the 24,000 Shares owned by Warlen.

(c) Schedule A annexed hereto lists all transactions in the Securities by the Reporting Persons during the past sixty days. All of such transactions were effected in the open market, except as otherwise noted on Schedule A.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

Item 7 is hereby amended to add the following exhibit:

Item 7. Material to be Filed as Exhibits.

99.1. Letter from Crossover II to the Board of Directors of the Issuer, dated January 29, 2008.

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 30, 2008

ZS CROSSOVER II LP

By: ZS Crossover II GP, L.L.C.
Its General Partner

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Management Committee Member

ZS SPECIAL I L.P.

By: ZS Crossover II GP, L.L.C.
Its General Partner

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Management Committee Member

ZS CROSSOVER II GP, L.L.C.

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Management Committee Member

MRMP TRUST

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Trustee

THE NED AND EMILY SHERWOOD FOUNDATION

By: /s/ Ned Sherwood
Name: Ned Sherwood
Title: Director

/s/ Ned Sherwood
NED SHERWOOD

SCHEDULE A**Transactions in the Shares by the Reporting Persons During the Past 60 Days:**

<u>Shares Purchased</u>	<u>Price Per Share (\$)</u>	<u>Date of Purchase</u>
	<u>ZS SPECIAL I L.P.</u>	
804	\$119.0298	11/30/07
505	\$116.0494	12/03/07
102	\$116.5619	12/04/07
100	\$127.5600	12/12/07
139	\$119.4471	12/14/07
500	\$116.8710	12/17/07
100	\$116.0900	12/18/07
920	\$122.2322	12/27/07
1448	\$118.7424	12/28/07
1900	\$115.8679	12/31/07

ZS CROSSOVER II LP

None

ZS CROSSOVER II GP, L.L.C.

None

MRMP TRUST

None

THE NED AND EMILY SHERWOOD FOUNDATION

None

NED SHERWOOD

None

EXHIBIT INDEX

Exhibit

Exhibit Number

1. Letter from Crossover II to the Board of Directors of the Issuer, dated January 29, 2008.

99.1

ZS Crossover II L.P.
1133 Avenue of the Americas
New York, New York 10036

Ned L. Sherwood

(212) 398-6200
Fax (212) 398-1808

;

January 29, 2008

The Board of Directors
Capital Southwest Corporation
12900 Preston Road at LBJ, Suite 700
Dallas, TX 75230

Dear Board of Directors:

During the past six months since our August 16, 2007 letter, we have honored the Board's request that we communicate directly and privately with the President and CEO of Capital Southwest Corporation ("CSWC" or the "Company"), Gary Martin, in addressing the corporate practices and issues that we believe have resulted and continue to result in the significant deterioration of shareholder value of CSWC. As you know, we believe that the Company's stock price continues to trade at an excessive discount to the market value of its net assets, which we estimate to range between \$155 and \$175 per share. This market value is approximately 40% to 60% greater than CSWC's January 28, 2008 closing price of \$111.23 per share.

In our private communications since the August letter, we have suggested a clear action plan to narrow or eliminate this valuation gap, and we have made several attempts to meet with the CSWC Board of Directors ("the Board") in person. We have also provided the Board with the chart attached to this letter as Appendix I, which documents the

Company's extremely poor track record as an investor in its four major public holdings over the past decade. Our requests to meet with the Board to discuss our thoughts, however, have fallen on deaf ears. We have therefore been left with no choice but to once again communicate our thoughts on the Company's failure to maximize shareholder value in a public manner.

We have received calls of support from several significant independent shareholders of CSWC who have encouraged us to outline our plan for evaluation and consideration by all CSWC shareholders. We believe that the steps required to narrow the valuation gap and unlock the intrinsic value of the Company for the benefit of all of the Company's shareholders are as follows:

STEP 1:

We believe the Company should liquidate, in an expedited but orderly manner, the approximately \$55 million of non-control interests in public securities that it owns (i.e., the portfolio of various public securities other than CSWC's four major public holdings of WIRE, ALG, PHHM, and HLYS). These positions can easily be liquidated before the Company's fiscal year end of March 31, 2008. The cash proceeds from these sales should then promptly be distributed to shareholders in the form of a one-time special dividend.

We do not believe that CSWC has any rationale for maintaining this portfolio of public securities, which, in our opinion, serves no purpose other than placing an accounting burden and financial risk on the Company. Historically, CSWC has created value by being a successful growth capital investor in private companies, not by continuing to hold public securities long after companies have matured. Liquidating these positions and returning the resulting proceeds to shareholders would clearly demonstrate that Mr. Martin and the Board are actively changing past practices and are willing to distribute cash proceeds and allow CSWC shareholders to make their own public security investment decisions.

STEP 2:

The Company should hire a nationally-recognized investment banking firm to evaluate strategic options with regard to CSWC's four major ownership stakes in public companies (WIRE, ALG, PHHM and HLYS).

We have attached a chart to this letter (Appendix I) which shows the returns that CSWC has earned on its four major public company holdings since March 31, 1998. Given the meteoric rise and fall of HLYS since its IPO, we have shown CSWC's track record over the past decade including and excluding the HLYS investment so as not to bias the conclusions. This analysis measures the returns on these investments beginning when they became public companies, so in the case of HLYS, it measures the returns earned from its IPO onwards.

As shown in the chart, CSWC's first three major public company holdings (WIRE, ALG, PHHM) have had a negative 6.6% compound annual growth rate ("CAGR") since March 31, 1998, for a cumulative return of negative 48.7%. Including HLYS, the CAGR earned on the four major public companies drops to a negative 7.9%, with a cumulative return of negative 55.5%. We do not think that CSWC investors should be "forced" (by the Board's refusal to realize and distribute profits to shareholders promptly after a portfolio company's IPO) to invest in public securities with a management team with this poor ten-year track record. To put this track record in perspective, the Russell 2000 total return index had a CAGR of positive 3.9% for the comparable time period, and a cumulative gain of 46.1%.

Therefore, CSWC shareholders would have been much better off if CSWC had sold each of its four major public holdings, paid capital gains taxes, and reinvested the after-tax proceeds in the Russell 2000 index. If this had occurred, CSWC's net asset value per share¹ as of January 28, 2008 would be \$245.58. Instead, by maintaining its investments in PHHM, WIRE, ALG, and HLYS, CSWC's net asset value per share is only \$151.32 as of that date. Thus, we believe it is clear that the Company's policy of maintaining its largest portfolio holdings well after the portfolio companies have gone public and matured has resulted in significant deterioration of shareholder value. The terrible performance of the four major public companies since March 31, 1998 is a major reason for the underperformance of CSWC stock over this period (CSWC stock has risen from \$87.56 per share on March 31, 1998 to \$111.23 on January 28, 2008, a CAGR of just 2.4% over that period).

¹ Based on values for private investments as provided by CSWC in the Form 10-Q dated September 30, 2007 and on fair market value of all public investments as of January 28, 2008. Assumes PHHM, WIRE, and ALG were sold on March 31, 1998 and HLYS sold on March 31, 2007. Includes any after-tax proceeds that would have been distributed to shareholders and reinvested by them directly.

We therefore believe that it is imperative for CSWC to hire a nationally-recognized investment bank to examine its strategic alternatives to maximize shareholder value with respect to its four major public investments, since another decade of underperformance in these holdings would result in further deterioration of shareholder value.

STEP 3:

We believe that the Company should hire an independent firm to opine on the valuation of some of its larger private company investments— such as Rectorseal/Whitmore, Lifemark, and Media Recovery. This would demonstrate to shareholders that CSWC is attempting to better communicate to shareholders the intrinsic current value of its private companies, as well as to better understand this value itself. Additionally, CSWC should disclose some balance sheet data, as well as more detailed income statement data, on its key private company investments so that sophisticated shareholders can arrive at their own assessment of value. For example, we believe that if Rectorseal/Whitmore is essentially debt-free (which we cannot know, since balance sheet data has not been provided), there may be several strategic buyers as well as LBO groups that would be willing to acquire it at a price substantially higher than the valuation that CSWC ascribes to it.

As a major shareholder of CSWC, our primary interest is to encourage the Board and management of the Company to act in the best interest of its shareholders by adopting new corporate practices and policies that maximize the value of the Company's underlying assets. During the past decade, we believe that the Board and management have poorly managed CSWC's portfolio, which has resulted in substantial deterioration of shareholder value. By following the steps we have outlined in our action plan above, we believe

that the Company can begin to unlock its intrinsic value for the benefit of all of its shareholders, the true owners of the Company. We believe the sale and distribution of the proceeds of CSWC's non-control public securities and the exploration of strategic alternatives for maximizing the value of its control securities will allow the Company to focus on building the value of its private company investments.

We hope this letter encourages the Board and management to immediately begin to take steps to improve on the Company's lackluster track record over the past decade. We remind you as members of the Board of your respective fiduciary obligations to take actions that are in the best interests of all shareholders, and we will not hesitate to hold you personally liable for any failure to fully and faithfully discharge such obligations. We also strongly encourage other shareholders to make their thoughts known to the Company. We reserve the right to take any and all actions we deem appropriate to protect the interests of the Company's shareholders if we do not receive immediate assurance that Mr. Martin and the Board will meet with us to discuss the immediate implementation of an action plan for the Company that will unlock the intrinsic value of the Company for the benefit of its shareholders.

Sincerely,

/s/ Ned L. Sherwood

Ned L. Sherwood

CSWC Investment Track Record for Major Public Investments

All in \$M unless otherwise

	3/31/98	3/31/99	3/31/00	3/31/01	3/31/02	3/31/03	3/31/04	3/31/05	3/31/06	3/31/07	1/28/08
PHFM Market Value	\$231,695	\$170,849	\$120,812	\$119,319	\$163,287	\$114,914	\$165,507	\$127,734	\$162,325	\$112,642	\$57,421
WRE Market Value	\$54,496	\$21,469	\$19,289	\$21,278	\$45,112	\$23,152	\$101,433	\$41,625	\$122,459	\$103,477	\$64,244
ALG Market Value	\$49,332	\$21,453	\$22,212	\$40,345	\$45,246	\$32,296	\$49,062	\$69,799	\$62,464	\$65,422	\$53,323
Subtotal - PHFM, WRE, ALG	\$335,522	\$213,771	\$162,313	\$180,942	\$254,350	\$169,969	\$316,003	\$239,208	\$349,238	\$281,541	\$174,987
Period Return		(36.2%)	(19.7%)	4.3%	40.6%	(34.4%)	29.3%	(14.3%)	34.4%	(13.7%)	(37.9%)
Cumulative Return		(36.2%)	(49.2%)	(47.0%)	(15.4%)	(11.1%)	(7.8%)	(19.0%)	2.8%	(17.3%)	(42.7%)
CA CR of PHFM, WRE, ALG since 3/31/98		(36.2%)	(49.2%)	(47.0%)	(15.4%)	(11.1%)	(7.8%)	(19.0%)	2.8%	(17.3%)	(42.7%)
HLYS Market Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,370	\$59,532
Total - PHFM, WRE, ALG, HLYS	\$335,522	\$213,771	\$162,313	\$180,942	\$254,350	\$169,969	\$316,003	\$239,208	\$349,238	\$304,911	\$234,519
Period Return		(36.2%)	(19.7%)	4.3%	40.6%	(34.4%)	29.3%	(14.3%)	34.4%	(13.7%)	(37.9%)
Cumulative Return		(36.2%)	(49.2%)	(47.0%)	(15.4%)	(11.1%)	(7.8%)	(19.0%)	2.8%	(17.3%)	(42.7%)
CA CR of PHFM, WRE, ALG, HLYS since 3/31/98		(36.2%)	(49.2%)	(47.0%)	(15.4%)	(11.1%)	(7.8%)	(19.0%)	2.8%	(17.3%)	(42.7%)
Russell 2000	420 62	397 63	520 09	450 53	306 46	364 54	590 31	615 07	765 14	800 71	702 39
Period Return		(5.5%)	31.6%	(16.4%)	(11.4%)	(18.0%)	61.9%	4.1%	19.4%	4.6%	(11.3%)
Cumulative Return		(5.5%)	11.1%	(6.3%)	(17.7%)	(29.1%)	31.8%	18.0%	37.4%	42.0%	26.7%
CA CR of Russell 2000 since 3/31/98		(5.5%)	11.1%	(6.3%)	(17.7%)	(29.1%)	31.8%	18.0%	37.4%	42.0%	26.7%

Note: Period returns are shown net of any incremental contributions made by CSWC during the period. For HLYS, its IPO is treated as an incremental contribution, so the HLYS value of its IPO is deducted from the 3/31/07 Total PHFM, WRE, ALG, HLYS value for purposes of calculating the period's return.

