Form **8937**(December 2017) Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Part I Reporting Is	suer		
1 Issuer's name	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2 Issuer's employer identification number (EIN)	
		45-2460782	
Prospect Floating Rate and	I Alternative Income F	5 Email address of contact	
3 Name of contact for add	itional information 4		
Prospect Floating Rate and	Alternative Inco	TO and of control	
6 Number and street (or P.	O. box if mail is not de	7 City, town, or post office, state, and ZIP code of contact	
			New York, NY 10016
8 Date of action			
8 Date of action		9 Classification and description	
See Attached			estment Company - Return of Capital
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
		N1/0	N/A
89678V105	N/A	N/A	See back of form for additional questions.
Part II Organization	nai Action Attach	additional statements in needed.	date against which shareholders' ownership is measured for
14 Describe the organizat	ional action and, if app	blicable, the date of the action of the c	date against which shareholders' ownership is measured for
the action ► Prospec	ct Floating Rate and A	Alternative Income Fund, Inc. paid n	non-taxable return of capital distributions during 2022. The
distribution amounts cons	isted of non-taxable r	eturn of capital distributions and or	rdinary dividend distributions. Please see attached
for a detail of each distribu	ition made.		
			" the beards of a LLS taxpover as an adjustment per
15 Describe the quantitat	ive effect of the organi	zational action on the basis of the sec	curity in the hands of a U.S. taxpayer as an adjustment per
share or as a percenta	age of old basis ► The	total return of capital distributions	s made during 2022 decreased each shareholder's basis
by \$.06 per share.			
by \$.06 per Strate.			
<u> </u>			
16 Describe the calculati	on of the change in ba	sis and the data that supports the cal	lculation, such as the market values of securities and the
valuation dates > Fac	sh charabaldar's cost	per share after each distribution is	s equal to their previous basis per share less the
non taxable return of cani	tal distributions desc	ribed in the attached schedule. \$.0	06 represents the total decrease to each shareholder's
cost per share had they re	eceived every distribu	tion made during 2022.	
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Part II		rganizational								
								- bossed b	IDC Section	n 301(c)(2),
7 Lis	t the a	pplicable Internal	Revenue Code section	on(s) and s	ubsection(s) u	oon which the tax	x treatment is	s based >	IRC Section	11 301(C)(Z),
RC Sect	tion 31	6(a)(1), and IRC	Section 852(c).							
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• •		regulting loss be t	recognized? ► No l	nss shoul	d be recognize	ed.				
8 Ca	an any	resulting loss be i	ecognized:	000 011041	0.001,000,000					
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December 2012	Payment Date	Per Share Distribution	% Return of Capital	% Ordinary Income
Record Date				100.00%
12/3, 12/10, 12/17, 12/24/2021	-, -,			100.00%
1/7, 1/14, 1/21, 1/28/2022	2/4/2022			
2/4, 2/11, 2/18, 2/25/2022	3/4/2022	0.04436		
3/25/2022		0.04376	0.00%	
4/29/2022		0.05470	0.00%	100.00%
5/27/2022	· · · · · · · · · · · · · · · · · · ·		0.00%	100.00%
6/24/2022	1. 1.		21.45%	78.55%
7/29/2022	1.1.		21.45%	78.55%
8/26/2022			21.45%	78.55%
9/30/2022			21.45%	78.55%
-,,	· · · · · · · · · · · · · · · · · · ·		21.45%	78.55%
10/28/2022	·			78.55%
11/25/2022				
12/30/2022	1/6/2023*	0.03751	0.00%	100.00%

^{*}The Fund's nontaxable distributions declared in December and paid in January are deemed as distributions in the subsequent taxable year.