

DISCLAIMER

Attached please find an electronic copy of the final offering circular dated August 14, 2015 (the "Offering Circular"), relating to the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes offered by Babson CLO Ltd. 2012-II (the "Issuer") and (other than in the case of the Class D-R Notes) Babson CLO 2012-II, LLC (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers").

The Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

In order to be eligible to access the Offering Circular or make an investment decision with respect to the securities described therein, you must either (a) not be a "U.S. person" within the meaning of Regulation S under the Securities Act of 1933, as amended (the "Securities Act") or (b)(x) be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act that is also (y)(i) a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act") or (ii) an entity owned exclusively by Qualified Purchasers.

Distribution of this electronic transmission of the Offering Circular to any person other than (a) the person receiving this electronic transmission from the Co-Issuers or the Initial Purchaser on behalf of the Co-Issuers, and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, except as expressly authorized herein, is prohibited. By accepting delivery of the Offering Circular, each recipient hereof agrees to the foregoing.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS, AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE RECIPIENTS, MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE THE U.S. TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING THE ISSUER, THE CO-ISSUER, THE INITIAL PURCHASER, THE COLLATERAL MANAGER OR ANY OTHER PARTY TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT SUCH INFORMATION IS RELEVANT TO U.S. TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

OFFERING CIRCULAR

BABSON CLO LTD. 2012-II BABSON CLO 2012-II, LLC

U.S.\$255,000,000 Class A-1R Senior Secured Floating Rate Notes Due 2023

U.S.\$42,000,000 Class A-2R Senior Secured Floating Rate Notes Due 2023

U.S.\$32,000,000 Class B-R Senior Secured Deferrable Floating Rate Notes Due 2023

U.S.\$22,000,000 Class C-R Senior Secured Deferrable Floating Rate Notes Due 2023

U.S.\$18,000,000 Class D-R Senior Secured Deferrable Floating Rate Notes Due 2023

The Refinancing Notes will be secured by a portfolio of assets to be managed by Babson Capital Management LLC, consisting primarily of senior secured loans and, subject to any limitations described herein, second lien loans and senior unsecured loans.

This Offering Circular incorporates the final Offering Circular dated June 26, 2012 (the "**2012 Offering Circular**") relating to the Original Notes (as defined below). Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the 2012 Offering Circular. The 2012 Offering Circular is attached hereto as Annex A.

Investing in the Refinancing Notes involves risks. See "Risk Factors" for a discussion of certain risks that you should consider in connection with an investment in the Refinancing Notes.

On June 21, 2012 (the "**Original Closing Date**"), Babson CLO Ltd. 2012-II (the "**Issuer**") and Babson CLO 2012-II, LLC (the "**Co-Issuer**") issued U.S.\$255,000,000 Class A-1 Senior Secured Floating Rate Notes due 2023 (the "**Original Class A-1 Notes**"), U.S.\$42,000,000 Class A-2 Senior Secured Floating Rate Notes due 2023 (the "**Original Class A-2 Notes**"), U.S.\$32,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2023 (the "**Original Class B Notes**"), U.S.\$22,000,000 Class C Senior Secured Deferrable Floating Rate Notes (the "**Original Class C Notes**"), and the Issuer issued U.S.\$18,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2023 (the "**Original Class D Notes**") and, together with the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B Notes and the Original Class C Notes, the "**Refinanced Notes**") and U.S.\$37,850,000 Subordinated Notes due 2023 (the "**Subordinated Notes**") and, together with the Refinanced Notes, the "**Original Notes**").

On June 9, 2015 (the "**Refinancing Date**"), the Co-Issuers refinanced the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B Notes and the Original Class C Notes by issuing U.S.\$255,000,000 Class A-1R Senior Secured Floating Rate Notes due 2023 (the "**Class A-1R Notes**"), U.S.\$42,000,000 Class A-2R Senior Secured Floating Rate Notes due 2023 (the "**Class A-2R Notes**"), U.S.\$32,000,000 Class B-R Senior Secured Deferrable Floating Rate Notes due 2023 (the "**Class B-R Notes**") and U.S.\$22,000,000 Class C-R Senior Secured Deferrable Floating Rate Notes (the "**Class C-R Notes**"), and the Issuer refinanced the Original Class D Notes by issuing U.S.\$18,000,000 Class D-R Senior Secured Deferrable Floating Rate Notes due 2023 (the "**Class D-R Notes**") and, together with the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes and the Class C-R Notes, the "**Refinancing Notes**" and, together with the Subordinated Notes, the "**Notes**").

The Refinancing Notes have not been, and will not be, registered under the Securities Act. Neither of the Co-Issuers will be registered under the Investment Company Act. The Refinancing Notes will be offered and sold in transactions exempt from registration under the Securities Act (a) to persons that are both (i) Qualified Institutional Buyers and (ii) Qualified Purchasers or companies beneficially owned exclusively by Qualified Purchasers and (b) outside the United States to non-U.S. Persons in reliance on Regulation S.

It was a condition of the issuance of the Refinancing Notes that the Class A-1R Notes be rated Aaa(sf) by Moody's and AAA(sf) by S&P; the Class A-2R Notes be rated at least AA(sf) by S&P; the Class B-R Notes be rated at least A(sf) by S&P; the Class C-R Notes be rated at least BBB(sf) by S&P; and the Class D-R Notes be rated at least BB(sf) by S&P. See "*Ratings of the Refinancing Notes*".

This Offering Circular has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Refinancing Notes to be admitted to the Official List (the "**Official List**") and trading on its regulated market. Such approval relates only to the Refinancing Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**"). There can be no assurance that any such listing will be granted or maintained. This Offering Circular comprises a prospectus for the purposes of the Prospectus Directive.

Citigroup Global Markets Inc. (the "**Initial Purchaser**") expects to sell the Refinancing Notes in individually negotiated transactions at varying prices to be determined at the time of sale, subject to prior sale, when, as and if issued. The Refinancing Notes were delivered to investors in book-entry form through The Depository Trust Company and its participants and indirect participants, including, without limitation, Euroclear and Clearstream on June 9, 2015 (the "**Closing Date**").

Initial Purchaser of the Refinancing Notes

Citigroup

A version of this Offering Circular was originally distributed on June 5, 2015 (the "**Original Distribution Date**") and has been amended for listing purposes on the date hereof. The Central Bank and the Irish Stock Exchange have not reviewed or approved the version of the Offering Circular distributed on the Original Distribution Date.

August 14, 2015

IMPORTANT INFORMATION REGARDING THIS OFFERING CIRCULAR AND THE REFINANCING NOTES

In making your investment decision, you should only rely on the information contained in this Offering Circular, read in conjunction with the 2012 Offering Circular and the Supplemental Indenture. No person has been authorized to give you any information or to make any representation other than those contained in this Offering Circular, read in conjunction with the 2012 Offering Circular. If you receive any other information, you should not rely on it.

You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the front cover of this Offering Circular.

The Refinancing Notes are being offered and sold only in places where offers and sales are permitted.

The Co-Issuers and the Initial Purchaser reserve the right, for any reason, to reject any offer to purchase in whole or in part, to allot to you less than the full amount of Refinancing Notes sought by you or to sell less than the stated initial principal amount of any Class of Refinancing Notes.

The Refinancing Notes do not represent interests in or obligations of, and are not insured or guaranteed by, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates.

The Refinancing Notes are subject to restrictions on resale and transfer as described under "Description of the Refinancing Notes" herein and under "Transfer Restrictions" in the 2012 Offering Circular. By purchasing any Refinancing Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in "Transfer Restrictions" in the 2012 Offering Circular. You may be required to bear the financial risks of investing in the Refinancing Notes for an indefinite period of time.

Unless the context otherwise requires or as otherwise indicated herein, each reference to "Citigroup" in this Offering Circular means Citigroup Global Markets Inc. in its capacity as an initial purchaser of the Refinancing Notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Offering Circular is being provided only to prospective purchasers of the Refinancing Notes. You should read this Offering Circular and Supplemental Indenture No. 1 before making a decision whether to purchase any Refinancing Notes. Except as otherwise authorized above, you must not:

- use this Offering Circular for any other purpose;
- make copies of any part of this Offering Circular or give a copy of this Offering Circular or any portion thereof to any other person; or
- disclose any information in this Offering Circular to any other person.

The information contained in this Offering Circular has been provided by the Co-Issuers and other sources identified herein. The Co-Issuers accept responsibility for the information contained in this Offering Circular and the 2012 Offering Circular. The Collateral Manager accepts responsibility only for the Collateral Manager Information. For purposes hereof, "Collateral Manager Information" means (i) the information contained under the headings "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients" and the subheadings thereunder and "The Collateral Manager" and the subheadings thereunder and (ii) Part 2A of the Collateral Manager's Form ADV attached hereto as Annex D) in this Offering Circular, which collectively supersede the Collateral Manager Information in the 2012 Offering Circular (collectively, the "**Collateral Manager Information**"). To the best of the knowledge and belief of the Co-Issuers, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular and the 2012 Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the Collateral Manager, having taken all reasonable care to ensure that such is the case, the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

State Street Bank and Trust Company, in each of its capacities (including as Trustee and Collateral Administrator) has not participated in the preparation of this Offering Circular and assumes no responsibility for its content.

You are responsible for making your own examination of the Co-Issuers and the Collateral Manager and your own assessment of the merits and risks of investing in the Refinancing Notes. By purchasing any Refinancing Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Circular;
- you have had an opportunity to request any additional information that you need from the Issuer; and
- neither Citigroup nor the Collateral Manager is responsible for, or is making any representation to you concerning, (i) the future performance of the Issuer or (ii) the accuracy or completeness of this Offering Circular or the 2012 Offering Circular (except, in the case of the Collateral Manager, with respect to the Collateral Manager Information).

None of the Co-Issuers, Citigroup, the Collateral Manager or any other party to the transactions contemplated by this Offering Circular is providing you with any legal, business, tax or other advice in this Offering Circular. You should consult with your own advisors as needed to assist you in making an investment decision and to advise you as to whether you are legally permitted to purchase the Refinancing Notes.

THE REFINANCING NOTES ARE BEING OFFERED IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THESE EXEMPTIONS APPLY TO OFFERS AND SALES OF SECURITIES THAT DO NOT INVOLVE A PUBLIC OFFERING. THE REFINANCING NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, AND NONE OF THE FOREGOING AUTHORITIES HAS CONFIRMED THE ACCURACY OR

DETERMINED THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

APPLICATION HAS BEEN MADE TO LIST THE REFINANCING NOTES ON THE REGULATED MARKET OF THE IRISH STOCK EXCHANGE. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE IRISH STOCK EXCHANGE WILL IN FACT GRANT THE LISTING OF SUCH REFINANCING NOTES OR, IF GRANTED, THAT SUCH LISTING WILL BE MAINTAINED.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Refinancing Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Refinancing Notes. None of the Co-Issuers, Citigroup, the Collateral Manager or any other party to the transactions contemplated by this Offering Circular is responsible for your compliance with these legal requirements.

You are hereby notified that a seller of the Refinancing Notes may rely on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A or by Section 4(a)(2) of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

IMPORTANT INFORMATION REGARDING OFFERS AND SALES OF THE REFINANCING NOTES

The Refinancing Notes offered hereby are subject to modification or revision and are offered on a "when, as and if issued" basis. You understand that, when you are considering the purchase of Refinancing Notes, a binding contract of sale will not exist prior to the time that the relevant Class of Refinancing Notes has been priced and Citigroup has confirmed the allocation of such Refinancing Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft circles" generated by Citigroup will not create binding contractual obligations for you or Citigroup and may be withdrawn at any time.

You may commit to purchase one or more Classes of Refinancing Notes that have characteristics that may change, and you are advised that all or a portion of the Refinancing Notes may not be issued with the characteristics described in this Offering Circular. The obligation of Citigroup or the Co-Issuers to sell such Refinancing Notes to you is conditioned on the Refinancing Notes having the characteristics described in this Offering Circular. If Citigroup or the Co-Issuers determine that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer nor Citigroup will have any obligation to you to deliver any portion of the Refinancing Notes that you have committed to purchase, and there will be no liability among the Issuer, the Co-Issuer, their affiliates, Citigroup and you as a consequence of the non-delivery. Your payment for the Refinancing Notes will confirm your agreement to the terms and conditions described in this Offering Circular.

The information contained herein supersedes any previous such information delivered to you and may be superseded by information delivered to you prior to the time of contract of sale.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, (I) ANY NOTES OTHER THAN THE REFINANCING NOTES OR (II) ANY REFINANCING NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THE OFFER OR SALE OF THE REFINANCING NOTES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR OR ANY OF THE REFINANCING NOTES COME ARE REQUIRED BY THE CO-ISSUERS AND THE INITIAL PURCHASER TO INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

EACH PROSPECTIVE PURCHASER OF ANY OF THE REFINANCING NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH REFINANCING NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE REFINANCING NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE CO-ISSUERS, THE INITIAL PURCHASER, THE COLLATERAL MANAGER AND ANY OF THEIR RESPECTIVE AFFILIATES SHALL HAVE ANY RESPONSIBILITY THEREFOR.

NOTICE TO THE PUBLIC OF CAYMAN ISLANDS

NO INVITATION, WHETHER DIRECTLY OR INDIRECTLY, MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE REFINANCING NOTES.

NOTICE TO RESIDENTS OF AUSTRALIA

NO PROSPECTUS OR OTHER DISCLOSURE DOCUMENT (AS DEFINED IN THE AUSTRALIAN CORPORATIONS ACT 2001) IN RELATION TO THE REFINANCING NOTES HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION. EACH OF THE CO-ISSUERS:

(A) HAS NOT OFFERED OR INVITED APPLICATIONS, AND WILL NOT OFFER OR INVITE APPLICATIONS, FOR THE ISSUE, SALE OR PURCHASE OF THE REFINANCING NOTES IN AUSTRALIA (INCLUDING AN OFFER OR INVITATION WHICH IS RECEIVED BY A PERSON IN AUSTRALIA); AND

(B) HAS NOT DISTRIBUTED OR PUBLISHED, AND WILL NOT DISTRIBUTE OR PUBLISH, ANY DRAFT, PRELIMINARY OR DEFINITIVE PROSPECTUS, OFFERING MEMORANDUM, DISCLOSURE DOCUMENT, ADVERTISEMENT OR OTHER OFFERING MATERIAL RELATING TO THE REFINANCING NOTES IN AUSTRALIA;

UNLESS (1) THE AGGREGATE CONSIDERATION PAYABLE BY EACH OFFEREE OR INVITEE IS AT LEAST AUD500,000 (OR ITS EQUIVALENT IN OTHER CURRENCIES, BUT DISREGARDING MONIES LENT BY THE OFFEROR OR ITS ASSOCIATES) OR THE OFFER OR INVITATION OTHERWISE DOES NOT REQUIRE DISCLOSURE TO INVESTORS IN ACCORDANCE WITH PART 6D.2 OR 7.9 OF THE AUSTRALIAN CORPORATIONS ACT 2001, (2) THE OFFER OR INVITATION IS NOT MADE TO A PERSON WHO IS A "RETAIL CLIENT" WITHIN THE MEANING OF SECTION 761G OF THE AUSTRALIAN CORPORATIONS ACT 2001; (3) SUCH ACTION COMPLIES WITH ALL APPLICABLE LAWS, REGULATIONS AND DIRECTIVES IN AUSTRALIA, AND (4) SUCH ACTION DOES NOT REQUIRE ANY DOCUMENT TO BE LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION.

NOTICE TO RESIDENTS OF TAIWAN AND THE PEOPLE'S REPUBLIC OF CHINA

THE OFFER OF THE REFINANCING NOTES HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER RELEVANT REGULATORY AUTHORITIES OF TAIWAN AND/OR THE PEOPLE'S REPUBLIC OF CHINA PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND/OR THE PEOPLE'S REPUBLIC OF CHINA. THE ISSUER AND THE CO-ISSUER WILL NOT OFFER OR SELL THE REFINANCING NOTES WITHIN TAIWAN OR THE PEOPLE'S REPUBLIC OF CHINA THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING

OF THE SECURITIES AND EXCHANGE LAW OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRE A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN OR THE PEOPLE'S REPUBLIC OF CHINA.

NOTICE TO RESIDENTS OF EUROPEAN ECONOMIC AREA

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA THAT HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**"), WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT RELEVANT MEMBER STATE (THE "**RELEVANT IMPLEMENTATION DATE**") AN OFFER OF THE REFINANCING NOTES MAY NOT BE MADE TO THE PUBLIC IN THAT RELEVANT MEMBER STATE PRIOR TO THE PUBLICATION OF A PROSPECTUS IN RELATION TO THE REFINANCING NOTES WHICH HAS BEEN APPROVED BY THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE OR, WHERE APPROPRIATE, APPROVED IN ANOTHER RELEVANT MEMBER STATE AND NOTIFIED TO THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE, ALL IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE, ANY AMENDMENTS THERETO TO THE EXTENT IMPLEMENTED IN EACH RELEVANT MEMBER STATE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE, EXCEPT THAT, WITH EFFECT FROM AND INCLUDING THE RELEVANT IMPLEMENTATION DATE, AN OFFER OF THE REFINANCING NOTES TO THE PUBLIC MAY BE MADE IN THAT RELEVANT MEMBER STATE AT ANY TIME:

(A) TO ANY LEGAL ENTITY THAT IS A "**QUALIFIED INVESTOR**" AS DEFINED IN THE PROSPECTUS DIRECTIVE, ANY AMENDMENTS THERETO TO THE EXTENT IMPLEMENTED IN EACH RELEVANT MEMBER STATE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE;

(B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS) SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE REPRESENTATIVES FOR ANY SUCH OFFER; OR

(C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE, ANY AMENDMENTS THERETO TO THE EXTENT IMPLEMENTED IN EACH RELEVANT MEMBER STATE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE;

PROVIDED THAT NO SUCH OFFER OF THE REFINANCING NOTES SHALL REQUIRE THE PUBLICATION OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, ANY AMENDMENTS THERETO TO THE EXTENT IMPLEMENTED IN EACH RELEVANT MEMBER STATE AND ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF THE REFINANCING NOTES TO THE PUBLIC" IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE REFINANCING NOTES SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE REFINANCING NOTES, AS THE EXPRESSION MAY BE VARIED IN THAT MEMBER STATE BY ANY AMENDMENTS TO THE PROSPECTUS DIRECTIVE TO THE EXTENT IMPLEMENTED IN THAT MEMBER STATE AND ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN

THAT MEMBER STATE, AND THE EXPRESSION "**PROSPECTUS DIRECTIVE**" MEANS DIRECTIVE 2003/71/EC.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

WITHIN THE UNITED KINGDOM, THIS OFFERING CIRCULAR MAY NOT BE PASSED ON EXCEPT TO INVESTMENT PROFESSIONALS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

RELEVANT PERSONS SHOULD NOTE THAT ALL, OR MOST, OF THE PROTECTIONS OFFERED BY THE UNITED KINGDOM REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE REFINANCING NOTES AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

COMPLIANCE WITH EUROPEAN UNION CAPITAL REQUIREMENTS DIRECTIVE

None of the Issuer, the Co-Issuer, the Initial Purchaser, the Collateral Manager, the Trustee or any of their affiliates makes any representation or agreement that it is undertaking or will have undertaken to comply with the requirements of Articles 404-410 of the European Union Capital Requirements Regulation 575/2013 ("**Article 404**"). Each Holder or beneficial owner of the Refinancing Notes is responsible for analyzing its own regulatory position and is advised to consult with its own advisors regarding the suitability of the Refinancing Notes for investment and compliance with Article 404.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements, which can be identified by words like "anticipate," "believe," "plan," "hope," "goal," "initiative," "expect," "future," "intend," "will," "could," and "should" and by similar expressions. Other information contained herein, including any estimated, targeted or assumed information, may also be deemed to be, or to contain, forward-looking statements. Prospective investors should not place undue reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in "Risk Factors". Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results. Variations of assumptions and results may be material.

Without limiting the generality of the foregoing, the inclusion of forward-looking statements herein should not be regarded as a representation by any of the Co-Issuers, the Collateral Manager, the Initial Purchaser, the Trustee, the Collateral Administrator or any of their respective affiliates or any other person of the results that will actually be achieved by the Co-Issuers or the Refinancing Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revision to reflect changes in any circumstances arising after June 5, 2015 (the "**Original Distribution Date**") relating to any assumptions or otherwise.

Notwithstanding the foregoing, you may assume that events described as anticipated or expected to occur on or prior to the Original Distribution Date or the Closing Date, events described as events that "will" occur on or prior to the Original Distribution Date or the Closing Date, and circumstances described as anticipated or expected to be the case on or as of the Original Distribution Date or the Closing Date or at issuance of the Refinancing Notes or as

circumstances that "will" be the case on or as of the Original Distribution Date or the Closing Date, did occur or were the case on, prior to or as of such date or at issuance of the Refinancing Notes, as applicable; that the expected initial ratings of the Secured Notes were received; that the Refinancing Notes were issued pursuant to the Indenture; that the Refinancing Notes have the characteristics described as characteristics that they "will" have; that the opinions of Freshfields Bruckhaus Deringer US LLP described under "*Certain U.S. Federal Income Tax Considerations*" were received; that the circumstances described as expected to be the case and the events described as events that "will" happen under "*Use of Proceeds*" were the case and did happen; that the proposed capitalization and indebtedness of the Issuer described under "*The Co-Issuers—Capitalization of the Issuer*" was the Issuer's capitalization and indebtedness as of the Closing Date; and that provisions described as provisions that "will" be embodied in any Transaction Document are embodied in such Transaction Document.

CERTAIN DEFINITIONS AND RELATED MATTERS

Unless otherwise indicated, (i) references in this Offering Circular to "**U.S. Dollars**," "**Dollars**," "**U.S.\$**" and "**\$**" will be to United States dollars and (ii) references to "**U.S.**" and "**United States**" will be to the United States of America, its territories and its possessions.

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

SUMMARIES OF DOCUMENTS

This Offering Circular and the 2012 Offering Circular summarize certain provisions of the Refinancing Notes, the Indenture, the Collateral Management Agreement and other transactions and documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular or the 2012 Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the actual documents (including definitions of terms). However, no documents incorporated by reference are part of this Offering Circular for purposes of the admission of the Refinancing Notes to trading on the regulated market of the Irish Stock Exchange (the "**Irish Stock Exchange**").

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the sale of the Refinancing Notes, the Issuer (and, solely in the case of the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes and the Class C-R Notes, the Co-Issuer) under the Indenture referred to under "Description of the Notes" in the 2012 Offering Circular will be required to furnish upon request of a holder of a Refinancing Note to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Co-Issuers are not reporting companies under Section 13 or Section 15(d) of the Exchange Act and are not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Such information may be obtained directly from the Issuer.

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An index of terms defined in the 2012 Offering Circular appears at the end of the 2012 Offering Circular and an index of terms defined herein appears at the end of this Offering Circular. Capitalized terms used herein and not defined shall have the meanings assigned in the 2012 Offering Circular.

OVERVIEW OF TERMS

The following overview should be read in conjunction with the section entitled "Summary of Terms" beginning on page 1 of the 2012 Offering Circular. The changes set forth below supersede all statements which are inconsistent therewith in the 2012 Offering Circular. The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular, including (except to the extent described in the immediately preceding sentence) in the 2012 Offering Circular, and related documents referred to herein. Indices of defined terms appear at the back of this Offering Circular and at the back of the 2012 Offering Circular. Additionally, as the Subordinated Notes are not offered pursuant to this Offering Circular, the following summary does not purport to describe the Subordinated Notes.

Principal Terms of the Refinancing Notes

Class	A-1R	A-2R	B-R	C-R	D-R
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer
Initial Principal Amount (U.S.\$)	\$255,000,000	\$42,000,000	\$32,000,000	\$22,000,000	\$18,000,000
S&P Initial Rating	"AAA(sf)"	"AA(sf)"	"A(sf)"	"BBB(sf)"	"BB(sf)"
Moody's Initial Rating	"Aaa(sf)"	N/A	N/A	N/A	N/A
Interest Rate	LIBOR + 1.24%	LIBOR + 1.76%	LIBOR + 2.55%	LIBOR + 3.60%	LIBOR + 5.55%
Interest Deferrable	No	No	Yes	Yes	Yes
Stated Maturity	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023
Minimum Denominations (U.S.\$) (Integral Multiples)	\$500,000 (\$1.00)	\$500,000 (\$1.00)	\$500,000 (\$1.00)	\$500,000 (\$1.00)	\$500,000 (\$1.00)
Ranking:					
Priority Class(es)	None	A-1R	A-1R, A-2R	A-1R, A-2R, B-R	A-1R, A-2R, B-R, C-R
Junior Class(es)	A-2R, B-R, C-R, D-R, Subordinated Notes	B-R, C-R, D-R, Subordinated Notes	C-R, D-R, Subordinated Notes	D-R, Subordinated Notes	Subordinated Notes

Co-Issuers

The Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes and the Class C-R Notes (the "**Co-Issued Notes**") will be co-issued by Babson CLO Ltd. 2012-II (the "**Issuer**") and Babson CLO 2012-II, LLC (the "**Co-Issuer**" and, together with the Issuer, the "**Co-Issuers**"). The Class D-R Notes will be issued solely by the Issuer.

Collateral Manager

Babson Capital Management LLC (the "**Collateral Manager**").

Trustee	State Street Bank and Trust Company (the " Trustee ").
Collateral Administrator	State Street Bank and Trust Company (the " Collateral Administrator ").
Initial Purchaser	The Refinancing Notes are being offered by Citigroup, as initial purchaser with respect to the Refinancing Notes (the " Initial Purchaser ").
Administrator	MaplesFS Limited (the " Administrator ").
Irish Listing Agent	Maples and Calder (the " Irish Listing Agent ").
Original Closing Date:	June 21, 2012.
Refinancing Date:	On or about June 9, 2015, with respect to the Refinanced Notes, subject to certain conditions set forth in the Indenture.
Payment Dates:	The Refinancing Notes of each Class will bear stated interest from (and including) the Refinancing Date. The first Payment Date in respect of the Refinancing Notes will be the Payment Date in August 2015.
Refinancing Terms:	Any Class of Refinancing Notes may not be further refinanced.
Stated Maturity Date:	May 15, 2023.
Eligible Purchasers:	The Refinancing Notes are being offered hereby to (i) non-U.S. persons in offshore transactions in reliance on Regulation S and (ii) persons that are both (x) Qualified Institutional Buyers and also (y) (A) Qualified Purchasers or (B) entities owned exclusively by Qualified Purchasers. See "Transfer Restrictions" in the 2012 Offering Circular.
Listing, Trading and Form of Refinancing Notes:	This Offering Circular has been approved by the Central Bank of Ireland (the " Central Bank "), as competent authority under Directive 2003/71/EC (the " Prospectus Directive "). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the " Irish Stock Exchange ") for the Refinancing Notes to be admitted to the Official List (the " Official List ") and trading on its regulated market. Such approval relates only to the Refinancing Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any member state of the European Economic Area (the " EEA "). There can be no assurance that any such listing will be granted or maintained. See "Listing and General Information". There is currently no market for any Class of Notes (including the Refinancing Notes) and there can be no assurance that such a market will develop. See "Risk

Factors—Relating to the Notes—The Notes will have limited liquidity and are subject to substantial transfer restrictions" in the 2012 Offering Circular.

The Refinancing Notes sold to persons who are Qualified Institutional Buyers will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co. The Refinancing Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., a nominee of DTC, for the accounts of Euroclear or Clearstream.

Tax Matters:

For a discussion of certain tax consequences to purchasers of the Notes (including the Refinancing Notes), see "Certain U.S. Federal Tax Income Tax Considerations" herein and "Certain U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations" in the 2012 Offering Circular.

ERISA Considerations:

For a discussion of certain ERISA related restrictions on the ownership and transfer of the Notes (including the Refinancing Notes), see "Transfer Restrictions" and "Certain ERISA and Related Considerations" each in the 2012 Offering Circular.

Existing Collateral Obligations:

The Issuer has been acquiring and selling Collateral Obligations pursuant to the Indenture since the Original Closing Date. Certain information relating to the Issuer's pool of Collateral Obligations is set forth under "Security for the Refinancing Notes" and is included herewith as Annex C and forms an integral part of this Offering Circular. The information presented in Annex C has not been audited or otherwise reviewed by independent accountants and has been compiled as of the date indicated which, in each case, is prior to the date of this Offering Circular.

Amendments to the Indenture:

Each purchaser's payment for the Refinancing Notes will confirm such purchaser's agreement to the amendments to the Indenture (the "**Indenture**") pursuant to Supplemental Indenture No. 1 (as defined below). All references herein to the "Indenture" shall refer to the Indenture as amended by Supplemental Indenture No. 1, if effected. If effected, such supplemental indenture would (i) add certain conditions to investment intended to prevent the Issuer from being classified as a "covered fund" under the Volcker Rule by attempting to satisfy the requirements of the "loan securitization exemption" thereunder (the "**Volcker Amendments**") (*provided* that there can be no assurance or guaranty, and no representation or

warranty is made, that the Issuer will so qualify for the "loan securitization exemption"), (ii) amend the refinancing provisions to prohibit the refinancing of the Refinancing Notes, (iii) amend certain definitions related to the S&P CDO Monitor Test and the S&P Minimum Weighted Average Recovery Rate Test in accordance with S&P's current methodology, (iv) amend certain definitions related to Moody's rating in accordance with Moody's current methodology, (v) amend the definition of Cov-Lite Loans and increase the maximum percentage of the Collateral Principal Amount that may consist of Cov-Lite Loans to 60% and (vi) make certain other changes, including with regard to certain tax-related provisions with the intent to better achieve compliance with FATCA.

Use of Proceeds:

The cash proceeds of the offering of the Refinancing Notes will be applied by the Issuer to redeem the Refinanced Notes at their respective Redemption Prices. See "Use of Proceeds".

RISK FACTORS

An investment in the Refinancing Notes involves certain risks. Prospective investors should carefully consider the following factors and the "Risk Factors" in the 2012 Offering Circular in addition to the matters set forth elsewhere in this Offering Circular and the 2012 Offering Circular, prior to investing in the Refinancing Notes.

The following supplemental disclosure is being provided to you to inform you of certain risks arising from the issuance of the Refinancing Notes but does not purport to (and none of the Co-Issuers, the Initial Purchaser, the Collateral Manager or their respective affiliates makes any representations that it purports to) disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Refinancing Notes.

General Economic Risks

General economic conditions may affect the ability of the Co-Issuers to make payments on the Refinancing Notes. Beginning in 2007, there occurred an extreme downturn in the credit markets and other financial markets, which resulted in dramatic deterioration in the financial condition of many companies. While (i) conditions in the U.S. economy and the credit markets and other financial markets have been improving, (ii) corporate default rates have been decreasing and (iii) rating upgrades have exceeded downgrades, there is a material possibility that economic activity will be volatile or slow over the moderate to long term. It is difficult to predict how long and to what extent conditions in the credit and financial markets will continue to improve and which markets, products, businesses and assets will experience this improvement (or to what degree any such improvement is dependent on monetary policies by central banks, particularly the Federal Reserve System). The ability of the Co-Issuers to make payments on the Refinancing Notes may depend on the continued recovery of the economy, and there is no assurance that this recovery, or improved conditions in the credit and other financial markets, will continue. In addition, the business, financial condition or results of operations of the obligors on the Collateral Obligations may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Assets is likely to decrease. A decrease in market value of the Collateral Obligations would also adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Refinancing Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

Some leading global financial institutions have been forced into mergers with other financial institutions, have been partially or fully nationalized or have gone bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer and the Refinancing Notes. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer and the Refinancing Notes.

Several nations, particularly within the European Union, have recently suffered or are currently suffering from significant economic distress. There can be no assurance as to the resolution of the economic problems in those countries, nor as to whether such problems will spread to other countries or otherwise negatively affect economies or markets. A debt default by a sovereign nation or other potential consequences of these economic problems may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer and the Refinancing Notes. In addition, obligors on Collateral Obligations may be organized in, or otherwise Domiciled in, certain of such countries or other countries that may begin to suffer economic distress and the uncertainty and market instability in such country may increase the likelihood of default by such obligor. In the event of its insolvency, any such obligor, by virtue of being organized in such a jurisdiction or having a substantial percentage of its revenues or assets in such a jurisdiction, may be more likely to be subject to bankruptcy or insolvency proceedings in such jurisdiction at the same time as such jurisdiction is itself potentially unstable.

Collateral Obligation performance may not continue to improve. Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of defaults and delinquencies have been decreasing from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Collateral Obligations. There is no way to determine whether such trends in the credit markets will continue, improve or worsen in the future.

Illiquidity in the CDO, leveraged finance and fixed income markets. In recent years, events in the collateralized debt obligation ("CDO") (including collateralized loan obligation ("CLO")), leveraged finance and fixed income markets contributed to a severe liquidity crisis in the global credit markets which resulted in substantial fluctuations in prices for leveraged loans and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of Collateral Obligations at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Collateral Obligations are sold. Furthermore, significant additional risks for the Issuer and investors in the Refinancing Notes exist. Those risks include, among others, (i) the possibility that, after the Refinancing Date, the prices at which Collateral Obligations can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the possibility that opportunities for the Issuer to sell its assets in the secondary market, including Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations, may be impaired, and (iii) increased illiquidity of the Refinancing Notes because of reduced secondary trading in collateralized loan obligation securities. These additional risks may affect the returns on the Refinancing Notes to investors or otherwise adversely affect holders of the Refinancing Notes.

Regardless of current or future market conditions, certain Collateral Obligations purchased by the Issuer will have only a limited trading market (or none). The Issuer's investment in illiquid debt obligations may restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Illiquid debt obligations may trade at a discount from comparable, more liquid investments. In addition, adverse developments in the primary market for leveraged loans may reduce opportunities for the Issuer to purchase recent issuances of Collateral Obligations. More particularly, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such assets may be partially or significantly limited. There has been a recent increase in primary leveraged loan market activity, but there can be no assurance that such increase will persist or that the primary leveraged loan market will not return to its previous levels or cease altogether for a period of time. The impact of another liquidity crisis on the global credit markets may adversely affect the management flexibility of the Collateral Manager in relation to the portfolio and, ultimately, the returns on the Refinancing Notes to investors.

Relating to the Refinancing Notes

The Issuer has limited information about its past operating history, investment performance and other matters relating to its operations. The Issuer commenced operations under the Indenture on the Original Closing Date. While the most recent Distribution Report (as defined in the Indenture) prior to the Refinancing Date with respect to the Collateral Obligations is included herewith as Annex C and forms an integral part of this Offering Circular, such information has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Assets previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the reports forming Annex C. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of

this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Assets as of the date of this Offering Circular or on or after the Refinancing Date.

The composition of the Collateral Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations, (ii) sales of Assets and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described under "Summary of Terms—Security for the Secured Notes" and "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in the 2012 Offering Circular.

No information is provided in this Offering Circular regarding the Issuer's investment performance and portfolio except as set forth in Annex C and no information is provided in this Offering Circular regarding any other aspect of the Issuer's operations. While the Issuer believes that it has complied with the requirements of the Indenture, no assurance can be given that neither the Issuer nor the Collateral Manager has unintentionally failed to comply with one or more of their respective obligations under the Indenture or the Collateral Management Agreement, nor that any such failure will not have a material adverse effect on holders in the future.

Investor suitability. An investment in the Refinancing Notes will not be appropriate for all investors. Structured investment products, like the Refinancing Notes, are complex instruments, and typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. Any investor interested in purchasing Refinancing Notes should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such a purchase. Each investor in the Refinancing Notes will be required (or deemed) to represent, among other things, that it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary in connection with its purchase of the Refinancing Notes.

Concentrated ownership of Subordinated Notes. On the Refinancing Date, one or more affiliated investors will own more than 66-2/3% (by aggregate principal amount) of the Subordinated Notes. At any time when one or more affiliated owners hold more than 50% (by aggregate principal amount) of the Subordinated Notes, it may be more difficult for other investors to take certain actions that require consent of the Subordinated Notes without their consent. For example, a Supermajority of the Subordinated Notes may direct an Optional Redemption or a Majority of the Subordinated Notes may direct the removal of the Collateral Manager for "cause", subject to certain conditions.

Moody's Rating Condition. Historically, many actions by issuers of collateralized debt obligation vehicles (including but not limited to issuing additional securities and amending certain provisions of relevant agreements) have been conditioned on receipt of confirmation from the applicable rating agencies that such action would not cause the ratings on the applicable securities to be reduced or withdrawn. Recently, certain rating agencies have changed the manner and the circumstances under which they are willing to provide such confirmation and have indicated reluctance to provide confirmation in the future, regardless of the requirements of the applicable indenture and other transaction documents. If the transaction documents require that the Moody's Rating Condition be satisfied before certain action may be taken and Moody's is unwilling to provide the required confirmation, it may be impossible to effect such action, which could result in losses being realized by the Issuer and, indirectly, by Holders of Refinancing Notes. Moreover, if Moody's has made a public announcement its practice is not to give such confirmations or informs the Issuer, the Collateral Manager or the Trustee that it will not review such event or circumstance for purposes of evaluating whether to confirm the then-current rating of the Class A-1R Notes, the requirements for satisfaction of the Moody's Rating Condition will not apply.

The SEC adopted credit rating agency reform regulations on August 27, 2014 that, when effective, will impose significant new regulatory requirements on NRSROs, and will change many aspects of the ways NRSROs review and disseminate credit ratings. Market participants are still reviewing the new rules to assess possible impacts on rated obligations such as the Refinancing Notes.

Ongoing reform of LIBOR could affect the Refinancing Notes. LIBOR is currently being reformed, including (i) the replacement of the British Bankers' Association (the "BBA") with ICE Benchmark Administration Ltd. as LIBOR administrator, which was completed on February 1, 2014, (ii) a reduction in the number of tenors for

which LIBOR is calculated, and (iii) modifications to the LIBOR submission and calculation procedures. Investors should be aware that:

- (a) any of these changes or any other changes to LIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;
- (b) if the applicable rate of interest on any Collateral Obligation is calculated with reference to a tenor which is discontinued, such rate of interest will then be determined by the provisions of the affected Collateral Obligation, which may include determination by the relevant calculation agent in its discretion;
- (c) the administrator of LIBOR will not have any involvement in the Collateral Obligations or the Notes and may take any actions in respect of LIBOR without regard to the effect of such actions on the Collateral Obligations or the Notes; and
- (d) any uncertainty in the value of LIBOR, the development of a widespread market view that LIBOR has been manipulated, or any uncertainty in the prominence of LIBOR as a benchmark interest rate due to the recent regulatory reform may adversely affect the liquidity of the Collateral Obligations or the Notes in the secondary market and their market value.

Any of the above or any other significant change to the setting of LIBOR could have a material adverse effect on the value of, and the amount payable under, (i) any Collateral Obligations which pay interest linked to a LIBOR rate and (ii) the Notes.

See also "Risk Factors—Relating to the Notes—The Notes may be affected by interest rate risks, including mismatches between the Notes and the Collateral Obligations" in the 2012 Offering Circular.

The Assets may be insufficient to repay the Notes in an Event of Default. It is anticipated that after giving effect to the Refinancing, the aggregate principal amount of the Assets will be less than the aggregate outstanding principal amount of the Notes. Consequently, it is anticipated that on the Refinancing Date the Assets would be insufficient to redeem in full all of the Refinancing Notes and repay the full principal amount of the Subordinated Notes in the event of an Event of Default under the Indenture.

Relating to Tax Considerations

Changes in tax law; no gross-up in respect of Refinancing Notes. All payments made by the Issuer under the Refinancing Notes will be made without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by any applicable law or pursuant to a voluntary agreement entered into with a taxing authority in connection with FATCA, as modified by the practice of any relevant governmental revenue authority, then in effect. Although no withholding tax or deduction is currently imposed on the payments of interest or principal on the Refinancing Notes, there can be no assurance that, as a result of any change in any applicable law, treaty, rule, regulation, or interpretation thereof (whether by official or informal means), the payments on the Refinancing Notes would not in the future become subject to withholding taxes or deductions. In the event that any withholding tax or deduction is imposed on payments of interest or other payments on the Refinancing Notes, the Issuer will not "gross up" payments to the Holders of the Refinancing Notes.

Changes in tax law; imposition of tax on Issuer. The Issuer is not currently subject to U.S. federal income tax or Cayman Islands tax. On the Original Closing Date, the Issuer received an opinion of Freshfields Bruckhaus Deringer US LLP to the effect that, if the Issuer and the Collateral Manager complied with the Indenture and the Collateral Management Agreement (including certain investment guidelines referenced therein), and certain other assumptions specified in the opinion were satisfied, the Issuer would not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under then-current law and the facts existing as of the Original Closing Date. It should be noted that the Collateral Manager may deviate from such investment guidelines, but only to the extent that it has received written advice of nationally recognized U.S. tax counsel to the effect that,

taking into account the relevant facts and circumstances and the Issuer's other activities, the Issuer's acquisition, entry into, ownership, enforcement or disposition of the relevant asset will not cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject the Issuer to U.S. federal tax on a net income basis. The opinion of Freshfields Bruckhaus Deringer US LLP did not address circumstances where the Collateral Manager departs from the investment guidelines in reliance on a written opinion or written advice of counsel.

Although the Collateral Manager, when purchasing or entering into Collateral Obligations on behalf of the Issuer, intends to continue to follow the investment guidelines described above (and has provided assurances that it has followed such guidelines for the period prior to the Refinancing Date), investors in the Refinancing Notes should be aware that there will not be a new tax opinion issued on the Refinancing Date with regard to whether the Issuer will be engaged in a trade or business within the United States for U.S. federal income tax purposes.

There can be no assurance that the Issuer will not in the future be subject to tax by the United States, the Cayman Islands or some other jurisdiction as a result of a change in law (including, for example, previously proposed U.S. federal income tax legislation that would tax certain foreign corporations that are managed and controlled in the United States as U.S. corporations). In the event that tax is imposed on the Issuer, the Issuer's ability to repay the Refinancing Notes may be impaired. See "—Issuer may be subject to withholding under FATCA and Holders may be subject to withholding or forced sale for failure to provide certain FATCA information".

Tax treatment of U.S. Holders of Refinancing Notes. The Issuer will receive an opinion from Freshfields Bruckhaus Deringer US LLP that the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes and the Class C-R Notes will, and the Class D-R Notes should, be treated as debt for U.S. federal income tax purposes, and each holder of a Refinancing Note, by acceptance of such Refinancing Note, will agree to treat all Secured Notes as debt for such purposes. However, the opinion of Freshfields Bruckhaus Deringer US LLP is not binding on the IRS, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Refinancing Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately conclude, that one or more of the Refinancing Notes constitute equity interests in the Issuer for U.S. federal income tax purposes. In such case, the U.S. federal income tax consequences of investing in any such Refinancing Note treated as equity would generally be the same as those described in the 2012 Offering Circular with respect to investments in the Subordinated Notes. See also "Risk Factors—Relating to the Notes—Tax Characterization of the Secured Notes" in the 2012 Offering Circular.

Changes in tax law; imposition of tax on Non-U.S. Holders. Interest and principal payments on the Refinancing Notes to a Non-U.S. Holder and gain recognized on the sale, exchange or retirement of the Refinancing Notes by a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless the payments or gain are effectively connected with a trade or business conducted by the Non-U.S. Holder in the United States or, in the case of gain, the Non-U.S. Holder is a nonresident alien individual who holds the Refinancing Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied. However, no assurance can be given that Non-U.S. Holders will not in the future be subject to tax imposed by the United States. See "—Issuer may be subject to withholding under FATCA and Holders may be subject to withholding or forced sale for failure to provide certain FATCA information" and "Certain U.S. Federal Tax Income Tax Considerations—Non-U.S. Holders of the Refinancing Notes".

Changes in tax law; imposition of tax on U.S. Holders. Payments on the Collateral Obligations are generally required not to be subject to withholding tax when the Collateral Obligations and Eligible Investments are acquired by the Issuer, unless the obligor thereof is required to make payments of additional amounts (so-called "gross-up payments") that cover the full amount of such withholding tax on an after-tax basis. There can be no assurance, however, that the payments on such Collateral Obligations and Eligible Investments will not become subject to U.S. or other withholding tax as a result of a change in an applicable law, treaty, rule or regulation or interpretation thereof or other causes, possibly with retroactive effect. If any withholding tax is or becomes

applicable to payments on the Collateral Obligations or Eligible Investments and such tax is not fully offset by "gross-up payments," such withholding tax will reduce the amounts available to make payments on the Refinancing Notes.

Issuer may be subject to withholding under FATCA and Holders may be subject to withholding or forced sale for failure to provide certain FATCA information. Under FATCA, the Issuer will be subject to a 30% U.S. withholding tax on (x) certain U.S.-source payments and the proceeds of certain sales received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on, or that is materially modified on or after July 1, 2014 and (y) payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on, or is materially modified on or after, the date that is six months following the issuance of final regulations defining the term "foreign passthru payment", in each case, unless either (a), the Issuer complies with legislation implemented under the Model 1 intergovernmental agreement signed on November 29, 2013 between the United States and the Cayman Islands Government (the "**Cayman IGA**") or (b) the Issuer has in effect an agreement with the IRS to (i) obtain information regarding each holder of its Refinancing Notes (other than the Refinancing Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such holders are specified United States person as defined in Section 1473(3) of the Code ("**specified United States person**") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("**United States owned foreign entity**"), (ii) provide annually to the IRS the name, address, taxpayer identification number and certain other information with respect to holders and beneficial owners of Refinancing Notes (other than Refinancing Notes that are treated as regularly traded on an established securities market) that are specified United States persons or that are United States owned foreign entities (in which case the information must be provided with respect to the entity's "**substantial United States owners**") and (iii) comply with certain other due diligence procedures, IRS requests, withholding and other requirements. In some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. For example, the Issuer may not be considered to comply with FATCA if more than 50% of any classes of Notes treated as equity for U.S. federal income tax purposes are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. The Issuer expects to comply with the requirements under the Cayman IGA (as discussed below).

The Issuer will be required to comply with the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law (the "**Cayman FATCA Legislation**") that gives effect to the Cayman IGA. To the extent the Issuer cannot be treated as a Non-Reporting Cayman Islands Financial Institution (as defined in the Cayman IGA) by taking advantage of one of the categories set out in Annex II to the Cayman IGA (for example by being a Sponsored Investment Entity (as defined in the Cayman IGA)), the Issuer will be a "Reporting Cayman Islands Financial Institution" (as defined in the Cayman IGA). As such, the Issuer is required to register with the IRS to obtain a Global Intermediary Identification Number and to report to the Cayman Islands Tax Information Authority any payments made to Specified US Persons with respect to US Reportable Accounts (each such term as defined in the Cayman IGA). The Cayman Islands Tax Information Authority will exchange such information with the IRS under the terms of the Cayman IGA. Under the terms of the Cayman IGA, withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the Issuer as a non-participating financial institution, or on payments made by the Issuer to the Holders unless the Issuer has otherwise assumed responsibility for withholding under United States tax law.

To enable the Issuer to comply with FATCA, each purchaser, beneficial owner and subsequent transferee of a Refinancing Note or interest therein, by acceptance of such Refinancing Note or an interest in such Refinancing Note, shall (1) be deemed to have agreed to provide the Issuer and the Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person or a United States owned foreign entity, (ii) any additional information that the Issuer, the Trustee or their agent or delegates requests in connection with Sections 1471-1474 of the Code and (iii) any additional information that the

Issuer, the Trustee or their agent or delegates requests in connection with the Cayman IGA together with the Cayman FATCA Legislation or that is necessary to provide to the Cayman Islands Tax Information Authority pursuant to The Tax Information Authority (International Tax Compliance) (United Kingdom) Regulations, 2014 (as amended from time to time) and (2) if it is a specified United States person or a United States owned foreign entity that is a Holder or beneficial owner of Refinancing Notes or an interest therein, be required to (x) provide the Issuer and the Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. Each purchaser and subsequent transferee of an interest in a Refinancing Note will be required or deemed to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Refinancing Notes to the U.S. Internal Revenue Service. Each purchaser and subsequent transferee of an interest in a Refinancing Note will be required or deemed to understand and acknowledge that the Issuer has the right, hereunder, to compel any beneficial owner of an interest in a Refinancing Note that fails to comply with the foregoing requirements (the **"Noteholder Reporting Obligations"**) to sell its interest in such Refinancing Note, or may sell such interest on behalf of such owner.

If any purchaser, beneficial owner or subsequent transferee of Refinancing Notes fails to comply with the Noteholder Reporting Obligations, the Issuer or its agent will have the right to demand that such person or entity transfer its Refinancing Notes or interest therein and, if such person or entity fails to effect such transfer, the Issuer will have the right to sell such Refinancing Notes or interest therein on behalf of such person or entity, or may assign such Refinancing Notes a different CUSIP or CUSIPs. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder" in the 2012 Offering Circular. In addition, the Co-Issuers will be permitted to amend the Indenture without the consent of the holder of the Refinancing Notes to take any action advisable (including modifying the restrictions on and procedures for resales and other transfers of Refinancing Notes to reflect any changes in FATCA or other applicable law or regulation (or the interpretation thereof)) to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a trade or business within the United States for United States federal income tax purposes or otherwise being subject to tax in any jurisdiction outside its jurisdiction of incorporation.

United Kingdom and Cayman Islands intergovernmental agreement. Holders of Refinancing Notes who are resident in the United Kingdom for tax purposes should be aware that the Cayman Islands have also entered into a Model 1 intergovernmental agreement (the **"UK-Cayman IGA"**) with the United Kingdom. The UK-Cayman IGA is also given effect by the Cayman FATCA Legislation and it imposes similar requirements as the Cayman IGA. The Issuer, subject to the applicable exemptions described under "Issuer may be subject to withholding under FATCA and Holders may be subject to withholding or forced sale for failure to provide certain FATCA information" above, is required to report to the Cayman Islands Tax Information Authority any payments made to Specified UK Persons with respect to UK Reportable Accounts (each such term as defined in the UK-Cayman IGA). The Cayman Islands Tax Information Authority will exchange such information with the United Kingdom tax authorities under the terms of the UK-Cayman IGA. A holder of Refinancing Notes that is resident in the United Kingdom for tax purposes or is an entity that is identified as having one or more controlling persons that is resident in the United Kingdom for tax purposes will generally be required to provide to the Issuer information which identifies such United Kingdom tax resident persons and the extent of their respective interests in the Issuer. Holders who may be affected should consult their own tax advisers regarding the possible implications of these rules.

Investor's obligation to provide tax forms other than in connection with FATCA. Under the terms of the Indenture, each Holder and beneficial owner of a Refinancing Note, by acceptance of such Refinancing Note or an interest in such Refinancing Note, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Trustee or any Paying Agent with the properly completed and signed applicable tax certifications or the failure

to meet its Noteholder Reporting Obligations may result in withholding from payments in respect of such Note, including U.S. federal withholding or back-up withholding.

Relating to the Collateral Obligations

Investing in Cov-Lite Loans involves certain risks. A significant portion of the Assets may consist of Cov-Lite Loans. Cov-Lite Loans typically do not have maintenance covenants (which generally are covenants requiring the underlying obligor of the loan to comply with one or more financial covenants during each reporting period applicable to such loan). Ownership of Cov-Lite Loans may expose the Issuer to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have maintenance covenants. The definition of Cov-Lite Loan does not include any loan that, although it has no maintenance covenant, contains a cross-default provision to, or is *pari passu* with, another loan of the borrower that requires the underlying obligor to comply with a maintenance covenant (an "**excluded loan**"). If the application of such covenants is subject to certain conditions (for example, in the case of a revolver, the condition that such revolver has been drawn), and those conditions have not been satisfied, such covenants will afford no protection to the Issuer. As a result of the ownership of such excluded loans and Cov-Lite Loans, the Issuer's exposure to losses may be increased, which could result in an adverse impact on the Issuer's ability to make payments on the Refinancing Notes.

Relating to Certain Conflicts of Interest

In general, the transaction will involve various potential and actual conflicts of interest. Various potential and actual conflicts of interest may arise from the overall investment activity of the Collateral Manager, its clients and its affiliates, and Citigroup and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. The information appearing in this section supersedes the information in the 2012 Offering Circular contained under the heading "Risk Factors—Relating to Certain Conflicts of Interest".

The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients. The Collateral Manager, its affiliates and their respective clients may invest in obligations that would be appropriate as Collateral Obligations. Such investments may be different from those made on behalf of the Issuer. The Collateral Manager and/or its affiliates may also have ongoing relationships with, render services to or engage in transactions with other clients, including other issuers of collateralized loan obligations and collateralized debt obligations, who invest in assets of a similar nature to those of the Issuer, and with companies whose securities or loans are acquired by the Issuer as Collateral Obligations and may own equity or debt securities issued by obligors of Collateral Obligations. As a result, officers or affiliates of the Collateral Manager may possess information relating to obligors of Collateral Obligations that is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management Agreement. The Collateral Manager will be required to act under the Collateral Management Agreement with respect to any information within its possession only if such information was known or should reasonably have been known to those employees of the Collateral Manager responsible for performing the obligations of the Collateral Manager thereunder and only if such information is not deemed by the Collateral Manager to be confidential or non-public or subject to other limitations on its use. The Collateral Manager is not otherwise obligated to share such information. The Collateral Manager serves, and expects in the future to serve, as collateral manager or advisor or sub-advisor for other collateralized loan obligation vehicles and/or collateralized bond obligation vehicles (or the like) and other clients who invest in assets of a nature similar to those of the Issuer. The terms of these arrangements, including the fees attributable thereto, may differ significantly from those of the Issuer. In particular, certain investment vehicles and accounts managed by the Collateral Manager may provide for fees (including incentive fees) to the Collateral Manager that are higher than the Collateral Management Fees payable by the Issuer under the Collateral Management Agreement. In addition, affiliates and clients of the Collateral Manager may invest in securities or loans that are senior to, or have interests different from or adverse to, the securities and loans that are acquired by the Issuer as Collateral Obligations. The Collateral Manager and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its respective account, the Issuer, any similar entity for which it serves as manager or advisor and for its clients or affiliates. Subject to the requirements of the governing instruments pertaining to the Collateral

Manager or its affiliates, investment opportunities sourced by the Collateral Manager will generally be allocated to the Issuer in a manner that the Collateral Manager believes, in its reasonable business judgment, to be appropriate given factors that it believes to be relevant. Such factors may include the investment objectives, liquidity, diversification, lender covenants and other limitations of the Issuer and the Collateral Manager or other affiliates or clients and the amount of funds each of them has available for such investment. If the Issuer and another account managed by the Collateral Manager should purchase or sell the same securities or loans at the same time, the Collateral Manager anticipates that such purchases or sales, respectively, will be aggregated and allocated. The Collateral Manager intends to use its reasonable efforts to allocate such investment among its accounts in an equitable manner and in accordance with applicable law.

In addition, the Collateral Manager serves as investment adviser to two registered funds (the "**Registered Funds**") that, pursuant to the terms of the 17(d) Order, must be given an opportunity to co-invest in certain private placements which MassMutual or its affiliates intend to make. Because of the Issuer's relationship with the Collateral Manager, the Issuer may only co-invest with the Registered Funds pursuant to the terms of the 17(d) Order. See "—Investment Company Act Order" below.

The Collateral Manager and any of its affiliates may engage in any other business and furnish investment management and advisory services to others, including persons which may have investment policies similar to those followed by the Collateral Manager with respect to the Assets and which may own securities of the same class, or of the same type, as the Collateral Obligations, Eligible Investments or Equity Securities or other securities of the issuers of Collateral Obligations, Eligible Investments or Equity Securities. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those it recommends that the Trustee effect with respect to the Assets. Neither the Collateral Manager nor any of its affiliates is under any obligation to offer investment opportunities of which they become aware to the Issuer or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or its affiliates manage or advise. The Collateral Manager and/or its affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to, or making any investment on behalf of, the Issuer. Furthermore, affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to the Issuer, or the Collateral Manager on behalf of the Issuer. Affirmative obligations may exist or may arise in the future whereby affiliates of the Collateral Manager are obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may make investments on behalf of the Issuer in securities, or other assets, that it has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients. The Collateral Manager will endeavor to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management Agreement and in accordance with reasonable commercial standards, the staff may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's other accounts. The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such restrictions to buy or sell securities or to take other actions that it might consider to be in the best interests of the Co-Issuers and the holders of the Notes.

The Collateral Manager and/or its affiliates and/or accounts managed thereby may purchase or sell Notes at any time, and on the Refinancing Date, one or more affiliates of and/or accounts managed by the Collateral Manager are expected to hold approximately 26.4% (by aggregate principal amount) of the Subordinated Notes and are expected to purchase 100% (by aggregate principal amount) of the Class D-R Notes. The Collateral Manager and/or its affiliates and/or accounts managed thereby are not required to hold such Notes for any given time period and may sell Notes at any time. In addition, the Collateral Manager may discuss the composition of the Collateral Obligations and other matters relating to the transactions contemplated hereby with certain partners or employees of the Collateral Manager and/or its affiliates and/or accounts managed thereby that may acquire the Notes. The Collateral Manager may also have discussions with other beneficial owners of Notes as stakeholders of the Issuer.

There can be no assurance that such discussions will not influence the actions or inactions of the Collateral Manager in its management role.

Additionally, the Collateral Manager has agreed to pay to one or more purchasers of Subordinated Notes a portion of the Subordinated Management Fee. This arrangement, together with the Incentive Management Fee payable to the Collateral Manager, could provide an incentive for the Collateral Manager to seek to acquire Collateral Obligations on behalf of the Issuer at a lower price than would otherwise be the case.

Upon the removal or resignation of the Collateral Manager, the Issuer at the direction of a Majority of the Subordinated Notes (or, in the case of a removal "for cause", if all of the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes) may appoint a replacement collateral manager, if (i) each Rating Agency has been notified of such appointment (with a copy to the outgoing Collateral Manager) and (ii) a Majority of each Class of Notes (voting separately by Class) does not disapprove of such replacement collateral manager within 30 days of such appointment. Collateral Manager Notes will be disregarded and deemed not to be outstanding with respect to a vote to (i) terminate the Collateral Management Agreement, (ii) remove or replace the Collateral Manager, (iii) approve a successor collateral manager, if the Collateral Manager is being terminated for "cause" pursuant to the Collateral Management Agreement, (iv) waive an event constituting "cause" under the Collateral Management Agreement as a basis for termination of the Collateral Management Agreement or removal of the Collateral Manager or (v) consent to an assignment (as defined in the Investment Advisers Act) of the Collateral Management Agreement to any person, in whole or in part.

The Issuer may invest in obligations of issuers in which Babson Capital Management LLC and/or its affiliates have a debt, equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of Babson Capital Management LLC's own investments in such companies. Babson Capital Management LLC and/or its affiliates may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of Collateral Obligations purchased by the Issuer.

The Collateral Manager will be permitted under the Collateral Management Agreement, subject to certain requirements set forth therein, to direct the Trustee to purchase or sell Collateral Obligations from or to the Collateral Manager or any of its affiliates as principal, to purchase or sell Collateral Obligations from or to accounts or portfolios of other clients for which the Collateral Manager or its affiliates serve as investment advisor and to purchase Collateral Obligations in offerings where the Collateral Manager and/or its affiliates acted as underwriter, arranger, placement agent or otherwise participated in the origination, structuring, negotiation, syndication or offering of the Collateral Obligations. See "The Collateral Management Agreement" in the 2012 Offering Circular. The interests of the Issuer may conflict with those of the Collateral Manager as an affiliate of and investment adviser to such other clients with respect to such purchases or sales. The Collateral Management Agreement requires that any such sales or purchases (including any consents, if required) be made in accordance with all applicable laws, including the Investment Advisers Act. To the extent that applicable law requires disclosure to and the consent and approval of the Issuer to any cross-trade or purchase or sale transaction on a principal basis with the Collateral Manager or its affiliates, such requirements may be satisfied with respect to the Issuer and all holders by (i) giving disclosure and obtaining consent and approval on behalf of the Issuer from any of the following persons as determined by the Collateral Manager: (a) one or more directors of the Issuer independent from the Collateral Manager; (b) one or more of the holders of the most subordinated class of Notes representing at least 25% of the outstanding principal amount of such class of Notes; (c) any independent third party retained by the Issuer; or (d) an advisory committee established by the Collateral Manager; or (ii) in any other manner that is permitted pursuant to then applicable law. The Collateral Manager is not required to obtain consent and approval of the Issuer for any transaction unless such consent and approval is required by applicable law.

There is no limitation or restriction on the Collateral Manager or any of its affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its affiliates may give rise to additional conflicts of interest.

Investment Company Act Order. The Collateral Manager and MassMutual, the indirect parent of the Collateral Manager, are parties to an order of the Securities and Exchange Commission granting exemptions from

the limitations of Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder (the "**17(d) Order**") to the extent necessary to permit MassMutual, the Registered Funds and private investment funds for which MassMutual or the Collateral Manager serves as investment adviser to co-invest in securities acquired in private placements ("**Private Placements**"). Under the terms of the 17(d) Order, MassMutual and its affiliates, including the Collateral Manager, are required to offer to the Registered Funds an opportunity to co-invest in certain Private Placements that MassMutual or its affiliates intend to make. Because of the Collateral Manager's and its affiliates' relationship with the Issuer, Private Placements proposed to be purchased by the Issuer will be subject to this requirement. The Issuer may only co-invest with the Registered Funds in such Private Placements pursuant to the 17(d) Order.

The 17(d) Order provides that, among other things, if MassMutual or any affiliate proposes to purchase a Private Placement that is consistent with the investment objectives and policies of one or more of the Registered Funds, such Registered Funds must be offered the opportunity to purchase an identical amount of such Private Placement on identical terms and conditions. For purposes of the 17(d) Order, the portion of an issue of a Private Placement to be acquired by the Issuer that is allocable to the direct or indirect ownership by MassMutual of equity interests in the Issuer would be aggregated with the portion of that issue to be held by MassMutual in its own portfolio. Accordingly, in the event that any Registered Fund elects to accept an opportunity to invest in a Private Placement, the Issuer may only be able to acquire a smaller portion of the proposed Private Placement and, in certain circumstances, may be unable to purchase other securities of the same obligor or its affiliates. See "—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients".

The 17(d) Order also provides that if any party to the 17(d) Order proposes to sell all or dispose of any portion of a Private Placement that is also owned by a Registered Fund, such Registered Fund must be offered the opportunity to dispose of a proportionate amount of such Private Placement securities on identical terms and conditions. A similar condition applies with respect to the exercise of warrants, conversion privileges and other rights in respect of Private Placements having equity features held by a Registered Fund. A Registered Fund has five business days from the date of notification within which to make an election to participate in such disposition or exercise.

The Issuer will agree to comply fully with the 17(d) Order and to take all steps necessary or desirable to permit the Collateral Manager and the other parties to the 17(d) Order to comply fully with the 17(d) Order, including causing any successor investment manager to manage the Assets in a manner that will enable the Collateral Manager and other parties subject to the 17(d) Order to comply fully therewith.

The Issuer will be subject to various conflicts of interest involving Citigroup. Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided by Citigroup and its Affiliates (including Citibank, N.A. and its Affiliates) (the "**Citigroup Companies**"), to the Issuer, the Trustee, the Collateral Manager, the issuers of the Collateral Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Citigroup Companies. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

Citigroup will serve as initial purchaser for the Refinancing Notes and will be paid fees and commissions for such service by the Issuer from the proceeds of the issuance of the Refinancing Notes. One or more of the Citigroup Companies may from time to time hold Notes for investment, trading or other purposes. None of the Citigroup Companies are required to own or hold any Notes and may sell any Notes held by them at any time.

Certain Eligible Investments may be issued, managed or underwritten by one or more of the Citigroup Companies. One or more of the Citigroup Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Collateral Manager, its affiliates, and funds managed by the Collateral Manager and its affiliates, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Collateral Manager, its affiliates, and funds managed by the Collateral Manager and its affiliates. As a result of such transactions or arrangements, one or more of the Citigroup Companies may have interests adverse to those of the Issuer and holders of the Refinancing Notes.

One or more of the Citigroup Companies may:

- have placed or underwritten, or acted as a financial arranger, structuring agent or advisor in connection with the original issuance of, or may act as a broker or dealer with respect to, certain of the Collateral Obligations;
- act as trustee, paying agent and in other capacities in connection with certain of the Collateral Obligations or other classes of securities issued by an issuer of a Collateral Obligation or an affiliate thereof;
- be a counterparty to issuers of certain of the Collateral Obligations under swap or other derivative agreements;
- lend to certain of the issuers of Collateral Obligations or their respective affiliates or receive guarantees from the issuers of those Collateral Obligations or their respective affiliates;
- provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of Collateral Obligations or their respective affiliates; or
- have an equity interest, which may be a substantial equity interest, in certain issuers of the Collateral Obligations or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to a Collateral Obligation, the Citigroup Companies will be entitled to fees and expenses senior in priority to payments to such Collateral Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Obligation or an affiliate thereof, the Citigroup Companies will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the Collateral Obligation is a part, and may take actions that are adverse to the holders (including the Issuer) of the class of securities of which the Collateral Obligation is a part. As a counterparty under swaps and other derivative agreements, the Citigroup Companies might take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralization of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, the Citigroup Companies might take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the obligor in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's purchase, holding and sale of Collateral Obligations may enhance the profitability or value of investments made by the Citigroup Companies in the issuers thereof. As a result of all such transactions or arrangements between the Citigroup Companies and issuers of Collateral Obligations or their respective affiliates, the Citigroup Companies may have interests that are contrary to the interests of the Issuer and the holders of the Notes.

As part of their regular business, the Citigroup Companies may also provide investment banking, commercial banking, asset management, financing and financial advisory services and products to, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments and engage in private equity investment activities. The Citigroup Companies will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the Citigroup Companies will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer.

The Citigroup Companies may from time to time enter into financing and derivative transactions (including repurchase transactions) with third parties (including the Collateral Manager and its affiliates) with respect to the Notes, and the Citigroup Companies in connection therewith may acquire (or establish long, short or derivative financial positions with respect to) Notes, Collateral Obligations or one or more portfolios of financial assets similar to the portfolio of Collateral Obligations acquired by (or intended to be acquired by) the Issuer, including the right to exercise the voting rights with respect to such Notes or other assets.

The Citigroup Companies may, by virtue of the relationships described above or otherwise, at the Original Distribution Date or at any time thereafter, be in possession of information regarding certain of the issuers of Collateral Obligations and their respective affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. None of the Citigroup Companies has any obligation, and the offering of the Notes will not create any obligation on their part, to disclose to any purchaser of the Notes any such relationship or information, whether or not confidential.

The Rating Agencies may have certain conflicts of interest. S&P and Moody's have been hired by the Issuer to provide their ratings on the Refinancing Notes (or, in the case of Moody's, the Class A-1R Notes). Either Rating Agency may have a conflict of interest where, as is the case with the ratings of the Refinancing Notes (or, in the case of Moody's, the Class A-1R Notes) (with the exception of unsolicited ratings), the issuer of a security pays the fee charged by the rating agency for its rating services.

S&P has recently entered into several settlement agreements regarding its rating services. On January 21, 2015, the SEC entered into administrative settlement agreements with S&P with respect to, among other things, multiple allegations of making misleading public statements with respect to its ratings methodology and certain misleading publications concerning criteria and research, in each case relating to commercial mortgage-backed security transactions. S&P neither admitted nor denied the charges in these settlements. As a result of these settlement agreements, the SEC ordered S&P censured and enjoined S&P from violating the statutory provisions and rules related to the allegations described above. Additionally, S&P agreed to pay civil penalties and other disgorgements exceeding \$76 million. Finally, S&P agreed to refrain from giving preliminary or final ratings for any new issue U.S. conduit commercial mortgage-backed security transaction until January 21, 2016.

On February 3, 2015, S&P entered into a settlement agreement with the United States Justice Department, 19 States and the District of Columbia, to settle lawsuits relating to S&P's alleged inflation of ratings of residential mortgage-backed securities and collateralized debt obligations. While not admitting to any violations of law, in its agreed statement of facts S&P admitted that its decisions on its rating models were affected by business concerns. Also on February 3, 2015, S&P entered into a settlement agreement with the California Public Employees Retirement System to resolve claims of inflated ratings of securities backed by pools of residential mortgages. Under these settlement agreements, S&P agreed to pay an aggregate amount of about \$1.5 billion.

Relating to Regulatory and Other Legal Considerations

Recent legal and regulatory developments. No representation is made as to the proper characterization of the Refinancing Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Refinancing Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Refinancing Notes for such purposes or under such restrictions. Certain regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire the Refinancing Notes, which in turn may adversely affect the ability of investors in the Refinancing Notes who are not subject to those provisions to resell their Refinancing Notes in the secondary market.

In response to the recent downturn in the credit markets and the global economic crisis, various agencies and regulatory bodies of the United States federal government and in Europe have taken or are considering taking actions to address the financial crisis. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on July 21, 2010, and which imposes a new regulatory framework over the U.S. financial services industry and the consumer credit markets in general, and proposed and actual regulations by the SEC and the Commodity Futures Trading Commission ("**CFTC**") that, if enacted and/or implemented as currently anticipated, would significantly alter the manner in which asset-backed securities, including securities similar to the Refinancing Notes, are issued and structured and increase the reporting obligations of the issuers and asset managers of such securities.

Given the broad scope and sweeping nature of these changes (several of which are described below) and the fact that final implementing rules and regulations in many cases have not yet been enacted or have been recently

enacted, the potential impact of these actions on the Issuer, any of the Refinancing Notes or any holders of Refinancing Notes is uncertain, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of the Issuer or the value or marketability of the Refinancing Notes. In particular, if transactions are not exempted from any such new rules or regulations, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer and the holders of Refinancing Notes. If the Issuer were unable to comply with such rules and regulations (because of excessive cost, unavailability of information or otherwise), an Event of Default could result. Liquidation of the Assets as a result of an Event of Default could have a material adverse effect on the holders of Refinancing Notes.

Hedge agreements. Recently adopted CFTC rules under the Dodd-Frank Act include "swaps" along with "commodities" as contracts which if traded by an entity may cause that entity to fall within the definition of a "commodity pool" under the Commodity Exchange Act and the Collateral Manager to fall within the definition of a "commodity pool operator" ("**CPO**"). Although the CFTC has recently provided guidance that certain securitization transactions, including CLOs, will be excluded from the definition of "commodity pool", it is unclear if such exclusion will apply to all CLOs, and in certain instances, the collateral manager of a securitization vehicle may be required to register as a CPO with the CFTC or apply for an exemption from registration. Pursuant to the Indenture as amended pursuant to Supplemental Indenture No. 1, if any supplemental indenture permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction, such supplemental indenture must provide that the Issuer may not enter into such transaction unless certain conditions are satisfied, including in relation to the Issuer's status under the Commodity Exchange Act. See "Security for the Refinancing Notes—Supplemental Indenture No. 1".

The requirements of any exemption from regulation of the Collateral Manager as a CPO with respect to the Issuer could cause the Issuer or the Collateral Manager to be subject to registration and reporting requirements that may involve material costs to the Issuer. The scope of the requirements described above and related compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Refinancing Notes. While the Issuer may be excluded from the definition of "commodity pool" or the Collateral Manager may satisfy the requirements of an exemption from the registration requirements described above, the conditions of any such exclusion or exemption may constrain the extent to which the Issuer may be able to enter into Hedge Agreements. In particular, the limits imposed by such exclusion or exemptions may prevent the Issuer from entering into a Hedge Agreement that the Collateral Manager believes would be advisable or result in the Issuer incurring financial risks that would have been hedged absent such limits.

U.S. risk retention. Section 941 of the Dodd-Frank Act amended the Exchange Act to require the "securitizer" of asset-backed securities to retain at least 5% of the credit risk to the assets collateralizing the asset-backed securities. A final rule has been adopted and will be effective beginning on December 24, 2016 with respect to CLO transactions (the "**Risk Retention Rules**"). When it becomes effective, the portions of the regulation relating to CLOs will require that the manager of a CLO retain the required 5% of credit risk. While the impact of the Risk Retention Rules on the loan securitization market and the leveraged loan market generally is uncertain, it is possible that any negative impact on secondary market liquidity for the Refinancing Notes may be experienced immediately, notwithstanding the effective date of the Risk Retention Rules as to new transactions, due to effects of the rule on market expectations and the relative appeal of alternative investments not impacted by the rule or other factors. In addition, it is possible that the Risk Retention Rules may reduce the number of collateral managers active in the market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for the Collateral Manager to sell Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Assets and reduce the market value or liquidity of the Refinancing Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem the Refinancing Notes in an Optional Redemption. In addition, the rule may impose retention requirements in the event of an additional issuance of notes

effected after the effective date of the Risk Retention Rules, which may impair or limit the ability of the Issuer to effect an additional issuance.

European legal investment considerations and retention requirements. All prospective investors in the Refinancing Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges, reserve requirements or other consequences.

Effective January 1, 2014, EU Regulation 575/2013 (the "**CRR**") imposes on EEA credit institutions and investment firms investing in securitizations issued on or after January 1, 2011, or in securitizations issued prior to that date where new assets are added or substituted after December 31, 2014:

- (a) a requirement (the "**Retention Requirement**") that the originator, sponsor or original lender of such securitization has explicitly disclosed that it will retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%; and
- (b) a requirement (the "**Due Diligence Requirement**") that the investing credit institution or investment firm has undertaken certain due diligence in respect of the securitization and the underlying exposures and has established procedures for monitoring them on an ongoing basis.

National regulators in EEA member states impose penal risk weights on securitization investments in respect of which the Retention Requirement or the Due Diligence Requirement has not been satisfied in any material respect by reason of the negligence or omission of the investing credit institution or investment firm.

If the Retention Requirement or the Due Diligence Requirement is not satisfied in respect of a securitization investment held by a non-EEA subsidiary of an EEA credit institution or investment firm then an additional risk weight may be applied to such securitization investment when taken into account on a consolidated basis at the level of the EEA credit institution or investment firm.

Requirements similar to the Retention Requirement and the Due Diligence Requirement (the "**Similar Requirements**"): (i) apply to prohibit investments in non-compliant securitizations by alternative investment fund managers subject to EU Directive 2011/61/EU; and (ii) subject to the adoption of certain secondary legislation, will apply to investments in securitizations by EEA insurance and reinsurance undertakings and by EEA undertakings for collective investment in transferable securities.

None of the Issuer, the Co-Issuer, Citigroup or the Collateral Manager, their respective affiliates or any other person intends to retain a material net economic interest in the securitization constituted by the issue of the Refinancing Notes in accordance with the Retention Requirement or to take any other action which may be required by EEA-regulated investors for the purposes of their compliance with the Retention Requirement, the Due Diligence Requirement or the Similar Requirements and none of the Issuer, the Co-Issuer, Citigroup or the Collateral Manager makes any representation to any prospective investor or purchaser of the Refinancing Notes regarding such laws, rules, regulations and requirements. Consequently, the Refinancing Notes are not a suitable investment for EEA credit institutions, investment firms or the other types of EEA-regulated investors mentioned above. As a result, the price and liquidity of the Refinancing Notes in the secondary market may be adversely affected. EEA-regulated investors are encouraged to consult with their own investment and legal advisors regarding the suitability of the Refinancing Notes for investment.

The Volcker Rule. Section 619 of the Dodd-Frank Act added a provision to federal banking law to generally prohibit certain banking entities (including Citigroup and its affiliates) from engaging in proprietary trading or from acquiring or retaining an ownership interest in, or sponsoring or having certain relationships with, a hedge fund or private equity fund, subject to certain exemptions (such statutory provision together with implementing regulations, the "**Volcker Rule**"). The relevant U.S. federal agencies adopted final regulations with respect to the Volcker Rule on December 10, 2013. Banking entities that are subject to the Volcker Rule have until

July 21, 2015 to bring any existing activities and investments into compliance. On December 18, 2014, the Federal Reserve Board granted an extension of the conformance period to July 21, 2016 with respect to banking entities' investments in and relationships with covered funds and foreign funds that were in place prior to December 31, 2013 ("**legacy covered funds**"). On the same day, the Federal Reserve Board also announced its intention to grant to banking entities in 2015 an additional one-year extension of the conformance period until July 21, 2017, with respect to banking entities' investments in and relationships with legacy covered funds. Although not required by the implementing regulations adopted December 10, 2013, the orders issued by the Federal Reserve extending the conformance period require that banking entities develop and implement a conformance plan to terminate prohibited activities and divest impermissible investments by the end of the conformance period. Banks are expected to establish their compliance programs and divestiture plans well in advance of the end of the extended conformance period and in any case by no later than the end of the conformance period. These extensions relate to only legacy covered fund investments and relationships made by banking entities prior to December 31, 2013. All investments and relationships related to investments in a covered fund made after that date must be in conformance with the Volcker Rule by July 21, 2015, including investments in the Refinancing Notes, which are not eligible for such conformance period extensions.

The Volcker Rule includes as a covered fund any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Therefore, absent an exemption, the Issuer would be a covered fund. The Issuer intends to qualify for the "loan securitization exemption," which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights (including certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans; *provided* that there can be no assurance or guaranty, and no representation or warranty is made, that the Issuer will so qualify for the loan securitization exemption. In order to qualify for the loan securitization exemption, the Issuer will generally not be permitted to purchase securities (such as bonds and floating rate notes) that are not loans, which may limit or reduce the returns available to the Refinancing Notes.

If the Issuer were determined to not qualify for the loan securitization exemption, or were otherwise determined to be a covered fund, there would be limitations on the ability of banking entities to purchase or retain any Class deemed to be "ownership interests," which would be expected to include the Subordinated Notes, but could also potentially include other Classes. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the affected Classes. Moreover, the ability of Citigroup to make a market in the affected Classes would be subject to certain limitations, which could, if Citigroup otherwise had decided to make a market in such securities, further negatively affect liquidity and market value of the affected Classes. In addition, if the Issuer were determined to be a covered fund and Citigroup were determined to have sponsored or organized and offered the Issuer's Refinancing Notes, Citigroup and its affiliates may not be permitted to engage in certain transactions with the Issuer, possibly including the sale of loans to the Issuer. This could negatively affect the Issuer and Collateral Manager's ability to manage the portfolio of Assets.

Accordingly, all investors whose investment activities are subject to United States federal, state, local or foreign investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Refinancing Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges or reserve requirements. None of the Issuer, the Co-Issuer, the Initial Purchaser, the Collateral Manager, the Trustee, the Collateral Administrator nor any of their affiliates makes any representation, warranty or guarantee that the structure of the Refinancing Notes is compliant with any applicable legal, regulatory or other framework.

Combination or "layering" of multiple risks may significantly increase risk of loss. Although the various risks discussed in this Offering Circular and the 2012 Offering Circular are generally described separately, you should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor in the Notes may be significantly increased.

DOCUMENTS INCORPORATED

The 2012 Offering Circular is included herein as Annex A and forms an integral part of this Offering Circular. The information in this Offering Circular should be read in conjunction with the 2012 Offering Circular. The changes described herein supersede all statements which are inconsistent therewith in the 2012 Offering Circular.

Unless the context otherwise specifically requires, all references in the 2012 Offering Circular to the Class A-1 Notes shall be to the Class A-1R Notes; all references in the 2012 Offering Circular to the Class A-2 Notes shall be to the Class A-2R Notes; all references in the 2012 Offering Circular to the Class B Notes shall be to the Class B-R Notes; all references in the 2012 Offering Circular to the Class C Notes shall be to the Class C-R Notes; all references in the 2012 Offering Circular to the Class D Notes shall be to the Class D-R Notes; all references in the 2012 Offering Circular to the Co-Issued Notes shall be to the Refinancing Notes (other than the Class D-R Notes); and all references in the 2012 Offering Circular to the Notes shall be to the Refinancing Notes and the Subordinated Notes. All references in the 2012 Offering Circular to the Indenture shall be to the Indenture as modified by Supplemental Indenture No. 1.

DESCRIPTION OF THE REFINANCING NOTES

The information set forth in this section should be read in conjunction with the section entitled "Description of the Notes" in the 2012 Offering Circular.

Pursuant to the Indenture as amended by a supplemental indenture to be dated as of the Refinancing Date ("**Supplemental Indenture No. 1**"), the Refinancing Notes will be issued on the Refinancing Date and the Refinanced Notes will be redeemed at their Redemption Prices.

Each purchaser's payment for the Refinancing Notes will confirm such purchaser's agreement to the amendments to the Indenture set forth in Supplemental Indenture No. 1.

Except as expressly set forth herein, the Class A-1R Notes will be subject to the same terms and conditions as the Class A-1 Notes, the Class A-2R Notes will be subject to the same terms and conditions as the Class A-2 Notes, the Class B-R Notes will be subject to the same terms and conditions as the Class B Notes, the Class C-R Notes will be subject to the same terms and conditions as the Class C Notes and the Class D-R Notes will be subject to the same terms and conditions as the Class D Notes. Therefore, except as expressly set forth herein, the information regarding the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes and the Class D Notes set forth in the 2012 Offering Circular also applies to the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes, respectively.

No Class of Refinancing Notes may be further refinanced.

The revised terms and conditions of the Refinancing Notes will be set forth in the Indenture, as amended by Supplemental Indenture No. 1. This Offering Circular, together with the 2012 Offering Circular, summarizes certain provisions of the Indenture (as modified by Supplemental Indenture No. 1) and other transaction documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular or the 2012 Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the transaction documents (including definitions of terms).

The Refinancing Notes will be divided into the Classes, having the designations, original principal amounts and other characteristics as set forth in "Overview of Terms—Principal Terms of the Refinancing Notes".

The Refinancing Notes of each Class will bear stated interest from (and including) the Refinancing Date; *provided* that (a) with respect to each Class of Refinancing Notes, the purchase price for such Class will include an amount equal to the amount of unpaid interest accrued to the Refinancing Date on the corresponding Class of

Refinanced Notes, (b) on the Refinancing Date, the Issuer shall apply such amount to the payment of the Redemption Price of the corresponding Class of Refinanced Notes and (c) upon the making of such payment by the Issuer, such amount shall be deemed to constitute accrued interest on the related Class of Refinancing Notes for all purposes under the Indenture. The first Payment Date in respect of the Refinancing Notes will be the Payment Date in August 2015.

The Refinancing Notes will be sold only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act and (ii) persons that are both (x) Qualified Institutional Buyers and also (y) (A) Qualified Purchasers or (B) entities owned exclusively by Qualified Purchasers. Each Refinancing Note sold to a person who, at the time of the acquisition, purported acquisition or proposed acquisition of any such Refinancing Note, is both a Qualified Institutional Buyer and a Qualified Purchaser (or an entity owned exclusively by Qualified Purchasers) will be represented by global notes or certificates in fully registered form without interest coupons (and, such a Refinancing Note will constitute a Rule 144A Global Note). Each Refinancing Note sold to a non-U.S. person in an offshore transaction in reliance on Regulation S under the Securities Act will be issued in the form of one or more Regulation S Global Secured Notes.

As used above, "U.S. person" and "offshore transaction" shall have the meanings assigned to such terms in Regulation S under the Securities Act.

The Rule 144A Global Notes and the Regulation S Global Notes, including the Refinancing Notes, will be deposited with the Trustee as custodian for, and registered in the name of Cede & Co., a nominee of DTC and, in the case of the Regulation S Global Notes, for the respective accounts of Euroclear or Clearstream.

The Refinancing Notes will be subject to certain restrictions on transfer set forth herein and in the Indenture and the Refinancing Notes will bear the restrictive legend set forth under "Transfer Restrictions" in the 2012 Offering Circular.

RATINGS OF THE REFINANCING NOTES

The following information should be read in conjunction with the section entitled "Ratings of the Secured Notes" in the 2012 Offering Circular.

It is a condition of the issuance of the Refinancing Notes that the Refinancing Notes of each Class receive from S&P and that the Class A-1R Notes receive from Moody's the minimum rating indicated under "Overview of Terms—Principal Terms of the Refinancing Notes".

SECURITY FOR THE REFINANCING NOTES

The following information should be read in conjunction with the sections entitled "Summary of Terms—Security for the Secured Notes" and "Security for the Secured Notes" in the 2012 Offering Circular.

Collateral Obligations

The most recent Distribution Report (as defined in the Indenture) prior to the Refinancing Date with respect to the Collateral Obligations is included herewith as Annex C and forms as an integral part of this Offering Circular. Such information has not been audited or otherwise reviewed by any accounting firm. Such information is limited and does not provide a full description of all Collateral Obligations previously held or sold by the Issuer, nor the gains or losses associated with purchases or sales of Collateral Obligations, nor the levels of compliance with the Coverage Tests and Collateral Quality Tests during periods prior to the periods covered by the reports forming Annex C. Such reports contain information as of the dates specified therein and none of the reports are calculated as of the date of this Offering Circular. As such, the information in the report may no longer reflect the characteristics of the Assets as of the date of this Offering Circular or on or after the Refinancing Date.

The composition of the Collateral Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations, (ii) sales of Assets and reinvestment of Sale Proceeds and other Principal Proceeds and (iii) other factors, subject to the limitations described under "Summary of Terms—Security for the Secured Notes" and "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in the 2012 Offering Circular.

It is expected that after giving effect on the Refinancing Date to the transactions contemplated hereby, the Adjusted Collateral Principal Amount will be at least U.S.\$397,750,000.

Supplemental Indenture No. 1

In connection with the Refinancing, the Issuer intends to enter into a supplemental indenture substantially concurrently with the Refinancing in accordance with the provisions described in the 2012 Offering Circular in the last paragraph under "Description of the Notes—Optional Redemption and Tax Redemption—General—Redemption of Notes". **Each purchaser's payment for the Refinancing Notes will confirm such purchaser's agreement to the amendments to the Indenture set forth in Supplemental Indenture No. 1.** The following list is not exhaustive and is subject to, and qualified in its entirety by reference to the provisions of Supplemental Indenture No. 1 attached hereto as Annex B.

It is anticipated that the following amendments will be effected by entry into Supplemental Indenture No. 1 by the Co-Issuers and the Trustee, however, there is no guarantee that the Issuer will be able to sell the Refinancing Notes with the terms set forth in the contemplated amendments and thus one or more of the amendments may not be implemented or effective on the Refinancing Date and there is no guarantee at what time, if any, they will be implemented or become effective with respect to the Refinancing Notes. In addition, there can be no assurance that the Volcker Amendments will prevent the Issuer from being classified as a "covered fund". See "Risk Factors—Relating to Regulatory and Other Legal Considerations—Recent legal and regulatory developments".

- In order for the Issuer to attempt to qualify for the "loan securitization exemption" of the Volcker Rule, Supplemental Indenture No. 1 will amend the Indenture to provide that (i) as of the Refinancing Date, the Assets shall consist of Loans, Cash or other Eligible Investments and, for the avoidance of doubt, shall not consist of Senior Secured Bonds, Senior Secured Floating Rate Notes, Senior Unsecured Bonds or Letter of Credit Reimbursement Obligations (except for any such Asset that constitutes a security received in lieu of debts previously contracted with respect to loans included in the Collateral Obligations) and (ii) after the Refinancing Date, the Issuer shall not be permitted to buy Assets that consists of Bonds, letter of credit facilities or securities that are convertible into or exchangeable for an Equity Security at any time over its life or attached with a warrant to purchase Equity Securities; *provided* that the Issuer shall be permitted to receive (but not purchase) any asset in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout of the obligor thereof if, for purposes of the Volcker Rule, such Asset constitutes a security received in lieu of debts previously contracted with respect to loans included in the Collateral Obligations. In addition, such amendments will provide that (i) only Eligible Investments that should not jeopardize the Co-Issuers' status as a "loan securitization" under the Volcker Rule will be permitted and (ii) the definition of Participation Interest will be narrowed. In addition, the Issuer, subject to limitations, will be able to modify or amend the Indenture as necessary or advisable so that any Class of Secured Notes would not be considered an "ownership interest" as defined for purposes of the Volcker Rule or so that the Issuer would not be considered a "covered fund" as defined for purposes of the Volcker Rule. See the provisions of Supplemental Indenture No. 1 attached hereto as Annex B.
- The refinancing provisions are modified to provide that the Refinancing Notes may not be subject to a redemption by Refinancing after the Refinancing Date.
- In accordance with new and revised methodologies with respect to Collateral Obligations published by S&P since the Original Closing Date, Supplemental Indenture No. 1 will modify the definitions of "S&P CDO Monitor Test" and "S&P Weighted Average Recovery Rate Test" and revise or implement other definitions used in connection with the determination of such tests such that the S&P CDO Monitor Test

and the S&P Weighted Average Recovery Rate Test will only applying to the Controlling Class of Secured Notes, rather than all Classes. In addition, an alternative approach to the S&P CDO Monitor will be provided in accordance with S&P's new methodologies.

- In accordance with new and revised criteria with respect to Collateral Obligations published by Moody's since the Original Closing Date, Supplemental Indenture No. 1 modifies the definitions of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Recovery Rate" and revises or implements other definitions used in connection with the determination of such tests.
- The definition of "Cov-Lite Loan" is replaced with the definition below and the definition of "Concentration Limitations" is modified to increase the percentage of the Collateral Principal Amount that is permitted to consist of Cov-Lite Loans to 60%:

"Cov-Lite Loan": A Loan the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the borrower thereunder to comply with any Maintenance Covenants (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments); *provided* that, a loan described in clause (i) or (ii) above that either contains a cross-default provision to, or is *pari passu* with or senior to, another loan of the underlying obligor that requires the underlying obligor to comply with a Maintenance Covenant shall be deemed not to be a Cov-Lite Loan.

- Certain provisions of the Indenture relating to FATCA, including tax-related covenants made by the Issuer and the agreement of the Holders to deliver certain tax-related information, will be amended to impose more specific requirements on the Issuer and Holders so as to achieve compliance with FATCA.
- The Indenture will be amended to provide that if any supplemental indenture permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction, such supplemental indenture must provide that the Issuer may not enter into such transaction unless certain conditions are satisfied, including in relation to the Issuer's status under the Commodity Exchange Act and the Volcker Rule. See the provisions of Supplemental Indenture No. 1 attached hereto as Annex B.

USE OF PROCEEDS

The gross proceeds from the issuance of the Refinancing Notes are expected to be approximately U.S.\$369,000,000 (excluding the amounts equal to the amounts of unpaid interest accrued to the Refinancing Date on each Class of Refinanced Notes described in the eighth paragraph under "Description of the Refinancing Notes"). Such proceeds will be used to redeem the Refinanced Notes at their Redemption Prices on the Refinancing Date.

All unpaid Administrative Expenses accrued to the Refinancing Date, including the reasonable fees, costs, charges and expenses incurred by the Co-Issuers, the Trustee, the Collateral Manager and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with the Refinancing, are expected to be paid on the first Payment Date following the Refinancing Date, without regard to the Priority of Payments, from available Interest Proceeds reserved for such purpose on the Refinancing Date together with Interest Proceeds accrued to the Refinancing Date that are received by the Issuer after the Refinancing Date.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by Babson Capital Management LLC ("**Babson Capital**") and has not been independently verified by the Co-Issuers or the Initial Purchaser. The Collateral Manager accepts responsibility for such information and to the best of its knowledge having taken reasonable care to ensure that such is the case, the information is in accordance with the facts and does not omit anything likely to affect the import of such information. Accordingly, notwithstanding anything to the contrary herein, the Initial Purchaser does not assume any responsibility for the accuracy, completeness or applicability of such information. The Co-Issuers confirm that this information has been accurately reproduced and as far as the Co-Issuers are aware and are able to ascertain from information provided by the Collateral Manager, no facts have been

omitted which would render the reproduced information inaccurate or misleading. The information appearing in this section supersedes the information in the 2012 Offering Circular contained under the heading "The Collateral Manager".

General

Certain advisory and administrative functions with respect to the Assets will be performed by Babson Capital as the Collateral Manager under the Collateral Management Agreement that was entered into on the Closing Date between the Issuer and the Collateral Manager. Certain administrative duties of the Issuer will be performed for the Issuer, or the Collateral Manager on behalf of the Issuer, with respect to the Assets, including the performance of certain calculations with respect to the Collateral Quality Test and the Coverage Tests, by the Collateral Administrator under the Collateral Administration Agreement.

In accordance with the Collateral Quality Test and the Coverage Tests, which tests are being performed on the Assets by the Collateral Administrator, and other requirements set forth in the Indenture, and in accordance with the provisions of the Collateral Management Agreement, the Collateral Manager will select the Collateral Obligations and will instruct the Trustee with respect to any disposition or tender of a Collateral Obligation and investment in Eligible Investments. The Issuer may purchase obligations from and sell obligations to Affiliates of the Collateral Manager acting as principal and other clients of the Collateral Manager and its Affiliates. In addition, the Collateral Manager may have other potential conflicts of interest as described under "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients".

The Collateral Manager is a registered investment adviser under the Investment Advisers Act. Additional information regarding the Collateral Manager can be obtained from Part 2A of the Collateral Manager's most recent Form ADV, which is attached hereto as Annex D. The Collateral Manager will, from time to time and upon the request of any holder of the Notes, provide a copy of Part 2A of the Collateral Manager's most recent Form ADV to such holder.

The Collateral Manager has agreed to pay to one or more purchasers of Subordinated Notes a portion of the Subordinated Management Fee.

The MassMutual Financial Group

The MassMutual Financial Group is a family of financial service companies providing investment management services and individual protection insurance to clients worldwide. The MassMutual Financial Group had over U.S.\$814 billion of assets under management as of March 31, 2015. The four primary members of the group are (i) Massachusetts Mutual Life Insurance Company ("**MassMutual**"), (ii) OppenheimerFunds Inc., (iii) Baring Asset Management Limited and (iv) Babson Capital Management LLC.

Massachusetts Mutual Life Insurance Company. MassMutual is a mutual life insurance company that was organized in 1851 under the laws of the Commonwealth of Massachusetts. MassMutual has strong financial ratings from all four of the leading insurance rating services. As of February 2015, Massachusetts Mutual Life Insurance Company had financial strength ratings which are among the highest of any company in any industry: A.M. Best Company: A++ (Superior; top category of 15), Fitch Ratings: AA+ (Very Strong; second category of 21), Moody's Investors Service: Aa2 (Excellent; third category of 21), Standard & Poor's: AA+ (Very Strong, second category of 21).

OppenheimerFunds, Inc. Established in 1960, OppenheimerFunds, Inc. is recognized as one of the largest retail mutual fund managers in the United States. As of March 31, 2015, OppenheimerFunds, Inc. (including subsidiaries) had over U.S.\$237 billion of assets under management.

Baring Asset Management Limited. Established in 1958, Baring Asset Management Limited offers a variety of global equity and fixed-income strategies to private investors and institutions in both U.S. and international markets through mutual funds and separate account vehicles. As of March 31, 2015, Baring Asset Management Limited had over U.S.\$40.6 billion of assets under management.

Babson Capital Management LLC. Established in 1940, Babson Capital is one of the oldest investment counsel firms in the United States and, with over U.S.\$217.4 billion of assets under management (including subsidiaries) as of March 31, 2015, is a provider of investment management services to institutional investors and retail investors.

As of March 31, 2015, Babson Capital and subsidiaries managed over U.S.\$195.9 billion in fixed income assets, including the general investment account of MassMutual and various separate accounts and funds. Senior secured loans under management by Babson Capital Management LLC and subsidiaries totaled approximately U.S.\$29.4 billion, consisting of both third party assets and assets managed for the account of MassMutual and its Affiliates, including Babson Capital Management (UK) Limited ("**BCM UK**"). BCM UK is a London-based institutional debt fund manager that specializes in CDOs backed by leveraged loans. BCM UK invests in senior loans, mezzanine loans and buyout-related high yield bonds, predominantly in Europe, and manages eight CDO funds.

As of March 31, 2015, Babson Capital, directly or as the designee of MassMutual, served as the investment manager for over 54 CDO transactions, and as an advisor with respect to the high yield bonds owned by Antares Funding L.P., a collateralized loan obligation transaction managed by Antares Capital Corp., a former finance company subsidiary of MassMutual. The underlying asset classes managed by Babson Capital in these CDO transactions include high yield bonds, high yield bank loans, investment grade corporate bonds, emerging markets debt, credit default swaps, asset-backed securities and mortgage-backed securities.

Babson Capital is an indirect, wholly-owned subsidiary of MassMutual. Babson Capital is a registered investment adviser with the SEC under the Investment Advisers Act. The firm is also registered as a Commodity Trading Advisor (CTA) and Commodity Pool Operator (CPO) with the CFTC under the Commodity Exchange Act, as amended. Additional information about the Collateral Manager is available upon request.

Key Personnel

The principal employees and senior management of Babson Capital and the employees who will initially be responsible for the selection, research and management of the portfolio of Collateral Obligations are listed below. There can be no assurance that such persons will continue to be employed by Babson Capital, or if so employed, be involved in the management of the Collateral Obligations and in carrying out the other obligations of Babson Capital under the Collateral Management Agreement during the term thereof.

Senior Management

Thomas M. Finke

Chairman and CEO

Mr. Finke joined Babson Capital in June 2002 as part of the company's acquisition of First Union Institutional Debt Management, Inc. ("**IDM**") from Wachovia Corporation. Between 2002 and 2007, Mr. Finke led Babson Capital's U.S. leveraged loan business, which grew into one of the largest in the industry. In July 2007, Mr. Finke was promoted to President and added to his responsibilities overseeing the firm's non-investment operations including the Global Business Development Group, Finance, Compliance, Human Resources, Operations and Technology. In December 2008, Mr. Finke was appointed Chairman and CEO of Babson Capital and Executive Vice President and Chief Investment Officer of MassMutual Financial Group. After two and a half years in this dual role, he relinquished the MassMutual CIO position in May of 2011 to focus full-time on leading Babson Capital. In addition to his duties as Chairman and CEO of Babson Capital, Mr. Finke is also Chairman of Cornerstone Real Estate Advisers, and a Director of Wood Creek Capital Management. Both are wholly-owned subsidiaries of Babson Capital.

Mr. Finke has over 27 years of financial industry experience. He was President and Co-Founder of IDM, a \$3.6 billion loan management company. Prior to founding IDM, Mr. Finke started and was Head Trader for the Leveraged Loan Trading Desk at First Union Securities, Inc. Before that, Mr. Finke served as a Vice President in Bear, Stearns & Co., Inc.'s High Yield Department.

Mr. Finke received his M.B.A. from Duke University's Fuqua School of Business and holds a bachelor's degree from the University of Virginia's McIntire School of Commerce. Mr. Finke was also a member of the founding Board of Directors of the Loan Syndications and Trading Association.

Russell D. Morrison

Vice Chairman and Managing Director

Mr. Morrison serves as Vice Chairman and Head of Babson Capital's Global Fixed Income Team. Prior to his current role, he served as Head of the Global High Yield Investments Team (2009-2013) and the Co-Head of the firm's U.S. Loan Team (2007-2009). He has over 25 years of industry experience. Mr. Morrison joined Babson Capital in June 2002 as part of the firm's acquisition of First Union Institutional Debt Management (IDM), where he was a senior portfolio manager in IDM's Portfolio Management Group. Prior to joining IDM, he was a Vice President for First Union Securities, Inc. Prior to that, he held roles as a Manager in Ernst & Young's Management Consulting Group and as an accountant at North Carolina National Bank. Mr. Morrison holds a B.S. from Wake Forest University and an M.B.A. from Carnegie Mellon's Graduate School of Industrial Administration.

U.S. High Yield Investments Group

Adrienne P. Butler

Managing Director

Ms. Butler is a member of the firm's U.S. High Yield Investments Group and is Head of CLO Funds. She is a portfolio manager for CLO funds and a member of the U.S. High Yield Investment Committee with over 25 years of industry experience. Ms. Butler joined Babson Capital in June 2002 as part of the company's acquisition of IDM, where she was a senior analyst in IDM's Loan Research Group. Prior to joining IDM, she was a Relationship Manager at First Union Corporation. Before that, she worked in Corporate Banking in First Union National Bank of South Carolina. Prior to joining First Union, she worked at NationsBank. Ms. Butler holds a B.A. from Furman University and an M.B.A. from University of Notre Dame's Mendoza College of Business.

Michael D. Freno

Managing Director

Mr. Freno serves as Head of the U.S. High Yield Investments Group and is Chairman of the U.S. High Yield Investment Committee. He is also a member of the Global High Yield Committee & the Global Strategy Committee and a lead portfolio manager for various loan total return strategies. Mr. Freno has over 15 years of industry experience. Prior to joining Babson Capital in 2005, Mr. Freno was a research analyst for Mangan & McColl Partners, LLC, where he focused on equity and credit analysis for the firm's special situations and distressed investments. Prior to that, Mr. Freno was a Manager at PricewaterhouseCoopers. He holds a B.A. from Furman University and an M.B.A. from the Wake Forest Babcock School of Business.

Andrew Lennon

Managing Director

Mr. Lennon is a member of the firm's Global Investment Services group as Head of Client and Portfolio Services that supports all client servicing for Babson Capital. Mr. Lennon joined Babson Capital in 2005 to manage the Portfolio Administration Team supporting the U.S. Bank Loan Investment Group ("USBLT"). Mr. Lennon's team supported all reporting and compliance needs for the USBLT clients, Portfolio Managers and other groups within Babson Capital and MassMutual. Mr. Lennon has worked in the financial services industry for the past 16 years and started his career with State Street Bank and Trust Company where he managed a team of corporate trust analysts responsible for providing trustee services to State Street's Collateralized Debt Obligation clients. Mr. Lennon left State Street in 2000 to join Investors Bank and Trust Company. While at Investors Bank and Trust, Mr. Lennon's responsibilities included sales and marketing support, vendor management, client on-boarding

management the development of workflow procedures within the Corporate Trust space. Mr. Lennon holds a B.S. from the University of New England.

Meredith F. Lynch

CFA, Director

Ms. Lynch is a member of the firm's U.S. High Yield Investments Group and is a portfolio manager for CLO funds. In addition Ms. Lynch is a research analyst for the Consumer & Retail; Food & Beverage; Restaurants industries. Ms. Lynch has 12 years of industry experience. Prior to joining Babson Capital in 2010, Ms. Lynch served in the High Yield Research Group at Wells Fargo Securities. Prior to that, she was with legacy Wachovia Capital Markets in the Loan Syndications and Leveraged Finance Groups. Ms. Lynch holds a B.S. in Financial Management from Clemson University and has earned the right to use the Chartered Financial Analyst designation.

Arthur J. McMahon, Jr.

Managing Director

Mr. McMahon is a member of the firm's U.S. High Yield Investments Group and is a portfolio manager for CLO funds. In addition, Mr. McMahon serves as a member of the U.S. High Yield Investment Committee. Prior to joining the firm in 2004, Mr. McMahon had over five years of experience in Leveraged Finance/Syndications with Banc of America Securities LLC. Additionally, he spent in excess of three years in the Derivatives/Foreign Exchange Group of First Union National Bank. Prior to that, Mr. McMahon spent more than two years at Susquehanna Investment Group. Mr. McMahon holds an A.B. in Economics from Harvard University and an M.B.A. from the University of North Carolina Kenan-Flagler Business School.

David M. Mihalick

Managing Director

Mr. Mihalick is Head of High Yield Research for Babson's U.S. High Yield Investments Group. He is also a member of the U.S. High Yield Investment Committee and a portfolio manager on various loan strategies. Mr. Mihalick has extensive financial services industry experience over the last 10 years. Prior to joining the firm in 2008, he was a Vice President with Wachovia Securities Leveraged Finance Group. He also served six years as an officer in the United States Air Force and worked in the telecommunications industry for Alcatel-Lucent. Mr. Mihalick holds a B.S. from the United States Air Force Academy, an M.S. from the University of Washington and an M.B.A. from Wake Forest University.

THE CO-ISSUERS

The information in this section should be read in conjunction with the section entitled "The Co-Issuers" in the 2012 Offering Circular.

The Issuer

The Issuer's directors are Andrew Dean and Wendy Ebanks, each of whom is an employee or officer of the Administrator. The Issuer's directors may be contacted at Babson CLO Ltd. 2012-II, c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall Cricket Square, George Town Grand Cayman KY1-1102, Cayman Islands Attention: The Directors, Telephone: +1 345 945 7099, Fax: +1 345 945 7100.

Capitalization

The capitalization of the Issuer as of the Refinancing Date, after giving effect to the issuance of the Refinancing Notes but before deducting expenses of the offering of the Refinancing Notes and other expenses of the Issuer, is expected to be as follows:

	Amount
Class A-1R Notes.....	\$255,000,000
Class A-2R Notes.....	\$42,000,000
Class B-R Notes.....	\$32,000,000
Class C-R Notes.....	\$22,000,000
Class D-R Notes.....	\$18,000,000
Subordinated Notes.....	\$37,850,000
Total Debt	\$406,850,000
Issuer Ordinary Shares	\$250
Retained Earnings	\$250
Total Equity	\$500
Total Capitalization.....	\$406,850,500 ¹

¹ Unaudited.

Babson CLO 2012-II, LLC is capitalized only to the extent of its membership interests of U.S.\$10, will have no assets other than its membership interest capital and will have no debt other than as Co-Issuer of the Co-Issued Notes.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following information should be read in conjunction with the section entitled "Certain U.S. Federal Income Tax Considerations" in the 2012 Offering Circular. The changes set forth below supersede all statements which are inconsistent therewith in the 2012 Offering Circular.

Introduction

The following summary describes the principal United States federal income tax consequences of the purchase, ownership and disposition of the Notes. It addresses only purchasers that buy in the original offering at the original offering price and hold their Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, special tax considerations that may apply to certain types of taxpayers, including but not limited to securities dealers, financial institutions, regulated investment companies, entities treated as partnerships for United States federal income tax purposes, tax-exempt investors, insurance companies, investors holding Notes as part of a hedge, straddle, conversion, constructive sale or integrated transaction, and subsequent purchasers of the Notes are not addressed. In addition, this summary does not describe any state, local or other tax consequences arising under the laws of any taxing jurisdiction other than the United States federal government.

As used in this section, the term "**U.S. Holder**" means a beneficial owner of a Refinancing Note who is, as determined for United States federal income tax purposes, a citizen or resident of the United States, a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia, any estate the income of which is subject to United States federal income tax regardless of the source of its income or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons, as defined in Section 7701(a)(30) of the Code, have the authority to control all substantial decisions of the trust and certain eligible trusts that have elected to be treated as United States persons. As used in this section, the term "**Non-U.S. Holder**" means a beneficial owner of Refinancing Notes who is neither a U.S. Holder nor a partnership. If an entity treated as a partnership for U.S. federal income tax purposes holds Refinancing Notes, the U.S. federal income tax treatment of a partner therein will generally depend on the status of the partner and upon the activities of the partnership. Partners in partnerships holding Refinancing Notes should consult their tax advisors. Refinancing Notes issued in additional offerings by the Issuer or the Co-Issuer may not be fungible for U.S. federal income tax purposes with the Refinancing Notes issued in this offering.

Issuance of the Refinancing Notes

For United States federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Refinancing Notes.

FATCA

Under FATCA, the Issuer will be subject to a 30% U.S. withholding tax on (i) certain U.S.-source payments and the proceeds of certain sales received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on, or that is materially modified on or after, July 1, 2014 and (ii) payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on, or that is materially modified on or after, the date that is six months after the issuance of final regulations defining the term "foreign passthru payment", in each case, unless either (a) the Issuer complies with the Cayman IGA or (b) the Issuer has in effect an agreement with the IRS to (i) obtain information regarding each holder of its Refinancing Notes (other than the Refinancing Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such holders are specified United States persons or United States owned foreign entities, (ii) provide annually to the IRS the name, address, taxpayer identification number and certain other information with respect to holders and beneficial owners of Refinancing Notes (other than Refinancing Notes that are treated as regularly traded on an established securities

market) that are specified United States persons or that are United States owned foreign entities (in which case the information must be provided with respect to the entity's "substantial United States owners") and (iii) comply with certain other due diligence procedures, IRS requests, withholding and other requirements. In some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. For example, the Issuer may not be considered to comply with FATCA if more than 50% of any classes of Notes treated as equity for U.S. federal income tax purposes are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. The Issuer expects to comply with the requirements under the Cayman IGA (as discussed below).

The Issuer will be required to comply with the Cayman FATCA Legislation that gives effect to the Cayman IGA. To the extent the Issuer cannot be treated as a Non-Reporting Cayman Islands Financial Institution (as defined in the Cayman IGA) by taking advantage of one of the categories set out in Annex II to the Cayman IGA (for example by being a Sponsored Investment Entity (as defined in the Cayman IGA)), the Issuer will be a "Reporting Cayman Islands Financial Institution" (as defined in the Cayman IGA). As such, the Issuer is required to register with the IRS to obtain a Global Intermediary Identification Number and to report to the Cayman Islands Tax Information Authority any payments made to Specified US Persons with respect to US Reportable Accounts (each such term as defined in the Cayman IGA). The Cayman Islands Tax Information Authority will exchange such information with the IRS under the terms of the Cayman IGA. Under the terms of the Cayman IGA, withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the Issuer as a non-participating financial institution, or on payments made by the Issuer to the Noteholders unless the Issuer has otherwise assumed responsibility for withholding under United States tax law.

Each potential purchaser of Refinancing Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such investor in its particular circumstance.

Imposition of U.S. federal net income tax on the Issuer

Prior to the Refinancing Date, the Issuer operated with the intention that it would not be subject to U.S. federal income tax on a net basis. The Issuer also intends to undertake its future operations in a manner that will not cause it to become subject to U.S. federal income tax on its net income. With regard to such intent, the Issuer received an opinion of Freshfields Bruckhaus Deringer US LLP on the Original Closing Date, to the effect that, if the Issuer and the Collateral Manager complied with the Indenture and the Collateral Management Agreement (including certain investment guidelines referenced therein), and certain other assumptions specified in the opinion were satisfied, the Issuer would not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes under then-current law and the facts existing as of the Original Closing Date. It should be noted that the Collateral Manager may deviate from such investment guidelines, but only to the extent that it has received written advice of nationally recognized U.S. tax counsel to the effect that, taking into account the relevant facts and circumstances and the Issuer's other activities, the Issuer's acquisition, entry into, ownership, enforcement or disposition of the relevant asset will not cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject the Issuer to U.S. federal tax on a net income basis. The opinion of Freshfields Bruckhaus Deringer US LLP did not address circumstances where the Collateral Manager departs from the investment guidelines in reliance on a written opinion or written advice of counsel.

The Collateral Manager, when purchasing or entering into Collateral Obligations on behalf of the Issuer, intends to continue to follow the investment guidelines described above (and is expected to provide assurances that it has followed such guidelines for the period prior to the Refinancing Date). Although the Issuer will receive an opinion of Freshfields Bruckhaus Deringer US LLP to the effect that none of the changes to the Indenture effected by the Supplemental Indenture No. 1 would cause the opinion of Freshfields Bruckhaus Deringer US LLP delivered to the Issuer on the Original Closing Date as described in the preceding paragraph not to be correct, there will not otherwise be a new tax opinion issued on the Refinancing Date with regard to whether the Issuer will be engaged in a trade or business within the United States for U.S. federal income tax purposes.

If it is determined that the Issuer is engaged in a trade or business in the United States for U.S. federal income tax purposes, and the Issuer has taxable income that is effectively connected with such U.S. trade or business, the Issuer will be subject under the Code to the regular U.S. corporate income tax on its effectively connected taxable income, possibly on a gross basis, and possibly to a 30% branch profits tax as well. The imposition of such a tax liability could materially adversely affect the Issuer's ability to repay the Refinancing Notes. Investors should consult their advisors and the 2012 Offering Circular in this regard.

Tax Treatment of U.S. Holders of Refinancing Notes

Status of the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes and the Class C-R Notes

The Issuer will receive an opinion from Freshfields Bruckhaus Deringer US LLP that the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes and the Class C-R Notes will be treated as debt for U.S. federal income tax purposes, and each holder of a Class A-1R Note, Class A-2R Note, Class B-R Note or Class C-R Note, by acceptance of such Class A-1R Note, Class A-2R Note, Class B-R Note or Class C-R Note, will agree to treat all such Notes as debt for such purposes. However, the opinion of Freshfields Bruckhaus Deringer US LLP is not binding on the IRS, and no ruling will be sought from the IRS regarding this, or any other, aspect of the U.S. federal income tax treatment of the Refinancing Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately conclude, that one or more of the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes or the Class C-R Notes constitute equity interests in the Issuer for U.S. federal income tax purposes. In such case, the U.S. federal income tax consequences of investing in any such Class A-1R Note, Class A-2R Note, Class B-R Note or Class C-R Note treated as equity would generally be the same as those described in the 2012 Offering Circular with respect to investments in the Subordinated Notes. See also "Risk Factors—Relating to the Notes—Tax Characterization of the Secured Notes" and "Certain U.S. Federal Income Tax Considerations—Tax Treatment of U.S. Holders of Secured Notes" in the 2012 Offering Circular.

Status of the Class D-R Notes

The Issuer will receive an opinion from Freshfields Bruckhaus Deringer US LLP that the Class D-R Notes should be treated as debt for U.S. federal income tax purposes, and each holder of a Class D-R Note, by acceptance of such Class D-R Note, will agree to treat the Class D-R Notes as debt for such purposes. The U.S. federal income tax treatment of the Class D-R Notes is, however, subject to some uncertainty. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that the Class D-R Notes are properly characterized as equity in the Issuer. In such case, the U.S. federal income tax consequences of investing in the Class D-R Notes would generally be the same as those described in the 2012 Offering Circular with respect to investments in the Subordinated Notes. See also "Risk Factors—Relating to the Notes—Tax Characterization of the Secured Notes" and "Certain U.S. Federal Income Tax Considerations—Tax Treatment of U.S. Holders of Secured Notes" in the 2012 Offering Circular.

Treatment of Certain Classes of Notes as Having Been Issued with OID

The Issuer will treat the Class B-R Notes, the Class C-R Notes and Class D-R Notes as issued with OID. See "Certain U.S. Federal Income Tax Considerations—Tax Treatment of U.S. Holders of the Secured Notes" in the 2012 Offering Circular for a discussion of the impact of this treatment.

Medicare Tax on Net Investment Income

U.S. Holders that are individuals, estates, and certain trusts are subject to an additional 3.8% tax (the "**Medicare Tax**") on all or a portion of their "net investment income" which may include any income or gain with respect to the Refinancing Notes. The Medicare Tax will be imposed on the lesser of (i) net investment income (undistributed net investment income for estates and trusts) and (ii) the excess of modified adjusted gross income (adjusted gross income for estates and trusts) and a threshold amount. Equity holders of PFICs and CFCs will be subject to such tax, although the application of the tax (and the availability of particular elections) is quite complex.

U.S. Holders should consult their advisors with respect to their consequences with respect to the 3.8% Medicare Tax.

Non-U.S. Holders of the Refinancing Notes

Subject to the discussion under "—FATCA", above, a Non-U.S. Holder of a Refinancing Note that has no connection with the United States and is not related, directly or indirectly, to the Issuer or the holders of the Issuer's equity or the Subordinated Notes will not be subject to U.S. tax withholding on interest payments; *provided* that the Issuer is not engaged in a U.S. trade or business for U.S. federal income tax purposes. Non-U.S. Holders may be required to make certain tax representations regarding the identity of the beneficial owner of the Refinancing Notes in order to receive payments free of tax withholding, and Non-U.S. Holders may be required to provide such certification in order to receive payments free of backup withholding and not to have such payments be subject to information reporting. See also "—FATCA," above, for a discussion of reporting obligations of Non-U.S. Holders under FATCA.

Information Reporting and Backup Withholding

As a condition to the payment of principal and interest on any Refinancing Note without United States federal back-up withholding, the Issuer and the Paying Agent will require the delivery of properly completed and signed applicable United States federal income tax certifications (generally, an IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States person" within the meaning of Section 7701(a)(30) of the Code or the applicable IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code).

Under certain circumstances, information reporting requirements will apply to payments on a Refinancing Note to, and the proceeds of the sale of a Refinancing Note by, U.S. Holders and "backup withholding" will apply to such payments if the U.S. Holder fails to provide an accurate taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Non-U.S. Holders generally will be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax and may be refunded or credited against the holder's federal income tax liability if certain required information is furnished to the IRS. The information reporting requirements may apply regardless of whether withholding is required. See also "—FATCA" above, for a discussion of reporting obligations under FATCA.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN OF THE TAX IMPLICATIONS OF AN INVESTMENT IN REFINANCING NOTES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR TAX ADVISORS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT, BOTH GENERALLY AND IN LIGHT OF THEIR OWN CIRCUMSTANCES.

PLAN OF DISTRIBUTION

The Refinancing Notes are being offered by Citigroup, as initial purchaser (in such capacity, the "**Initial Purchaser**"), pursuant to the Refinancing Purchase Agreement, dated as of the Refinancing Date, between the Issuer, the Co-Issuer and the Initial Purchaser (the "**Refinancing Purchase Agreement**"). Citigroup is the only Initial Purchaser. The information appearing in this section supersedes the information in the 2012 Offering Circular contained under the heading "Plan of Distribution".

Pursuant to the Refinancing Purchase Agreement, the Refinancing Notes will be offered by Citigroup, as Initial Purchaser, from time to time for sale to investors in negotiated transactions at varying prices to be determined in each case at the time of sale.

The Refinancing Purchase Agreement will provide that the obligations of Citigroup to pay for and accept delivery of the Refinancing Notes thereunder are subject to certain conditions.

In the Refinancing Purchase Agreement, each of the Co-Issuers will agree to indemnify Citigroup against certain liabilities, including under the Securities Act, the Exchange Act or otherwise, insofar as such liabilities arise out of or are connected with the consummation of the transactions contemplated by the offering documents or the execution and delivery of, and the consummation of the transactions contemplated by, this Offering Circular and certain other offering documents, the Transaction Documents, Supplemental Indenture No. 1 and the Refinancing Purchase Agreement, or to contribute to payments Citigroup may be required to make in respect thereof. In addition, the Issuer will agree to reimburse Citigroup for certain of its expenses incurred in connection with the closing of the transactions contemplated hereby.

The offering of the Refinancing Notes has not been and will not be registered under the Securities Act and may not be offered or sold in non-offshore transactions except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No action has been taken or is being contemplated by the Issuer and Co-Issuer that would permit a public offering of the Refinancing Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Refinancing Notes in any jurisdiction (other than Ireland) where, or in any other circumstances in which, action for those purposes is required. No offers, sales or deliveries of any Refinancing Notes, or distribution of this Offering Circular or any other offering material relating to the Refinancing Notes, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or Citigroup. Because of the restrictions contained in the front of this Offering Circular, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Refinancing Notes.

In the Refinancing Purchase Agreement, Citigroup will agree that it or one or more of its Affiliates will sell Refinancing Notes only (a) to Non-U.S. persons in accordance with the requirements of Regulation S under the Securities Act or (b)(i) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) that are also (ii) "qualified purchasers" for purposes of the Investment Company Act or an entity owned exclusively by Qualified Purchasers. For a description of certain restrictions on resale or transfer, see "Transfer Restrictions" in the 2012 Offering Circular. Until 40 days after completion of the distribution by the Issuer, an offer or sale of Refinancing Notes, in a non-offshore transaction by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than pursuant to Rule 144A or a transaction exempt from the registration requirements under the Securities Act. Resales of the Refinancing Notes offered in reliance on Rule 144A or in another transaction exempt from the registration requirements under the Securities Act, as the case may be, are restricted as described under "Transfer Restrictions" in the 2012 Offering Circular. Beneficial interests in a Regulation S Global Note may not be held by a U.S. person at any time, and resales of the Refinancing Notes offered in offshore transactions to non-U.S. persons in reliance on Regulation S may be effected only in accordance with the transfer restrictions described herein. As used in this paragraph, the terms "**United States**" and "**U.S.**" have the meanings given to them by Regulation S.

Citigroup and its respective affiliates may have had in the past and may in the future have business relationships and dealings with the Collateral Manager and its affiliates and one or more obligors with respect to Collateral Obligations and their affiliates and may own equity or debt securities issued by such entities or their affiliates. Citigroup and its respective affiliates may have provided and may in the future provide investment banking services to such entities or their affiliates and may have received or may receive compensation for such services.

The Refinancing Notes are offered when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions.

The Refinancing Notes are a new issue of securities for which there is currently no market. Citigroup is under no obligation to make a market in any Class of Refinancing Notes and any market making activity, if commenced, may be discontinued at any time. There can be no assurance that a secondary market for any Class of Refinancing Notes will develop, or if one does develop, that it will continue. Accordingly, no assurance can be given as to the liquidity of or trading market for the Refinancing Notes.

In connection with the offering of the Refinancing Notes, Citigroup may, as permitted by applicable law, over-allot or effect transactions that stabilize or maintain the market price of the Refinancing Notes at a level which might not otherwise prevail in the open market. The stabilizing, if commenced, may be discontinued at any time.

Purchasers of the Refinancing Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price.

The Co-Issuers have not authorized and do not authorize the making of any offer of Refinancing Notes through any financial intermediary on their behalf, other than offers made by the Initial Purchaser with a view to the final placement of the Refinancing Notes as contemplated in this Offering Circular. Accordingly, no purchaser of the Refinancing Notes, other than the Initial Purchaser, is authorized to make any further offer of the Refinancing Notes on behalf of the Co-Issuers and the Initial Purchaser.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "**relevant member state**"), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "**relevant implementation date**"), an offer of securities described in this Offering Circular may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the securities that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity that is a "**qualified investor**" as defined in the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state;
- to fewer than 150 natural or legal persons (other than qualified investors) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state;

provided that no such offer of securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state.

Each purchaser of securities described in this Offering Circular located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" as defined in the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state.

For purposes of this provision, the expression an "offer to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any amendments to the Prospectus Directive to the extent implemented in that member state and any measure implementing the Prospectus Directive in that member state, and the expression "**Prospectus Directive**" means Directive 2003/71/EC.

Notice to Prospective Investors in the United Kingdom

Within the United Kingdom this Offering Circular is only being distributed to, and is only directed at, professionals or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer (all such persons together being referred to as "**relevant persons**"). This Offering Circular may not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in France

Neither this Offering Circular nor any other offering material relating to the Refinancing Notes has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The Refinancing Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Offering Circular nor any other offering material relating to the Refinancing Notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Notes to the public in France.

Such offers, sales and distributions will be made in France only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account; or
- to investment services providers authorized to engage in collateral management on behalf of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*);

all as defined in, and in accordance with, articles L.411-2, D.411-1, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*; or

- to the extent that, in accordance with article L.411-2 of the French Code *monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, any such offer, sale or distribution does not constitute or trigger an offer to the public (*offre au public*).

The Refinancing Notes may be resold directly or indirectly only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code *monétaire et financier*.

Notice to Prospective Investors in Italy

No application has been or will be made by any person to obtain an authorization from Commissione Nazionale per le Società e la Borsa ("**CONSOB**") for the public offering ("*offerta al pubblico*") of the Refinancing Notes in the Republic of Italy. Accordingly, no Refinancing Notes may be offered, sold or delivered, nor may copies

of this Offering Circular or of any other document relating to the Refinancing Notes be distributed in the Republic of Italy, except:

(i) to qualified investors ("*investitori qualificati*"), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in any other circumstances where an express exemption from compliance with the rules relating to public offers of financial products ("*offerta al pubblico di prodotti finanziari*") provided for by the Financial Services Act and the relevant implementing regulations (including Regulation No. 11971) applies.

Any offer, sale or delivery of the Refinancing Notes or distribution of copies of this Offering Circular or any other document relating to the Refinancing Notes in the Republic of Italy under (i) or (ii) above must be made:

(a) only by banks, investment firms ("*imprese di investimento*") or financial institutions enrolled in the register provided for under article 106 of Italian Legislative Decree No. 385 of 1 September, 1993, as subsequently amended from time to time (the "**Italian Banking Act**"), in each case to the extent duly authorized to engage in the placement and/or underwriting ("*sottoscrizione e/o collocamento*") of financial instruments ("*strumenti finanziari*") in Italy in accordance with the Italian Banking Act, the Financial Services Act and the relevant implementing regulations;

(b) only to qualified investors ("*investitori qualificati*") as set out above; and

(c) in accordance with all applicable Italian laws and regulations, including all relevant Italian securities and tax laws and regulations and any limitations as may be imposed from time to time by CONSOB or the Bank of Italy.

Notice to Prospective Investors in Ireland

The Notes will not be underwritten or placed otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20th March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989, of Ireland, as amended.

In connection with offers or sales of the Notes, each of the Co-Issuers and the Initial Purchaser has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of the Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

In respect of a local offer (within the meaning of Section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (the "**2005 Act**")) of Notes in Ireland, Section 49 of the 2005 Act has been complied with and will be complied with.

Notice to Prospective Investors in Japan

The Refinancing Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, will not be offered or sold, directly or indirectly, in Japan or to, or for the account of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except (i) pursuant

to an exemption from the registration requirements of the FIEA and (ii) in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time.

LISTING AND GENERAL INFORMATION

1. This Offering Circular has been approved by the Central Bank as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Refinancing Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Refinancing Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any member state of the EEA. There can be no assurance that any such listing will be granted or maintained. It is expected that the total expenses related to listing and admission to trading will be approximately €11,000, excluding ongoing annual fees of the Irish Stock Exchange.
2. For the term of the Refinancing Notes, copies of the Memorandum and Articles of Association of the Issuer, the Limited Liability Company Agreement of the Co-Issuer and the Indenture, including Supplemental Indenture No. 1, will be available in electronic form for inspection at the principal office of the Issuer and the offices of the Trustee, respectively.
3. Neither of the Co-Issuers is, or has since formation been, involved in any litigation, governmental proceedings or arbitration proceedings relating to claims in amounts which may have or have had a significant effect on the financial position or profitability of the Co-Issuers nor, so far as either Co-Issuer is aware, is any such litigation, governmental proceedings or arbitration involving it pending or threatened.
4. The issuance by the Issuer of the Refinancing Notes was authorized by the Issuer by resolutions passed on or about the Refinancing Date and the issuance by the Co-Issuer of the Co-Issued Notes was authorized by the Co-Issuer by resolutions passed on or about the Refinancing Date.
5. The Issuer is not required by Cayman Islands law, and the Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Co-Issuer is not required by Delaware law, and the Co-Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Co-Issuers do not intend to provide to the public post-issuance transaction information regarding the securities or the performance of the underlying collateral.
6. If the Collateral Administrator resigns or is removed, no removal or resignation of the Collateral Administrator shall be effective until the date as of which a successor collateral administrator appointed by the Issuer and approved by the Collateral Manager shall have agreed in writing to assume all of the Collateral Administrator's duties and obligations under the Collateral Administration Agreement.
7. Each Rating Agency is not established in the European Union and has not registered for the purposes of the EU Regulation on credit rating agencies (Regulation (EC) No.1060/2009), as amended.
8. The Refinancing Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Notes have been accepted for clearance through Clearstream and Euroclear. The Refinancing Notes sold to persons that are Qualified Institutional Buyers and Qualified Purchasers in reliance on Rule 144A under the Securities Act and represented by Rule 144A Global Notes have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN), as applicable, for the Refinancing Notes are as follows:

	Rule 144A	Rule 144A ISIN	Regulation S	Regulation S	Regulation S
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	CUSIP Number		CUSIP Number	ISIN	Common Codes
Class A-1R Notes	05616G AJ8	US05616GAJ85	G0758Q AE9	USG0758QAE91	123912896
Class A-2R Notes	05616G AL3	US05616GAL32	G0758Q AF6	USG0758QAF66	123912977
Class B-R Notes	05616G AN9	US05616GAN97	G0758Q AG4	USG0758QAG40	123913043
Class C-R Notes	05616G AQ2	US05616GAQ29	G0758Q AH2	USG0758QAH23	123913078
Class D-R Notes	05617Q AE6	US05617QAE61	G0758R AC1	USG0758RAC19	123913329

LEGAL MATTERS

Certain legal matters with respect to the Refinancing Notes will be passed upon for the Co-Issuers and the Initial Purchaser by Freshfields Bruckhaus Deringer US LLP. Certain legal matters with respect to the Collateral Manager will be passed upon for the Collateral Manager by Mayer Brown LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Maples and Calder.

GLOSSARY

The following defined terms should be read in conjunction with the section entitled "Glossary of Certain Defined Terms" in the 2012 Offering Circular.

"2012 Offering Circular" means the final Offering Circular dated June 26, 2012 relating to the Original Notes.

"Bond" means a debt security (that is not a Loan).

"Class A-1R Notes" means the Class A-1R Senior Secured Floating Rate Notes due 2023 issued on the Refinancing Date pursuant to the Indenture.

"Class A-2R Notes" means the Class A-2R Senior Secured Floating Rate Notes due 2023 issued on the Refinancing Date pursuant to the Indenture.

"Class B-R Notes" means the Class B-R Senior Secured Deferrable Floating Rate Notes due 2023 issued on the Refinancing Date pursuant to the Indenture.

"Class C-R Notes" means the Class C-R Senior Secured Deferrable Floating Rate Notes issued on the Refinancing Date pursuant to the Indenture.

"Class D-R Notes" means the Class D-R Senior Secured Deferrable Floating Rate Notes due 2023 issued on the Refinancing Date pursuant to the Indenture.

"Closing Date" means the date on or about June 9, 2015.

"FATCA" means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any U.S. or non-U.S. legislation, rules, regulations, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code or analogous provisions of non-U.S. law.

"Initial Purchaser" means Citigroup Global Markets Inc.

"Loan" means any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and is not a security or derivative.

"Notes" means the Refinancing Notes together with the Subordinated Notes.

"Original Class A-1 Notes" means the Class A-1 Senior Secured Floating Rate Notes due 2023 issued on the Original Closing Date pursuant to the Indenture.

"Original Class A-2 Notes" means the Class A-2 Senior Secured Floating Rate Notes due 2023 issued on the Original Closing Date pursuant to the Indenture.

"Original Class B Notes" means the Class B Senior Secured Deferrable Floating Rate Notes due 2023 issued on the Original Closing Date pursuant to the Indenture.

"Original Class C Notes" means the Class C Senior Secured Deferrable Floating Rate Notes issued on the Original Closing Date pursuant to the Indenture.

"Original Class D Notes" means the Class D Senior Secured Deferrable Floating Rate Notes due 2023 issued on the Original Closing Date pursuant to the Indenture.

"Original Closing Date" means June 21, 2012.

"Original Notes" means the Subordinated Notes together with the Refinanced Notes.

"Refinancing Date" means the date on or about June 9, 2015.

"Refinanced Notes" means, collectively, the Original Class A-1 Notes, the Original Class A-2 Notes, the Original Class B Notes, the Original Class C Notes and the Original Class D Notes.

"Refinancing Notes" means, collectively, the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes.

"Subordinated Notes" means the Subordinated Notes issued on the Original Closing Date pursuant to the Indenture.

INDEX OF DEFINED TERMS

Following is an index of defined terms used in this Offering Circular and the page number where each definition appears.

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ANNEX A

2012 OFFERING CIRCULAR

DISCLAIMER

Attached please find an electronic copy of the final Offering Circular dated June 26, 2012 (the "Offering Circular") relating to the offering by Babson CLO Ltd. 2012-II and Babson CLO 2012-II, LLC of certain notes (the "Offering").

The Offering Circular shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

In order to be eligible to access the Offering Circular or make an investment decision with respect to the securities described therein, you must either (a) not be a "U.S. person" within the meaning of Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), or (b) be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act (or, solely in the case of the Subordinated Notes, an "accredited investor" within the meaning set forth in Rule 501(a) under the Securities Act) that is also a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act").

Distribution of this electronic transmission of the Offering Circular to any person other than (a) the person receiving this electronic transmission from the Initial Purchaser on behalf of the Co-Issuers, and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by electronic mail or any other means to any person other than an Authorized Recipient, except as expressly authorized herein, is prohibited. By accepting delivery of the Offering Circular, each recipient hereof agrees to the foregoing.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS, AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE RECIPIENTS, MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE THE U.S. TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING A CO-ISSUER, THE INITIAL PURCHASER, THE PLACEMENT AGENT THE COLLATERAL MANAGER OR ANY OTHER PARTY TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT SUCH INFORMATION IS RELEVANT TO U.S. TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

OFFERING CIRCULAR

Babson CLO Ltd. 2012-II Babson CLO 2012-II, LLC

U.S.\$255,000,000 Class A-1 Senior Secured Floating Rate Notes due 2023
U.S.\$42,000,000 Class A-2 Senior Secured Floating Rate Notes due 2023
U.S.\$32,000,000 Class B Senior Secured Deferrable Floating Rate Notes due 2023
U.S.\$22,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2023
U.S.\$18,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2023
U.S.\$37,850,000 Subordinated Notes due 2023

The Issuer's investment portfolio will consist primarily of bank loans.

The portfolio will be managed by Babson Capital Management LLC.

The Notes will be sold at negotiated prices determined at the time of sale. See "Plan of Distribution" beginning on page 134.

This Offering Circular uses defined terms. See "Glossary of Certain Defined Terms" beginning on page 155.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 23.

No Notes will be issued unless upon issuance (i) the Class A-1 Notes are rated "Aaa (sf)" by Moody's and "AAA(sf)" by S&P, (ii) the Class A-2 Notes are rated at least "AA(sf)" by S&P, (iii) the Class B Notes are rated at least "A(sf)" by S&P, (iv) the Class C Notes are rated at least "BBB(sf)" by S&P and (v) the Class D Notes are rated at least "BB(sf)" by S&P. The Subordinated Notes will not be rated. See "Ratings of the Secured Notes" on page 79.

This Offering Circular constitutes the prospectus for the purposes of the Prospectus Directive 2003/71/EC (the "**Prospectus Directive**"). References throughout this document to the "Offering Circular" shall be taken to read "Prospectus" for such purpose. The Offering Circular has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and European Union ("**EU**") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List (the "**Official List**") and trading on its regulated market. There can be no assurance that any such listing will be granted or maintained.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER CO-ISSUER HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE NOTES ARE BEING OFFERED ONLY (I) TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S AND (II) TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS THAT ARE (A) (I) QUALIFIED INSTITUTIONAL BUYERS OR (II) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, ACCREDITED INVESTORS AND ALSO (B) (I) QUALIFIED PURCHASERS OR (II) ENTITIES OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A OR BY SECTION 4(2) THEREUNDER. EACH ORIGINAL PURCHASER OF A NOTE WILL BE DEEMED TO MAKE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER, SEE "TRANSFER RESTRICTIONS" BEGINNING ON PAGE 138.

The Notes are expected to be delivered to investors in book-entry form through The Depository Trust Company and its participants and indirect participants, including, without limitation, Euroclear and Clearstream (or, in the case of Certificated Subordinated Notes, in physical form or, in the case of Uncertificated Subordinated Notes, on the books and records of the Issuer), on or about June 21, 2012.

Initial Purchaser of the Secured Notes and Placement Agent of the Subordinated Notes.

Citigroup

A version of this Offering Circular was originally distributed on June 19, 2012 (the "**Original Distribution Date**") and has been amended for listing purposes on the date hereof. The Central Bank has not reviewed or approved the version of the Offering Circular distributed on the Original Distribution Date.

June 26, 2012

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IMPORTANT INFORMATION REGARDING THIS OFFERING CIRCULAR AND THE NOTES

In making your investment decision, you should only rely on the information contained in this Offering Circular and in the Transaction Documents. No person has been authorized to give you any information or to make any representation other than those contained in this Offering Circular and in the Transaction Documents. If you receive any other information, you should not rely on it.

You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the front cover of this Offering Circular.

The Notes are being offered and sold only in places where offers and sales are permitted.

The Co-Issuers, the Initial Purchaser and the Placement Agent reserve the right, for any reason, to reject any offer to purchase in whole or in part, to allot to you less than the full amount of Notes sought by you or to sell less than the stated initial principal amount of any Class of Notes.

The Notes do not represent interests in or obligations of, and are not insured or guaranteed by, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates.

The Notes are subject to restrictions on resale and transfer as described under "Description of the Notes", "Plan of Distribution" and "Transfer Restrictions". By purchasing any Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in "Transfer Restrictions". You may be required to bear the financial risks of investing in the Notes for an indefinite period of time.

Unless the context otherwise requires or as otherwise indicated herein, each reference to "Citigroup" in this Offering Circular means Citigroup Global Markets Inc. in its capacity as an initial purchaser of the Secured Notes and a placement agent of the Subordinated Notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

This Offering Circular is being provided only to prospective purchasers of the Notes. You should read this Offering Circular and the Transaction Documents before making a decision whether to purchase any Notes. Except as otherwise authorized above, you must not:

- use this Offering Circular for any other purpose;
- make copies of any part of this Offering Circular or give a copy of this Offering Circular or any portion thereof to any other person; or
- disclose any information in this Offering Circular to any other person.

The information contained in this Offering Circular has been provided by the Co-Issuers and other sources identified herein. The Co-Issuers accept responsibility for the information contained in this Offering Circular. The Collateral Manager accepts responsibility for the Collateral Manager Information. The "**Collateral Manager Information**" consists of (i) the information contained under the headings "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients" and the subheadings thereunder and "The Collateral Manager" and the subheadings thereunder and (ii) Part 2A of the Collateral Manager's Form ADV attached hereto as Annex D, and has been provided by the Collateral Manager. To the best of the knowledge and belief of the Co-Issuers, the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the Collateral Manager, the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

You are responsible for making your own examination of the Co-Issuers and the Collateral Manager and your own assessment of the merits and risks of investing in the Notes. By purchasing any Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offering Circular;
- you have had an opportunity to request any additional information that you need from the Issuer; and
- neither Citigroup nor the Collateral Manager is responsible for, or is making any representation to you concerning, (i) the future performance of the Issuer or (ii) the accuracy or completeness of this Offering Circular (except, in the case of the Collateral Manager, with respect to the Collateral Manager Information).

None of the Co-Issuers, Citigroup, the Collateral Manager or any other party to the transactions contemplated by this Offering Circular is providing you with any legal, business, tax or other advice in this Offering Circular. You should consult with your own advisors as needed to assist you in making an investment decision and to advise you as to whether you are legally permitted to purchase the Notes.

The Notes are being offered in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or other regulatory authority, and none of the foregoing authorities has confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

In connection with the preparation and dissemination of this Offering Circular, the Co-Issuers and Citigroup have assumed that Releases Nos. 33-9117 and 34-61858 of the United States Securities and Exchange Commission reflect a policy determination to expand the required disclosure in connection with certain collateralized debt obligation fund transactions as opposed to a determination that the specific disclosure requirements proposed in such Releases are required to satisfy the disclosure and anti-fraud requirements of Federal securities laws.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of the Co-Issuers, Citigroup, the Collateral Manager or any other party to the transactions contemplated by this Offering Circular is responsible for your compliance with these legal requirements.

You are hereby notified that a seller of the Notes may rely on an exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A or by Section 4(2) of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering.

IMPORTANT INFORMATION REGARDING OFFERS AND SALES OF THE NOTES

The Notes offered hereby are subject to modification or revision and are offered on a "when, as and if issued" basis. You understand that, when you are considering the purchase of Notes, a binding contract of sale will not exist prior to the time that the relevant class of Notes has been priced and Citigroup or (in the case of certain of the Subordinated Notes) the Issuer, as applicable, has confirmed the allocation of such Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft circles" generated by Citigroup or the Issuer, as applicable, will not create binding contractual obligations for you or Citigroup or the Issuer, as applicable, and may be withdrawn at any time.

You may commit to purchase one or more classes of Notes that have characteristics that may change, and you are advised that all or a portion of the Notes may not be issued with the characteristics described in this Offering Circular. The obligation of Citigroup or the Co-Issuers to sell and/or Citigroup to place, as applicable, such Notes to you is conditioned on the Notes having the characteristics described in this Offering Circular. If Citigroup or the Co-Issuers determine that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer, Citigroup will have any obligation to you to deliver any portion of the Notes that you have committed to purchase, and there will be no liability among the Issuer, the Co-Issuer, their affiliates, Citigroup and you as a consequence of the non-delivery. Your payment for the Notes will confirm your agreement to the terms and conditions described in this Offering Circular.

The information contained herein supersedes any previous such information delivered to you and may be superseded by information delivered to you prior to the time of contract of sale.

No invitation may be made to the public in the Cayman Islands to subscribe for the Notes.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, (I) ANY SECURITIES OTHER THAN THE NOTES OR (II) ANY NOTES IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER OR SOLICITATION. THE DISTRIBUTION OF THIS OFFERING CIRCULAR AND THE OFFER OR SALE OF THE NOTES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS OFFERING CIRCULAR OR ANY OF THE NOTES COME ARE REQUIRED BY THE CO-ISSUERS, THE INITIAL PURCHASER AND THE PLACEMENT AGENT TO INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

EACH PROSPECTIVE PURCHASER OF ANY OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS OFFERING CIRCULAR AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE CO-ISSUERS, THE INITIAL PURCHASER, THE PLACEMENT AGENT, THE COLLATERAL MANAGER AND ANY OF THEIR RESPECTIVE AFFILIATES SHALL HAVE ANY RESPONSIBILITY THEREFOR.

NOTICE TO FLORIDA RESIDENTS

The Notes are offered pursuant to a claim of exemption under section 517.061 of the Florida Securities and Investor Protection Act and have not been registered under said act in the state of Florida. All Florida residents who are not institutional investors described in section 517.061(7) of the Florida Securities and Investor Protection Act have the right to void their purchase of the Notes, without penalty, within three days after the first tender of consideration.

NOTICE TO GEORGIA RESIDENTS

The Notes have not been registered under the Georgia Uniform Securities Act of 2008, and may not be sold or transferred except in a transaction that is exempt under such act or pursuant to an effective registration under such act.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

WITHIN THE UNITED KINGDOM, THIS OFFERING CIRCULAR MAY NOT BE PASSED ON EXCEPT TO INVESTMENT PROFESSIONALS OR OTHER PERSONS IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) DOES NOT APPLY TO THE ISSUER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS OFFERING CIRCULAR MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING CIRCULAR RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

RELEVANT PERSONS SHOULD NOTE THAT ALL, OR MOST, OF THE PROTECTIONS OFFERED BY THE UNITED KINGDOM REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE NOTES AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO RESIDENTS OF AUSTRALIA

NO PROSPECTUS OR OTHER DISCLOSURE DOCUMENT (AS DEFINED IN THE CORPORATIONS ACT 2001 OF AUSTRALIA) IN RELATION TO THE NOTES HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION ("ASIC"), AND ACCORDINGLY:

(A) OFFERS MAY NOT BE MADE AND APPLICATIONS MAY NOT BE INVITED FOR THE ISSUE, SALE OR PURCHASE OF THE NOTES IN AUSTRALIA (INCLUDING AN OFFER OR INVITATION WHICH IS RECEIVED BY A PERSON IN AUSTRALIA); AND

(B) NO DRAFT, PRELIMINARY OR DEFINITIVE OFFERING MEMORANDUM, ADVERTISEMENT OR OTHER OFFERING MATERIAL RELATING TO THE NOTES MAY BE DISTRIBUTED OR PUBLISHED IN AUSTRALIA;

UNLESS (1) THE AGGREGATE CONSIDERATION PAYABLE BY EACH OFFEREE OR INVITEE IS AT LEAST AUD500,000 (OR ITS EQUIVALENT IN OTHER CURRENCIES, BUT DISREGARDING MONIES LENT BY THE OFFEROR OR ITS ASSOCIATES) OR THE OFFER OR INVITATION OTHERWISE DOES NOT REQUIRE DISCLOSURE TO INVESTORS IN ACCORDANCE WITH PART 6D.2 OF THE CORPORATIONS ACT, (2) SUCH ACTION COMPLIES WITH ALL APPLICABLE LAWS, REGULATIONS AND DIRECTIVES, AND (3) SUCH ACTION DOES NOT REQUIRE ANY DOCUMENT TO BE LODGED WITH ASIC.

NOTICE TO RESIDENTS OF FINLAND

THE NOTES MAY NOT BE OFFERED OR SOLD, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO ANY RESIDENT OF THE REPUBLIC OF FINLAND OR IN THE REPUBLIC OF FINLAND, EXCEPT PURSUANT TO APPLICABLE FINNISH LAWS AND REGULATIONS. SPECIFICALLY, THE NOTES MAY ONLY BE ACQUIRED FOR DENOMINATIONS OF NOT LESS THAN EURO 50,000, AND THE NOTES MAY NOT BE OFFERED OR SOLD, AND THIS OFFERING CIRCULAR MAY NOT BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO THE PUBLIC IN THE REPUBLIC OF FINLAND AS DEFINED UNDER THE FINNISH SECURITIES MARKET ACT OF 1989.

NOTICE TO RESIDENTS OF TAIWAN AND THE PEOPLE'S REPUBLIC OF CHINA

THE OFFER OF THE NOTES HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE SECURITIES AND FUTURES COMMISSION OF TAIWAN OR WITH THE RELEVANT REGULATORY AUTHORITIES IN THE PEOPLE'S REPUBLIC OF CHINA PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS AND THE SECURED NOTES MAY NOT BE OFFERED OR SOLD WITHIN TAIWAN OR THE PEOPLE'S REPUBLIC OF CHINA THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE LAW OF TAIWAN OR WITHIN THE MEANING OF RELEVANT SECURITIES LAWS AND REGULATIONS IN THE PEOPLE'S REPUBLIC OF CHINA THAT REQUIRE A REGISTRATION OR APPROVAL OF THE SECURITIES AND FUTURES COMMISSION OF TAIWAN OR THE RELEVANT SECURITIES REGULATORY AUTHORITIES IN THE PEOPLE'S REPUBLIC OF CHINA.

NOTICE TO RESIDENTS OF MEMBER STATES OF THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “**relevant member state**”), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the “**relevant implementation date**”) an offer of Notes may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

(a) to any legal entity that is a “**qualified investor**” as defined in the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state;

(b) to fewer than 100 or, if the relevant member state has implemented the relevant provision of Directive 2010/73/EU, 150, natural or legal persons (other than qualified investors) subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state;

provided that no such offer of securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state.

For the purposes of this provision, the expression an “offer of securities to the public” in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any amendments to the Prospectus Directive to the extent

implemented in that member state and any measure implementing the Prospectus Directive in that member state, and the expression "**Prospectus Directive**" means Directive 2003/71/EC.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements, which can be identified by words like "anticipate", "believe", "plan", "hope", "goal", "initiative", "expect", "future", "intend", "will", "could", and "should" and by similar expressions. Other information herein, including any estimated, targeted or assumed information, also may constitute or contain forward-looking statements. You should not place undue reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in "Risk Factors". Forward-looking statements are necessarily speculative in nature, and some of or all the assumptions underlying any forward-looking statements may not materialize or may vary significantly from actual results. Variations between assumptions and results may be material.

Without limiting the generality of the foregoing, you should not regard the inclusion of forward-looking statements in this Offering Circular as a representation by the Co-Issuers, the Collateral Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates or any other person of the results that will actually be achieved by the Issuer or the Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revisions to reflect changes in any circumstances arising after the Original Distribution Date relating to any assumptions or otherwise.

Notwithstanding the foregoing, you may assume that events described as anticipated or expected to occur on or prior to the Original Distribution Date or the Closing Date, events described as events that "will" occur on or prior to the Original Distribution Date or the Closing Date, and circumstances described as anticipated or expected to be the case on or as of the Original Distribution Date or the Closing Date or at issuance of the Notes or as circumstances that "will" be the case on or as of the Original Distribution Date or the Closing Date, did occur or were the case on, prior to or as of such date or at issuance of the Notes, as applicable; that the expected initial ratings of the Notes were received; that the Notes were issued pursuant to the Indenture; that the Notes have the characteristics described as characteristics that they "will" have; that the opinions of special U.S. federal income tax counsel described under "Certain U.S. Federal Income Tax Considerations" were received; that the circumstances described as expected to be the case and the events described as events that "will" happen under "Use of Proceeds—General" were the case and did happen; that the proposed capitalization and indebtedness of the Issuer described under "The Co-Issuers—Capitalization of the Issuer" was the Issuer's capitalization and indebtedness as of the Closing Date; and that provisions described as provisions that "will" be embodied in any Transaction Document, the Purchase Agreement or the Placement Agency Agreement are embodied in such Transaction Document, the Purchase Agreement or the Placement Agency Agreement, as the case may be.

CERTAIN DEFINITIONS AND RELATED MATTERS

Unless otherwise indicated, (i) references in this Offering Circular to "**U.S. Dollars**", "**Dollars**" and "**U.S.\$**" will be to United States dollars; (ii) references to the term "**holder**" will mean the person in whose name a security is registered; except where the context otherwise requires, holder will include the beneficial owner of such security; and (iii) references to "**U.S.**" and "**United States**" will be to the United States of America, its territories and its possessions.

SUMMARIES OF DOCUMENTS

This Offering Circular summarizes certain provisions of the Notes, the Indenture, the Collateral Management Agreement and other transactions and documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the actual documents (including definitions of terms). Copies of the above documents are available on request from the Trustee. However, no documents incorporated by reference are

part of this Offering Circular for purposes of the admission of the Notes to trading on the regulated market of the Irish Stock Exchange. You should direct any requests and inquiries requesting copies of this Offering Circular, or such other documents available from the Trustee, to the Trustee at the following address: State Street Bank and Trust Company, 200 Clarendon Street, Boston, Massachusetts 02116, Attention: Babson CLO Ltd. 2012-II.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the sale of the Notes, the Issuer (and, solely in the case of the Secured Notes other than the Class D Notes, the Co-Issuer) under the Indenture referred to under "Description of the Notes" will be required to furnish upon request of a holder of a Note to such holder and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Co-Issuers are neither (a) reporting companies under Section 13 or Section 15(d) of the Exchange Act nor (b) exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Neither of the Co-Issuers expects to become such a reporting company or to become so exempt from reporting. Such information may be obtained directly from the Issuer.

SUMMARY OF TERMS

The following summary does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular (the "**Offering Circular**") and related documents referred to herein. An index of defined terms appears at the back of this Offering Circular.

Principal Terms of the Notes

Designation	Class A-1 Notes	Class A-2 Notes	Class B Notes	Class C Notes	Class D Notes	Subordinated Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Subordinated
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer	Issuer
Initial Principal Amount (U.S.\$)	\$255,000,000	\$42,000,000	\$32,000,000	\$22,000,000	\$18,000,000	\$37,850,000
Expected S&P Initial Rating	"AAA(sf)"	"AA(sf)"	"A(sf)"	"BBB(sf)"	"BB(sf)"	N/A
Expected Moody's Initial Rating	"Aaa (sf)"	N/A	N/A	N/A	N/A	N/A
Interest Rate	LIBOR + 1.40%	LIBOR + 2.50%	LIBOR + 3.00%	LIBOR + 4.25%	LIBOR + 5.25%	N/A
Interest Deferrable	No	No	Yes	Yes	Yes	N/A
Stated Maturity	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023
Minimum Denominations (U.S.\$) (Integral Multiples)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)
Ranking:						
Priority Class(es)	None	A-1	A-1, A-2	A-1, A-2, B	A-1, A-2, B, C	A-1, A-2, B, C, D
Junior Class(es)	A-2, B, C, D, Subordinated	B, C, D, Subordinated	C, D, Subordinated	D, Subordinated	Subordinated	None

Issuer:	Babson CLO Ltd. 2012-II, a Cayman Islands exempted company incorporated with limited liability.
Co-Issuer:	Babson CLO 2012-II, LLC, a Delaware limited liability company.
Collateral Manager:	Babson Capital Management LLC, a Delaware limited liability company.
Trustee:	State Street Bank and Trust Company
Collateral Administrator:	State Street Bank and Trust Company
Initial Purchaser and Placement Agent:	Citigroup Global Markets Inc.

Administrator:

MaplesFS Limited

Eligible Purchasers:

The Notes are being offered hereby (i) to non-U.S. persons in offshore transactions in reliance on Regulation S and (ii) in the United States to persons that are (x) either (A) Qualified Institutional Buyers or (B) in the case of the Subordinated Notes only, Accredited Investors and also (y) (A) Qualified Purchasers or (B) entities owned exclusively by Qualified Purchasers. See "Description of the Notes—Form, denomination and registration of the Notes" and "Transfer Restrictions".

Payments on the Notes:

Payment Dates The 15th day of February, May, August and November of each year (or, if such day is not a Business Day, then the next succeeding Business Day) commencing in November 2012.

Stated Note Interest Interest on the Secured Notes is payable quarterly in arrears on each Payment Date in accordance with the Priority of Payments described herein.

Deferral of Interest So long as any more senior Class of Secured Notes is outstanding, to the extent interest is not paid on the Class B Notes, the Class C Notes or the Class D Notes on any Payment Date, such non-payment will not constitute an Event of Default under the Indenture and such amounts will be deferred and added to the principal balance of the applicable Class of Secured Notes and will bear interest at the Interest Rate applicable to such Class of Secured Notes, until the earliest of (i) the Payment Date on which funds are available to pay such Secured Note Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to the applicable Class of Secured Notes and (iii) the Stated Maturity of the applicable Class of Secured Notes. Regardless of whether any more senior Class of Notes is outstanding, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, the applicable Class of Secured Notes) to pay Secured Note Deferred Interest on the applicable Class of Secured Notes, such Secured Note Deferred Interest will not be due and payable on such Payment Date and any failure to pay such Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "Description of the Notes—Interest on the Secured Notes".

Distributions on Subordinated Notes The Subordinated Notes will not bear a stated rate of interest but will be entitled to receive distributions on each Payment Date if and to the extent funds are available for such purpose. Such payments will be made on the Subordinated Notes only pursuant to the Priority of Payments. See "—Priority of Payments" and "Description of the Notes—The Subordinated Notes—

Distributions on the Subordinated Notes".

Subject to certain conditions, funds transferred from the Distribution Reserve Account to the Interest Collection Subaccount on each Interim Subordinated Note Payment Date will be paid as a distribution to one or more holders of Certificated or Uncertificated Subordinated Notes designated by the Issuer by notice to the Trustee on the Closing Date. See "Security for the Secured Notes—The Distribution Reserve Account".

Reinvestment Period:

The "**Reinvestment Period**" will be the period from and including the Closing Date to and including the earliest of (i) the Payment Date in May 2016, (ii) any date on which the maturity of any Class of Secured Notes is accelerated following an Event of Default pursuant to the Indenture and (iii) any date on which the Collateral Manager reasonably determines that it can no longer reinvest in additional Collateral Obligations in accordance with the Indenture or the Collateral Management Agreement, *provided*, in the case of this clause (iii), the Collateral Manager notifies the Issuer, the Trustee (who shall notify the holders of Notes) and the Collateral Administrator thereof at least five Business Days prior to such date.

Optional Redemption:

Non-Call Period..... During the period from the Closing Date to but excluding the Payment Date in May 2014 (such period, the "**Non-Call Period**"), the Secured Notes and the Subordinated Notes are not subject to Optional Redemption, but are subject to Special Redemption and Tax Redemption. See "Description of the Notes—Optional Redemption and Tax Redemption".

*Redemption After
Non-Call Period*..... If directed in writing by a Supermajority of the Subordinated Notes (with a copy to the Collateral Manager), the Co-Issuers or the Issuer, as applicable, will, on any Business Day occurring after the Non-Call Period, redeem the Secured Notes (i) in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds or (ii) in part by Class from Refinancing Proceeds (so long as the Secured Notes of any Class to be redeemed represent not less than the entire Class of such Secured Notes).

Upon any redemption in whole of the Secured Notes, the Collateral Manager will (unless Refinancing Proceeds are available) direct the sale (and the manner thereof) of Assets in order to make payments as described under "Description of the Notes—Optional Redemption and Tax Redemption".

The Issuer may redeem the Subordinated Notes, in whole but not in part, on any Business Day occurring on or after the Optional Redemption or repayment of the Secured Notes in full, at the direction of the Collateral Manager or at the direction of a Majority of the Subordinated Notes.

There are certain other restrictions on the ability of the Co-Issuers to effect an Optional Redemption. See "Description of the Notes—Optional Redemption and Tax Redemption".

Redemption by Refinancing In addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided above, the Co-Issuers or the Issuer, as applicable, may, after the Non-Call Period, redeem the Secured Notes in whole from Refinancing Proceeds and Sale Proceeds or in part by Class from Refinancing Proceeds by obtaining a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers and to the extent and subject to the restrictions described herein. No such redemption shall be effective unless the proceeds of such loan or replacement securities are applied to repay the aggregate Redemption Prices of the Class or Classes being redeemed. The terms of any Refinancing must be acceptable to a Supermajority of the Subordinated Notes and prior to effecting any Refinancing, the Issuer shall satisfy certain other conditions. See "Description of the Notes—Optional Redemption and Tax Redemption".

Clean-Up Call Redemption:

*Redemption After
Non-Call Period*..... At the written direction of the Collateral Manager to the Issuer and the Trustee, with copies to the Rating Agencies, at least 20 Business Days prior to the proposed Redemption Date, the Notes will be subject to redemption by the Issuer, in whole but not in part (a "**Clean-Up Call Redemption**") on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 10% of the Target Initial Par Amount.

Clean-Up Call Redemption Price Any Clean-Up Call Redemption is subject to (i) the purchase of the Assets (other than the Eligible Investments referred to in clause (d) of this sentence) from the Issuer by the Collateral Manager or any other Person, on or prior to the fifth Business Day immediately preceding the related Redemption Date, for a purchase price in cash (the "**Clean-Up Call Redemption Price**") at least equal to the greater of (1) the sum of (a) the aggregate outstanding principal amount of the Secured Notes, plus (b) all unpaid interest on the Secured Notes accrued to the date of such redemption (including any interest on defaulted interest),

plus (c) the aggregate of all other amounts owing by the Issuer on the date of such redemption that are payable in accordance with the Priority of Payments prior to distributions in respect of the Subordinated Notes (including, for the avoidance of doubt, all outstanding Administrative Expenses), minus (d) the balance of the Eligible Investments in the Collection Account and (2) the Market Value of such Assets being purchased, and (ii) the receipt by the Trustee from the Collateral Manager, prior to such purchase, of certification from the Collateral Manager that the sum so received satisfies clause (i).

On the Redemption Date related to any Clean-Up Call Redemption, the Clean-Up Call Redemption Price will be distributed pursuant to the Priority of Payments.

There are certain other restrictions on the ability of the Issuer to effect a Clean-Up Call Redemption. See "Description of the Notes—Clean-Up Call Redemption".

Additional Issuance..... At any time during the Reinvestment Period, the Co-Issuers may issue and sell additional Notes of any one or more Classes and/or additional notes of one or more new classes that are fully subordinated to the existing Secured Notes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—Additional issuance" are met.

Tax Redemption The Notes shall be redeemed in whole but not in part at the written direction (delivered to the Trustee, with a copy to the Collateral Manager) of (x) a Majority of any Class of Secured Notes that, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "**Affected Class**") or (y) a Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Assets which results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5.0% or more of scheduled distributions for any Collection Period or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S.\$1,000,000.

Redemption Prices The Redemption Price of each Secured Note to be redeemed in an Optional Redemption, a Clean-Up Call Redemption or a Tax Redemption will be (a) 100% of the outstanding principal amount of such Secured Note

plus (b) accrued and unpaid interest thereon (including, if applicable, interest on any accrued and unpaid Secured Note Deferred Interest with respect to such Secured Note) to the Redemption Date; *provided* that, in connection with any Tax Redemption, holders of 100% of the aggregate outstanding principal amount of any Class of Secured Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

The Redemption Price for each Subordinated Note will be its proportional share (based on the aggregate outstanding principal amount of the Subordinated Notes) of the amount of the proceeds of the Assets remaining after giving effect to the Optional Redemption, Clean-Up Call Redemption or Tax Redemption, as applicable, of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and all expenses of the Co-Issuers have been paid in full and/or a reserve for such expenses (including all Management Fees, Administrative Expenses and Dissolution Expenses) has been created.

Noteholder Reporting Obligations:

Noteholder Reporting Obligations..... Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person as defined in Section 1473(3) of the Code ("specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("substantial United States owner") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**").

Transfer Requirement If any purchaser, beneficial owner or subsequent transferee of Notes fails to comply with the Noteholder

Reporting Obligations, the Issuer will have the right to demand that such person or entity transfer its Notes or interest therein and, if such person or entity fails to effect such transfer, the Issuer will have the right to sell such Notes or interest therein on behalf of such person or entity. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".

Special Redemption:

*Redemption during the
Reinvestment Period*

The Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, in accordance with the priorities described in "—Priority of Payments—Application of Principal Proceeds" on any Payment Date occurring during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager and which would meet the criteria for reinvestment described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations. Any such notice shall be based upon the Collateral Manager having attempted, in accordance with the standard of care set forth in the Collateral Management Agreement, to identify additional Collateral Obligations as described above. See "Description of the Notes—Special Redemption".

*Redemption after the
Effective Date.....*

After the Effective Date, the Co-Issuers or the Issuer, as applicable, may redeem the Secured Notes in part if the Collateral Manager notifies the Trustee that a redemption is required in order to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, in each case in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date". See "Description of the Notes—Special Redemption".

The Co-Issuers must satisfy certain other conditions to effect a Special Redemption. See "Description of the Notes—Special Redemption".

Special Redemption Amount

The amount payable in connection with a Special Redemption in respect of each Class of Secured Notes subject to such Special Redemption will be equal to the amount in the Collection Account representing (1) in the case of a Special Redemption during the Reinvestment Period, Principal Proceeds which the Collateral Manager

has determined cannot be reinvested in additional Collateral Obligations or (2) in the case of a Special Redemption after the Effective Date, all Interest Proceeds and all other Principal Proceeds available in accordance with the Priority of Payments. In the case of clause (2), such amounts will be used for application in accordance with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable. See "— Priority of Payments" and "Description of the Notes— Special Redemption".

Priority of Payments:

- Application of Interest Proceeds*..... On each Payment Date, unless an Enforcement Event has occurred and is continuing, Interest Proceeds on deposit in the Collection Account, to the extent received on or before the related Determination Date (or if such Determination Date is not a Business Day, the next succeeding Business Day) and that are transferred into the Payment Account as described under "Security for the Secured Notes—The Collection Account and Payment Account", shall be applied in the following order of priority:
- (A) (1) first, to the payment of taxes and governmental fees owing by the Issuer, the Co-Issuer or any Blocker Subsidiary, if any, and (2) second, to the payment of the accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof, up to the Administrative Expense Cap;
 - (B) to the payment of (1) the Base Management Fee due and payable to the Collateral Manager and (2) any accrued and unpaid interest on the Base Management Fee; *provided* that such accrued and unpaid interest shall be paid solely to the extent that, after giving effect on a *pro forma* basis to such payment, sufficient Interest Proceeds remain to pay in full all amounts due under clauses (C), (D) and (E) below;
 - (C) to the payment of accrued and unpaid interest on the Class A-1 Notes;
 - (D) to the payment of accrued and unpaid interest on the Class A-2 Notes;
 - (E) if either of the Class A Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class A Coverage

Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (E);

- (F) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class B Notes;
- (G) if either of the Class B Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class B Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (G);
- (H) to the payment of any Secured Note Deferred Interest on the Class B Notes;
- (I) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class C Notes;
- (J) if either of the Class C Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class C Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (J);
- (K) to the payment of any Secured Note Deferred Interest on the Class C Notes;
- (L) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class D Notes;
- (M) if either of the Class D Coverage Tests (except, in the case of the Interest Coverage Test, if such Payment Date is the first Payment Date after the Closing Date) is not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to the extent necessary to cause all Class D Coverage Tests that are applicable on such Payment Date to be satisfied on a *pro forma* basis after giving effect to all payments pursuant to this clause (M);
- (N) to the payment of any Secured Note Deferred

Interest on the Class D Notes;

- (O) if, with respect to any Payment Date following the Effective Date, either (x) the Moody's Rating Condition has not been satisfied as described in "Use of Proceeds—Effective Date" (unless the Issuer or the Collateral Manager has provided a Passing Report described in "Use of Proceeds—Effective Date" to Moody's) or (y) S&P has not yet confirmed its initial ratings of the Secured Notes as described in "Use of Proceeds—Effective Date", amounts available for distribution pursuant to this clause (O) shall be used for application in accordance with the Note Payment Sequence on such Payment Date in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable;
- (P) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;
- (Q) to the payment (in the same manner and order of priority stated in the definition thereof) of any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;
- (R) to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 15.0%; and
- (S) any remaining Interest Proceeds to be paid (x) 20% to the Collateral Manager as part of the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

Application of Principal Proceeds..... On each Payment Date, unless an Enforcement Event has occurred and is continuing, Principal Proceeds on deposit in the Collection Account that are received on or before the related Determination Date and that are transferred to the Payment Account as described under "Security for the Secured Notes—The Collection Account and Payment Account" (which will not include (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase and (iii) after the Reinvestment Period, Eligible Post Reinvestment

Proceeds that will be used to reinvest in Substitute Obligations that the Issuer has already committed to purchase) shall be applied in the following order of priority:

- (A) to pay the amounts referred to in clauses (A) through (D) of "—Application of Interest Proceeds" (and in the same manner and order of priority stated therein), but only to the extent not paid in full thereunder;
- (B) to pay the amounts referred to in clause (E) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class A Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (B);
- (C) to pay the amounts referred to in clause (F) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class B Notes are the Controlling Class;
- (D) to pay the amounts referred to in clause (G) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class B Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (D);
- (E) to pay the amounts referred to in clause (H) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class B Notes are the Controlling Class;
- (F) to pay the amounts referred to in clause (I) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class C Notes are the Controlling Class;
- (G) to pay the amounts referred to in clause (J) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class C Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (G);
- (H) to pay the amounts referred to in clause (K) of "—Application of Interest Proceeds" to the extent not

paid in full thereunder, only to the extent that the Class C Notes are the Controlling Class;

- (I) to pay the amounts referred to in clause (L) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;
- (J) to pay the amounts referred to in clause (M) of "—Application of Interest Proceeds" but only to the extent not paid in full thereunder and to the extent necessary to cause the Coverage Tests that are applicable on such Payment Date with respect to the Class D Notes to be met as of the related Determination Date on a *pro forma* basis after giving effect to any payments made through this clause (J);
- (K) to pay the amounts referred to in clause (N) of "—Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;
- (L) with respect to any Payment Date following the Effective Date, if after the application of Interest Proceeds as provided in clause (O) under "—Application of Interest Proceeds" either (x) the Moody's Rating Condition has not been satisfied as described in "Use of Proceeds—Effective Date" (unless the Issuer or the Collateral Manager has provided a Passing Report described in "Use of Proceeds—Effective Date" to Moody's) or (y) S&P has not yet confirmed its initial ratings of the Secured Notes as described in "Use of Proceeds—Effective Date", amounts available for distribution pursuant to this clause (L) shall be used for application in accordance with the Note Payment Sequence on such Payment Date in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable;
- (M) (1) if such Payment Date is a Redemption Date (other than in respect of a Special Redemption), to make payments in accordance with the Note Payment Sequence, and (2) on any other Payment Date, to make payments in the amount, if any, of the Principal Proceeds that the Collateral Manager has determined cannot be practicably reinvested in additional Collateral Obligations, in accordance with the Note Payment Sequence;
- (N) (1) during the Reinvestment Period, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of

additional Collateral Obligations) and/or to the purchase of additional Collateral Obligations and (2) after the Reinvestment Period, in the case of Eligible Post Reinvestment Proceeds, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of Substitute Obligations) and/or to the purchase of Substitute Obligations;

- (O) to make payments in accordance with the Note Payment Sequence;
- (P) to pay the amounts referred to in clause (P) of "—Application of Interest Proceeds" only to the extent not already paid;
- (Q) to pay the amounts referred to in clause (Q) of "—Application of Interest Proceeds" only to the extent not already paid (in the same manner and order of priority stated therein);
- (R) after giving effect to clause (R) of "—Application of Interest Proceeds", to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 15.0%; and
- (S) any remaining proceeds to be paid (x) 20% to the Collateral Manager as part of the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

Special Priority of Payments Upon the occurrence and during the continuance of an Enforcement Event, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "Description of the Notes—Priority of Payments". The Special Priority of Payments and the other priorities of payment described above under "—Priority of Payments—Application of Interest Proceeds" and "—Application of Principal Proceeds" are referred to herein as the "**Priority of Payments**".

Note Payment Sequence The "**Note Payment Sequence**" shall be the application, in accordance with the Priority of Payments described above, of Interest Proceeds or Principal Proceeds, as applicable, in the following order:

- (i) to the payment of principal of the Class A-1 Notes until such amount has been paid in full;
- (ii) to the payment of principal of the Class A-2 Notes until such amount has been paid in full;
- (iii) to the payment of principal of the Class B Notes (including any Secured Note Deferred Interest in respect of the Class B Notes) until the Class B Notes have been paid in full;

- (iv) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class B Notes until such amount has been paid in full;
- (v) to the payment of principal of the Class C Notes (including any Secured Note Deferred Interest in respect of the Class C Notes) until the Class C Notes have been paid in full;
- (vi) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class C Notes until such amount has been paid in full;
- (vii) to the payment of principal of the Class D Notes (including any Secured Note Deferred Interest in respect of the Class D Notes) until the Class D Notes have been paid in full; and
- (viii) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class D Notes until such amount has been paid in full.

Management Fees:

The Collateral Manager will be entitled on each Payment Date to receive (i) a Base Management Fee equal to 0.25% per annum of the Fee Basis Amount, (ii) a Subordinated Management Fee equal to 0.25% per annum of the Fee Basis Amount and (iii) an Incentive Management Fee in an amount equal to 20% of any remaining Interest Proceeds and Principal Proceeds after the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 15.0% in accordance with the Priority of Payments as described herein, or as otherwise provided in the Special Priority of Payments in each case, calculated as described under "The Collateral Management Agreement" and subject to the Special Priority of Payments and the limitations described under "The Collateral Management Agreement".

Collateral Management:

Pursuant to the Collateral Management Agreement, and subject to the limitations of the Indenture, the Collateral Manager will manage the selection, acquisition, reinvestment and disposition of the Assets, including exercising rights and remedies associated with the Assets, disposing of the Assets and certain related functions.

Security for the Secured Notes:

General The Secured Notes will be secured by the Assets, which include the various accounts pledged under the Indenture. In purchasing and selling Collateral Obligations, the Issuer will generally be required to meet certain requirements imposed by the Concentration Limitations described under "—Concentration

Limitations", the Collateral Quality Test described under "—Collateral Quality Test", the Coverage Tests described under "—Coverage Tests" and various other criteria described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria". Substantially all of the Collateral Obligations will be rated below investment grade and accordingly will have greater credit and liquidity risk than investment grade corporate obligations. See "Risk Factors—Relating to the Collateral Obligations—Below investment-grade Assets involve particular risks". The initial portfolio of Collateral Obligations will be purchased through the application of the net proceeds of the sale of the Notes. See "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Date acquisition of Collateral Obligations" and "Security for the Secured Notes—Collateral Obligations". During the Reinvestment Period, pending investment in such Collateral Obligations, a portion of such net proceeds will be invested in Eligible Investments.

Each Collateral Obligation will be required to satisfy the criteria set forth in "Security for the Secured Notes—Collateral Obligations".

Purchase of Collateral Obligations; Effective Date:

The Issuer will use commercially reasonable efforts to purchase, on or before September 21, 2012, Collateral Obligations such that the Target Initial Par Condition is satisfied. See "Use of Proceeds—Effective Date".

Collateral Quality Test:

The "**Collateral Quality Test**" will be satisfied on any date of determination on and after the Effective Date and during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period) if, in the aggregate, the Collateral Obligations owned (or in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer satisfy each of the tests set forth below (or, after the Effective Date, if a test is not satisfied on such date of determination, the degree of compliance with such test is maintained or improved after giving effect to any purchase or sale effected on such date of determination):

- (i) the Minimum Floating Spread Test;
- (ii) the Minimum Weighted Average Coupon Test;
- (iii) the Maximum Moody's Rating Factor Test;
- (iv) the Moody's Diversity Test;
- (v) the S&P CDO Monitor Test;
- (vi) the Minimum Weighted Average Moody's Recovery Rate Test;
- (vii) the Minimum Weighted Average S&P Recovery Rate Test; and

(viii) the Weighted Average Life Test.

The "**Minimum Floating Spread Test**" will be satisfied on any date of determination if the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Minimum Floating Spread.

"**Minimum Floating Spread**" means the number set forth in the column entitled "**Minimum Weighted Average Spread**" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture, reduced by the Moody's Weighted Average Recovery Adjustment; *provided* that the Minimum Floating Spread shall in no event be lower than 2.00%.

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

"**Minimum Weighted Average Coupon**" means 7.50%.

The "**Maximum Moody's Rating Factor Test**" will be satisfied on any date of determination if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (i) the number set forth in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below at the intersection of the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture *plus* (ii) the Moody's Weighted Average Recovery Adjustment.

The "**Moody's Weighted Average Recovery Adjustment**" means, as of any date of determination, the greater of (a) zero and (b) the product of (i)(A) the Weighted Average Moody's Recovery Rate as of such date of determination *multiplied by 100 minus* (B) 45 and (ii) (A) with respect to the adjustment of the Maximum Moody's Rating Factor Test, 65 and (B) with respect to the adjustment of the Minimum Floating Spread, 0.18%; *provided, however*, if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60.0%, then such Weighted Average Moody's Recovery Rate shall equal 60.0% or such other percentage as shall have been notified to Moody's by or on behalf of the Issuer; *provided, further*, that the amount specified in clause (b)(i) above may

only be allocated once on any date of determination and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) and the portion of such amount that shall be allocated to clause (b)(ii)(B) (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A)).

The "**Moody's Diversity Test**" will be satisfied on any date of determination if the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled "**Minimum Diversity Score**" in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix set forth below based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

The "**Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix**" means the following chart used to determine which of the "row/column combinations" are applicable for purposes of determining compliance with the Moody's Diversity Test, the Maximum Moody's Rating Factor Test and the Minimum Floating Spread Test:

Minimum Weighted Average Spread	Minimum Diversity Score						
	45	50	55	60	65	70	75
2.45%	2525	2550	2625	2700	2775	2810	2860
2.65%	2550	2575	2650	2725	2800	2845	2900
2.85%	2575	2600	2675	2750	2825	2900	2975
3.05%	2600	2625	2700	2775	2850	2925	3000
3.25%	2625	2650	2725	2800	2875	2950	3025
3.45%	2650	2675	2750	2825	2900	2975	3050
3.65%	2675	2700	2775	2850	2925	3000	3075
3.85%	2700	2725	2800	2875	2950	3025	3100
4.05%	2725	2750	2825	2900	2975	3050	3125
4.25%	2800	2825	2900	2975	3050	3125	3200
4.45%	2875	2900	2975	3050	3125	3200	3275
4.65%	2950	2975	3050	3125	3200	3275	3350
4.85%	3025	3050	3125	3200	3275	3350	3425

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date following receipt by the Issuer and the Collateral Administrator of the S&P CDO Monitor (along with the assumptions and instructions to run the S&P CDO Monitor and in a form that performs as intended with respect to the Assets) if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive. The S&P CDO Monitor

Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

The "**Minimum Weighted Average Moody's Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average Moody's Recovery Rate equals or exceeds 45.0%.

The "**Minimum Weighted Average S&P Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Collateral Manager in connection with the S&P CDO Monitor Test.

The "**Weighted Average Life Test**" will be satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such date of determination to June 21, 2020.

Concentration Limitations:

The "**Concentration Limitations**" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period) if, in the aggregate, the Collateral Obligations owned (or in relation to a proposed purchase of a Collateral Obligation, proposed to be owned) by the Issuer comply with all of the requirements set forth below (or in relation to a proposed purchase after the Effective Date, if not in compliance, the relevant requirements must be maintained or improved after giving effect to the purchase):

*Senior Secured Loans, Cash,
Eligible Investments*.....

(i) not less than 95.0% of the Collateral Principal Amount may consist of Senior Secured Loans, cash and Eligible Investments;

*Second Lien Loans, Senior Secured Bonds, Senior
Unsecured Bonds, Senior Secured Floating Rate
Notes and Unsecured Loans*

(ii) not more than 5.0% of the Collateral Principal Amount may consist, in the aggregate, of Second Lien Loans, Senior Secured Bonds, Senior Unsecured Bonds, Senior Secured Floating Rate Notes and Unsecured Loans;

Single Obligor.....

(iii) not more than 2.0% of the Collateral Principal Amount may consist of obligations issued by a single obligor and its Affiliates, except that obligations (other than DIP Collateral Obligations) issued by up to five obligors and their respective Affiliates may each constitute up to 2.5% of the Collateral Principal Amount;

<i>Rating of "Caa1" and below</i>	(iv) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's Default Probability Rating of "Caa1" or below;
<i>Rating of "CCC+" and below</i>	(v) not more than 7.5% of the Collateral Principal Amount may consist of Collateral Obligations with an S&P Rating of "CCC+" or below;
<i>Interest Paid Less Frequently than Quarterly</i>	(vi) not more than 5.0% of the Collateral Principal Amount may consist of Collateral Obligations that pay interest less frequently than quarterly;
<i>Fixed Rate Obligations</i>	(vii) not more than 5.0% of the Collateral Principal Amount may consist of Fixed Rate Obligations;
<i>Current Pay Obligations.....</i>	(viii) not more than 7.5% of the Collateral Principal Amount may consist of Current Pay Obligations;
<i>DIP Collateral Obligations.....</i>	(ix) not more than 7.5% of the Collateral Principal Amount may consist of DIP Collateral Obligations;
<i>Delayed Drawdown/Revolving Collateral Obligations</i>	(x) not more than 5.0% of the Collateral Principal Amount may consist, in the aggregate, of unfunded commitments under Delayed Drawdown Collateral Obligations and unfunded and funded commitments under Revolving Collateral Obligations;
<i>Participation Interests</i>	(xi) not more than 20.0% of the Collateral Principal Amount may consist of Participation Interests;
<i>Moody's Counterparty Criteria.....</i>	(xii) the Moody's Counterparty Criteria are met;
<i>Third Party Credit Exposure</i>	(xiii) the Third Party Credit Exposure may not exceed 20.0% of the Collateral Principal Amount and the Third Party Credit Exposure Limits may not be exceeded;
<i>S&P Rating derived from a Moody's Rating.....</i>	(xiv) not more than 10.0% of the Collateral Principal Amount may have an S&P Rating derived from a Moody's Rating as set forth in clause (iii)(a) of the definition of the term "S&P Rating";
<i>Moody's Rating derived from an S&P Rating.....</i>	(xv) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's Rating derived from an S&P Rating as provided in clauses (v)(A)(1) or (2) of the definition of the term "Moody's Derived Rating";

Domicile of Obligor (xvi) (a) all of the Collateral Obligations must be issued by Non-Emerging Market Obligor; and (b) no more than the percentage listed below of the Collateral Principal Amount may be issued by obligors Domiciled in the country or countries set forth opposite such percentage:

<u>% Limit</u>	<u>Country or Countries</u>
20.0%	All countries (in the aggregate) other than the United States;
15.0%	Canada;
10.0%	all countries (in the aggregate) other than the United States, Canada and the United Kingdom;
10.0%	any individual Group I Country other than Australia or New Zealand;
7.5%	all Group II Countries in the aggregate;
5.0%	any individual Group II Country;
7.5%	all Group III Countries in the aggregate;
5.0%	all Tax Jurisdictions in the aggregate; and
3.0%	any individual country other than the United States, the United Kingdom, Canada, the Netherlands, any Group II Country or any Group III Country;

S&P Industry Classification (xvii) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single S&P industry classification, except that (x) the largest S&P industry classification may represent up to 15.0% of the Collateral Principal Amount; and (y) the second-largest S&P industry classification may represent up to 12.0% of the Collateral Principal Amount;

Moody's Industry Classification (xviii) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single Moody's industry classification, except that (x) the largest Moody's industry classification may represent up to 15.0% of the Collateral Principal Amount; and (y) the second-largest Moody's industry classification may represent up to 12.0% of the Collateral Principal Amount;

Letter of Credit Reimbursement Obligations (xix) not more than 3.0% of the Collateral Principal Amount may consist of the LC Commitment Amount under Letter of Credit Reimbursement Obligations;

<i>Bridge Loans</i>	(xx) not more than 5.0% of the Collateral Principal Amount may consist of Bridge Loans;
<i>Cov-Lite Loans</i>	(xxi) not more than 40.0% of the Collateral Principal Amount may consist of Cov-Lite Loans; and
<i>Discount Obligations</i>	(xxii) not more than 30.0% of the Collateral Principal Amount may consist of Discount Obligations.

Coverage Tests:

The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Secured Notes and distributions may be made on the Subordinated Notes or whether funds which would otherwise be used to pay interest on the Secured Notes other than the Class A Notes and to make distributions on the Subordinated Notes must instead be used to pay principal on one or more Classes of Secured Notes according to the priorities referred to in "—Priority of Payments". The "**Coverage Tests**" will consist of the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied to each specified Class of Secured Notes.

The "**Overcollateralization Ratio Test**" and "**Interest Coverage Test**" applicable to the indicated Class or Classes of Secured Notes will be satisfied as of any date of determination on which such Coverage Test is applicable, if (1) the applicable Overcollateralization Ratio or Interest Coverage Ratio, as the case may be, is at least equal to the applicable ratio indicated below or (2) such Class or Classes of Secured Notes is no longer outstanding.

Class	Required Interest Coverage Ratio
A	120.0%
B	115.0%
C	110.0%
D	105.0%
Class	Required Overcollateralization Ratio
A	124.7%
B	113.6%
C	108.0%
D	104.4%

Measurement of the degree of compliance with the Coverage Tests will be required as of each Measurement Date occurring (i) in the case of the Overcollateralization Ratio Tests, on or after the Effective Date and (ii) in the case of the Interest Coverage Tests, on or after the Determination Date immediately preceding the second Payment Date. If the Coverage Tests are not satisfied on any such Measurement Date, the Issuer will be required to apply available amounts in the Payment Account on the

related Payment Date to the repayment of principal of the Secured Notes in accordance with the Priority of Payments to the extent necessary to achieve compliance with such Coverage Tests.

Other Information:

<i>Listing, Trading and Form of Notes</i>	<p>Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be granted or maintained. See "Listing and General Information". There is currently no market for any Class of Notes and there can be no assurance that such a market will develop. See "Risk Factors—Relating to the Notes—The Notes will have limited liquidity and are subject to substantial transfer restrictions".</p> <p>The Secured Notes sold to persons who are Qualified Institutional Buyers will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., c/o The Depository Trust & Clearing Corporation, 55 Water Street, New York, NY 10041, telephone (212) 855-5471. The Secured Notes and Subordinated Notes (other than certain Subordinated Notes sold in reliance on Regulation S which may be issued in definitive, fully registered form at the option of the Issuer (with the written consent of the Collateral Manager)) sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will be represented by global notes or certificates in fully registered form without interest coupons to be deposited with a custodian for and registered in the name of Cede & Co., a nominee of DTC, for the accounts of Euroclear or Clearstream. All other Subordinated Notes will be issued either (i) in definitive, fully registered form without interest coupons or (ii) if requested by the beneficial owner thereof, in uncertificated, fully registered form.</p>
<i>Governing Law</i>	The Notes and the Indenture, and any matters arising out of or relating in any way whatsoever to any of the Notes and the Indenture (whether in contract, tort or otherwise), will be governed by the laws of the State of New York.
<i>Tax Matters</i>	See "Certain U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations".
<i>ERISA Considerations</i>	See "Certain ERISA and Related Considerations".

RISK FACTORS

An investment in the Notes involves certain risks. You should carefully consider the following factors, in addition to the matters set forth elsewhere in this Offering Circular, prior to investing in the Notes.

General Economic Risks.

General economic conditions may affect the ability of the Co-Issuers to make payments on the Notes.

Beginning in mid-2007, there occurred an extreme downturn in the credit markets and other financial markets, which resulted in dramatic deterioration in the financial condition of many companies. However, there are some indications that credit markets and other financial markets are emerging from such downturn. Corporate default rates have been decreasing and rating upgrades have exceeded downgrades. It is difficult to predict how long and to what extent these conditions will continue to improve and which markets, products, businesses and assets will experience this improvement (or to what degree any such improvement is dependent on monetary policies by central banks, particularly the Federal Reserve). The ability of the Co-Issuers to make payments on the Notes may depend on the continued recovery of the economy, and there is no assurance that this recovery will continue. In addition, the business, financial condition or results of operations of the obligors on the Collateral Obligations may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate, non-performing assets are likely to increase, and the value and collectability of the Assets is likely to decrease. A decrease in market value of the Collateral Obligations also would adversely affect the Sale Proceeds that could be obtained upon the sale of the Collateral Obligations and could ultimately affect the ability of the Issuer to pay in full or redeem the Secured Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

Changes in the legislative and regulatory environment may affect the ability of the Co-Issuers to make payments on the Notes.

Recent changes in legislation, together with uncertainty about the nature and timing of regulations that will be promulgated to implement such legislation, may create uncertainty in the credit and other financial markets and create other unknown risks. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on July 21, 2010, includes provisions that are expected to have a broad impact on credit and other financial markets. In addition, under Sections 1471-1474 of the Code ("**FATCA**"), which was signed into law on March 18, 2010 and for which proposed regulations were promulgated on February 8, 2012, the Issuer will be subject to a 30% U.S. withholding tax on certain U.S.-source payments, and the proceeds of certain sales, received by the Issuer after December 31, 2013 with respect to an obligation that is not outstanding on January 1, 2013 unless it has in effect an agreement with the United States Internal Revenue Service (the "**IRS**") to, among other things, provide certain information to the IRS about the holders and beneficial owners of the Notes. See "—Relating to the Notes—The Issuer may be subject to tax". The ability of the Co-Issuers to make payments on the Notes could be affected by the Dodd-Frank Act, FATCA and other recent legislation, regulations already promulgated thereunder and uncertainty about additional regulations to be promulgated thereunder in the future.

Collateral Obligation performance may not continue to improve.

Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of defaults and delinquencies have been decreasing from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Collateral Obligations. There is no way to determine whether such trends in the credit markets will continue, improve or worsen in the future.

Illiquidity in the CDO, leveraged finance and fixed income markets may affect the holders of the Notes.

Events in the CDO (including CLO), leveraged finance and fixed income markets contributed to a severe liquidity crisis in global credit markets in recent years, as a result of which leveraged loans have experienced substantial price fluctuations and reduced liquidity. During periods of higher price volatility and reduced liquidity, the Issuer's ability to acquire or dispose of Collateral Obligations at a price and time that the Issuer deems advantageous may be severely impaired. As a result, in periods of rising market prices, the Issuer may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and the Issuer's inability to dispose fully and promptly of positions in declining markets may exacerbate losses suffered by the Issuer when Collateral Obligations are sold. Furthermore, significant additional risks for the Issuer and investors in the Notes exist. Those risks include, among others, (i) the possibility that, after the Closing Date, the prices at which Collateral Obligations can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the possibility that opportunities for the Issuer to sell its assets in the secondary market, including Credit Risk Obligations, Credit Improved Obligations and Defaulted Obligations, may be impaired or restricted by the Indenture, and (iii) increased illiquidity of the Notes because of reduced secondary trading in collateralized loan obligation securities. These additional risks may affect the returns on the Notes to investors or otherwise adversely affect holders of the Notes.

Regardless of current or future market conditions, certain Collateral Obligations purchased by the Issuer will have only a limited trading market (or none). The Issuer's investment in illiquid debt obligations may restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Illiquid debt obligations may trade at a discount from comparable, more liquid investments.

In addition, lower liquidity levels than experienced in past years have adversely affected the primary market for a number of financial products, including leveraged loans, which may reduce opportunities for the Issuer to purchase recent issuances of Collateral Obligations. In addition, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such assets may be partially or significantly limited. There has been a very recent increase in primary leveraged loan market activity, but there can be no assurance that such increase will persist or that the primary leveraged loan market will not return to its previous levels or cease altogether for a period of time. The impact of another liquidity crisis on the global credit markets could adversely affect the management flexibility of the Collateral Manager in relation to the portfolio and, ultimately, the returns on the Notes to investors.

Relating to the Notes.

The Notes will have limited liquidity and are subject to substantial transfer restrictions.

Currently, no market exists for the Notes. Citigroup is under no obligation to make a market for the Notes. There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or will continue for the life of the Notes. Consequently, a purchaser of Notes must be prepared to hold the Notes until their Stated Maturity or the liquidation of the Issuer, as applicable. In addition, the Notes are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "Transfer Restrictions." As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Notes may further limit their liquidity. The Notes will not be registered under the Securities Act or any state securities laws, and the Co-Issuers have no plans, and are under no obligation, to register the Notes under the Securities Act. Application has been made to admit the Notes to the Official List of the Irish Stock Exchange and trading on its regulated market. There can be no assurance that any such admission will be granted or maintained.

Recent European risk retention rules may affect the liquidity of the Notes.

Under rules that became effective on January 1, 2011 pursuant to Article 122a of the European Union's Directive 2006/48/EC ("**Article 122a**"), entities regulated as credit institutions pursuant to such Directive, together with their affiliates subject to consolidated supervision (each an "**Affected Investor**"), that acquire credit risk of a securitization may be subject to certain financial and other penalties, including but not limited to increased capital requirements, unless the originator, sponsor or original lender has explicitly disclosed to the credit institution that it will retain, on an ongoing basis, a material net economic interest of not less than 5%. Guidance published by the Committee of European Banking Supervisors on December 31, 2010 confirmed that a fund managed by the asset manager that structured the relevant securitization does not constitute an "originator" for purposes of satisfying the risk retention requirements of Article 122a. Article 122a also requires that an Affected Investor be able to demonstrate that it has undertaken certain due diligence in respect of, among other things, the credit risk it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis.

No party to the transaction has committed to retain a material net economic interest in the transaction in accordance with the requirements of Article 122a or take any other action which may be required by Affected Investors for the purposes of their compliance with Article 122a. This may have a negative impact on the regulatory capital position of Affected Investors and on the value and liquidity of the Notes in the secondary market. Similar rules may be introduced in the future that would apply similar rules to other investors, such as European insurers, UCITS (Undertakings for Collective Investment in Transferable Securities) funds and certain European hedge funds and private equity funds, who hold securitization positions (including securitization positions purchased prior to the implementation of such rules), which could have a further adverse effect on the liquidity of the Notes. Affected Investors in the Notes are responsible for analyzing their own regulatory position, and are encouraged to consult with their own investment and legal advisors regarding compliance with Article 122a (and any corresponding implementing rules in the relevant member state of the EEA) and the suitability of the Notes for investment. None of the Issuer, the Initial Purchaser, the Placement Agent, the Collateral Manager or the Trustee makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

Citigroup will have no ongoing responsibility for the Assets or the actions of the Collateral Manager or the Issuer.

Citigroup will have no obligation to monitor the performance of the Assets or the actions of the Collateral Manager or the Issuer and will have no authority to advise the Collateral Manager or the Issuer or to direct their actions, which will be solely the responsibility of the Collateral Manager (to the extent set forth in the Collateral Management Agreement) and/or the Issuer, as the case may be. If Citigroup owns Notes, it will have no responsibility to consider the interests of any holders of Notes in actions it takes in such capacity. While Citigroup may own Notes at any time, it has no obligation to make any investment in any Notes and may sell at any time any Notes it does purchase.

The Secured Notes are limited recourse obligations; the Subordinated Notes are non-recourse obligations; investors must rely on available collections from the Collateral Obligations and will have no other source for payment.

The Secured Notes other than the Class D Notes are limited recourse obligations of the Co-Issuers, the Class D Notes are limited recourse obligations of the Issuer, and the Subordinated Notes are non-recourse obligations issued by the Issuer. The Notes are payable solely from proceeds of the Collateral Obligations and all other Assets pledged by the Co-Issuers or the Issuer, as applicable, to the holders of the Secured Notes and other secured parties (but not including holders of the Subordinated Notes) pursuant to the Indenture. None of the Trustee, the Collateral Administrator, the Collateral Manager, Citigroup or any of their respective affiliates or the Co-Issuers' affiliates or any other person or entity will be obligated to make payments on the Notes. Consequently, holders of the Notes must rely solely on distributions on the Collateral Obligations and other Assets for payments on the Notes. If distributions on such Assets are insufficient to make payments on the Notes, no other assets (in particular, no

assets of the Collateral Manager, the holders of the Notes, Citigroup, the Trustee, the Collateral Administrator or any affiliates of any of the foregoing) will be available for payment of the deficiency and all obligations of the Co-Issuers and any claims against the Co-Issuers in respect of the Notes will be extinguished and will not revive.

The Subordinated Notes are unsecured obligations of the Issuer.

The Subordinated Notes will not be secured by any of the Assets, and, while the Secured Notes are outstanding, holders of the Subordinated Notes will not generally be entitled to exercise remedies under the Indenture. The Trustee will have no obligation to act on behalf of the holders of Subordinated Notes except as expressly provided in the Indenture. Distributions to holders of the Subordinated Notes will be made solely from distributions on the Assets after all other payments have been made pursuant to the Priority of Payments described herein. See "Description of the Notes—Priority of Payments". There can be no assurance that the distributions on the Assets will be sufficient to make distributions to holders of the Subordinated Notes after making payments that rank senior to payments on the Subordinated Notes. The Issuer's ability to make distributions to the holders of the Subordinated Notes will be limited by the terms of the Indenture. If distributions on the Assets are insufficient to make distributions on the Subordinated Notes, no other assets will be available for any such distributions. See "Description of the Notes—The Subordinated Notes".

The subordination of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Subordinated Notes, as described below, will affect their right to payment.

The Class A-1 Notes are subordinated to certain amounts payable by the Issuer to other parties as set forth in the Priority of Payments (including taxes, certain Administrative Expenses and Base Management Fees), the Class A-2 Notes are subordinated on each Payment Date to the Class A-1 Notes and amounts to which the Class A-1 Notes are subordinate; the Class B Notes are subordinated on each Payment Date to the Class A-2 Notes and amounts to which the Class A-2 Notes are subordinate; the Class C Notes are subordinated on each Payment Date to the Class B Notes and amounts to which the Class B Notes are subordinate; the Class D Notes are subordinated on each Payment Date to the Class C Notes and amounts to which the Class C Notes are subordinate; and the Subordinated Notes are subordinated on each Payment Date to the Secured Notes, amounts to which the Secured Notes are subordinate and certain other fees and expenses (including, but not limited to, the diversion of Interest Proceeds to redeem Secured Notes if a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure occurs and is continuing, unpaid Administrative Expenses, including unexpected liabilities that may become payable by the Issuer or the Co-Issuer, whether by reason of the offering contemplated hereby or otherwise, and certain Management Fees), in each case to the extent described herein. No payments of interest or distributions from Interest Proceeds of any kind will be made on any such Class of Notes on any Payment Date until interest due on the Notes of each Class to which it is subordinated has been paid in full, no payments of principal (other than Secured Note Deferred Interest with respect to the Class B Notes, the Class C Notes and the Class D Notes, to the extent set forth in the Priority of Payments) or distributions from Principal Proceeds of any kind will be made on any such Class of Notes on any Payment Date until principal on the Notes of each Class to which it is subordinated has been paid in full, and no distributions from Principal Proceeds of any kind will be made on the Subordinated Notes on any Payment Date until interest due on and all principal of the Notes of each Class to which it is subordinated has been paid in full. Therefore, to the extent that any losses are suffered by any of the holders of any Notes, such losses will be borne in the first instance by holders of the Subordinated Notes, then by the holders of the Class D Notes, then by the holders of the Class C Notes, then by the holders of the Class B Notes, then by the holders of the Class A-2 Notes and last by the holders of the Class A-1 Notes. Furthermore, payments on the Class B Notes, the Class C Notes and the Class D Notes are subject to diversion to pay more senior Classes of Notes pursuant to the priority of payments if certain Coverage Tests are not met, as described herein, and failure to make such payments will not be a default under the Indenture. In addition, if an Event of Default or Enforcement Event occurs, the holders of the Controlling Class of Notes will be entitled to determine the remedies to be exercised under the Indenture. See "Description of the Notes—The Indenture—Events of Default". Remedies pursued by the Controlling Class could be adverse to the interests of the holders of the Notes that are subordinated to the Notes held by the Controlling Class, and the Controlling Class will have no obligation to consider any possible adverse effect on such other interests. See "—The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder".

If an Event of Default has occurred and has not been cured or waived and the Secured Notes have been declared due and payable following such Event of Default (or have become due and payable following an Event of Default referred to in clause (e) of the definition thereof) and, in the case of such a declaration of acceleration, such declaration of acceleration has not been rescinded, or if the Secured Notes have become due and payable at Stated Maturity or on any Redemption Date and remain unpaid, the most senior Class of Notes then outstanding shall be paid in full in cash, or to the extent the Majority of such Class consents, other than in cash, before any further payment or distribution is made on account of any more subordinate Classes, in each case in accordance with the Special Priority of Payments. In such a case, investors in any such subordinate Class of Notes will not receive any payments until such senior Classes are paid in full. Notwithstanding any acceleration, if an Event of Default or an Enforcement Event has occurred and is continuing, (i) if the Trustee has not commenced remedies under the Indenture, the Collateral Manager may continue to direct dispositions and purchases of Collateral Obligations to the extent permitted under the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" or (ii) if the foregoing clause (i) does not apply, the Trustee will retain the Assets intact and collect all payments in respect of the Assets and make and apply all payments and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and otherwise in accordance with the Indenture unless, in the case of either (i) or (ii), certain conditions are satisfied as described under "—The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder" and "Description of the Notes—The Indenture—Events of Default". If an Event of Default has occurred and the Notes have not been accelerated, payments on the Notes will continue to be made in the order of priority described under "Summary of Terms—Priority of Payments—Application of Interest Proceeds" and "Summary of Terms—Priority of Payments—Application of Principal Proceeds". There can be no assurance that, after payment of principal and interest on the Notes senior to any Class, the Issuer will have sufficient funds to make payments in respect of such Class.

The Subordinated Notes are highly leveraged, which increases risks to investors in the Subordinated Notes.

The Subordinated Notes represent a highly leveraged investment in the Assets. Therefore, the market value of the Subordinated Notes would be anticipated to be significantly affected by, among other things, changes in the market value of the Assets, changes in the distributions on the Assets, defaults and recoveries on the Assets, capital gains and losses on the Assets, prepayments on Assets and the availability, prices and interest rates of Assets and other risks associated with the Assets as described in "—Relating to the Collateral Obligations". Accordingly, the Subordinated Notes may not be paid in full and may be subject to up to 100% loss. Furthermore, the leveraged nature of the Subordinated Notes may magnify the adverse impact on the Subordinated Notes of changes in the market value of the Assets, changes in the distributions on the Assets, defaults and recoveries on the Assets, capital gains and losses on the Assets, prepayments on Assets and availability, prices and interest rates of Assets.

The Assets may be insufficient to redeem the Notes in an Event of Default.

It is anticipated that the proceeds received by the Issuer on the Closing Date from the issuance of the Notes, net of certain fees and expenses, will be less than the aggregate amount of Notes. Consequently, it is anticipated that on the Closing Date the Assets would be insufficient to redeem in full all of the Secured Notes and Subordinated Notes in the event of an Event of Default under the Indenture.

The Indenture requires Mandatory Redemption of the Secured Notes for failure to satisfy Coverage Tests and Special Redemption in the event of a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure.

If any Coverage Test with respect to any Class or Classes of Secured Notes is not met on any Determination Date on which such Coverage Test is applicable, or a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure occurs and is continuing, Interest Proceeds and, to the extent Interest Proceeds are insufficient for such purpose, Principal Proceeds will be applied as follows: Interest Proceeds and Principal Proceeds that otherwise would have been used to pay certain fees and expenses or distributed to the holders of the Notes of each Class (other than Class A Notes) that is subordinated to such Class or Classes and (during the Reinvestment Period and, with respect to Eligible Post Reinvestment Proceeds, after the Reinvestment Period) Principal Proceeds that

would otherwise have been reinvested in Collateral Obligations will instead be used to redeem the Secured Notes of the most senior Class or Classes then outstanding, in each case in accordance with the Priority of Payments, to the extent necessary to satisfy the applicable Coverage Tests or remedy a Moody's Ramp-Up Failure and/or S&P Rating Confirmation Failure (as the case may be) as described under "Summary of Terms—Priority of Payments". This could result in an elimination, deferral or reduction in the payments of Interest Proceeds to the holders of the Class B Notes, Class C Notes, Class D Notes and/or Subordinated Notes, as the case may be. In addition, a mandatory redemption of Secured Notes owing to a Moody's Ramp-Up Failure or an S&P Rating Confirmation Failure may cause the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Obligations sold.

The Secured Notes are subject to Special Redemption at the option of the Collateral Manager.

The Secured Notes will also be subject to special redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager and which would meet the criteria for reinvestment described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations. Any such notice shall be based upon the Collateral Manager having attempted, in accordance with the standard of care set forth in the Collateral Management Agreement, to identify additional Collateral Obligations as described above. On the Special Redemption Date, in accordance with the Indenture, the amount relating to such Special Redemption will be applied as described under "Summary of Terms—Priority of Payments—Application of Principal Proceeds" to pay the principal of the Secured Notes. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make distributions on the Subordinated Notes. See "Summary of Terms—Priority of Payments—Application of Principal Proceeds" and "Description of the Notes—Special Redemption".

The Notes are subject to Clean-Up Call Redemption at the option of the Collateral Manager.

At the direction of the Collateral Manager, the Notes will be subject to redemption by the Issuer, in whole but not in part, at the Redemption Price therefor, on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 10% of the Target Initial Par Amount. Any such redemption is subject to certain conditions described below under "Description of the Notes—Clean-Up Call Redemption". The timing of a Clean-Up Call Redemption could affect the return to the holders of the Notes.

Additional issuances of Notes may have different terms and may have the effect of preventing the failure of the Coverage Tests and the occurrence of an Event of Default.

At any time during the Reinvestment Period, the Co-Issuers may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—Additional issuance" are met. Any such additional issuance will be made only with the consent of the Collateral Manager and of a Majority of the Subordinated Notes. Among other conditions that must be satisfied in connection with an additional issuance of notes, (i) unless only additional subordinated notes are being issued, the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any Class A-1 Notes not constituting part of such additional issuance and S&P shall have been notified of such additional issuance (provided that if only additional subordinated notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date), (ii) in the case of the issuance of additional notes of an existing Class, the terms of the notes to be issued must be identical to the respective terms of previously issued Notes of the applicable Class

(except that the interest, if any, due on additional notes will accrue from the issue date of such additional notes and the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class) and (iii) in the case of additional notes of any one or more existing Classes, unless only additional subordinated notes are being issued, additional notes of all Classes must be issued and such issuance of additional notes must be proportional across all Classes; *provided* that (A) the principal amount of subordinated notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes and (B) if additional subordinated notes are being issued, each holder of Subordinated Notes shall have the right to purchase additional subordinated notes to maintain its proportional ownership within the Class of Subordinated Notes. In addition, the use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture.

The Controlling Class will control many rights under the Indenture and therefore, holders of subordinate Classes will have limited rights in connection with an Event of Default, Enforcement Event or distributions thereunder.

Under the Indenture, many rights of the holders of the Notes will be controlled by a Majority of the Controlling Class. Remedies pursued by the holders of the Controlling Class upon an Event of Default could be adverse to the interests of the holders of Notes subordinated to the Controlling Class. After any Enforcement Event, proceeds of any realization on the Assets will be allocated in accordance with the Special Priority of Payments pursuant to which the Secured Notes and certain other amounts owing by the Co-Issuers will be paid in full before any allocation to the Subordinated Notes, and each Class of Notes (along with certain other amounts owing by the Co-Issuers) will be paid in order of seniority until it is paid in full before any allocation is made to the next Class of Notes. If an Event of Default or an Enforcement Event has occurred and is continuing, the holders of the Subordinated Notes will not have any creditors' rights against the Issuer and will not have the right to determine the remedies to be exercised under the Indenture. There is no guarantee that any funds will remain to make distributions to the holders of subordinated Classes of Notes following any liquidation of the Assets and the application of the proceeds from the Assets to pay senior Classes of Notes and the fees, expenses, and other liabilities payable by the Co-Issuers.

On the other hand, the ability of the Controlling Class to direct the sale and liquidation of the Assets after an Event of Default is subject to certain limitations. As described under "Description of the Notes—The Indenture—Events of Default", notwithstanding any acceleration, if an Event of Default or an Enforcement Event occurs and is continuing, then (a) if the Trustee has not commenced remedies under the Indenture, the Collateral Manager may continue to direct dispositions and purchases of Collateral Obligations to the extent permitted under the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" or (b) if the foregoing clause (a) does not apply, the Trustee will retain the Assets intact and collect all payments in respect of the Assets and continue making payments in accordance with the Priority of Payments and otherwise in accordance with the Indenture unless, in the case of either (a) or (b):

(i) the Trustee determines (in the manner described in the Indenture) that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the anticipated reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest (including accrued and unpaid Secured Note Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Secured Notes (including any amounts due and owing, and any amounts anticipated to be due and owing, as Administrative Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Base Management Fee) and a Majority of the Controlling Class agrees with such determination; or

(ii) a Supermajority of each Class of the Secured Notes (voting separately by Class) directs the sale and liquidation of the Assets (by notice to the Issuer, Trustee and Collateral Manager).

The Issuer may modify the Indenture by supplemental indentures, and some supplemental indentures do not require consent of all or any holders of Notes or confirmation of the ratings of the Secured Notes.

The Indenture provides that the Co-Issuers and the Trustee may enter into supplemental indentures to modify various provisions of the Indenture. Execution of supplemental indentures is subject to various conditions precedent. In certain cases, consent is required from all holders of Notes that would be materially and adversely affected by the supplemental indenture, but, in certain other cases, consent is not required from any holders or is only required from a Majority of a Class that would be materially and adversely affected by the supplemental indenture. In addition, while the Rating Agencies will be provided advance notice of proposed supplemental indentures, confirmation of the ratings of the applicable Secured Notes is not a condition precedent to the Issuer's entry into a supplemental indenture, except that the Moody's Rating Condition is required to be satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any supplemental indenture that modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto. Accordingly, a Class may be materially and adversely affected by a supplemental indenture that is entered into following consent thereto by a Majority of such Class, and the Issuer may be prevented from entering into a supplemental indenture that is beneficial to one or more Classes if consents required from other Classes are not obtained. See "Description of the Notes—The Indenture—Modification of Indenture".

The Notes are subject to Optional Redemption in whole or in part by Class.

The Co-Issuers or the Issuer, as applicable, will, if so directed in writing by a Supermajority of the Subordinated Notes (with a copy to the Collateral Manager), redeem the Secured Notes on any Business Day occurring after the Non-Call Period. Any such redemption must be made (i) in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds or (ii) in part by Class from Refinancing Proceeds (so long as the Secured Notes of any Class to be redeemed represent not less than the entire Class of such Secured Notes). Either (x) a Majority of the Subordinated Notes or (y) the Collateral Manager may cause the Subordinated Notes to be redeemed in whole on any Business Day occurring on or after the date on which all of the Secured Notes have been redeemed or repaid as described under "Description of the Notes—Optional Redemption and Tax Redemption" and "Description of the Notes—The Subordinated Notes—Optional Redemption". The Notes shall also be redeemed on any Payment Date in whole but not in part at the written direction (delivered to the Trustee, with a copy to the Collateral Manager) of (x) a Majority of any Affected Class or (y) a Majority of the Subordinated Notes following the occurrence of certain Tax Events as described under "Description of the Notes—Optional Redemption and Tax Redemption". In the event of an early redemption, the holders of the Secured Notes and Subordinated Notes will be repaid prior to the respective Stated Maturity dates of such Notes. There can be no assurance that, upon any such redemption, the Sale Proceeds realized and other available funds would permit any distribution on the Subordinated Notes after all required payments are made to the holders of the Secured Notes. In addition (unless Refinancing Proceeds are available), an Optional Redemption could require the Collateral Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the Collateral Obligations sold.

As described under "Description of the Notes—Optional Redemption and Tax Redemption", Refinancing Proceeds may be used in connection with either a redemption in whole of the Secured Notes or a redemption in part of the Secured Notes by Class. The Indenture provides that the holders of the Subordinated Notes will not have any cause of action against any of the Co-Issuers, the Collateral Manager, the Collateral Administrator or the Trustee for any failure to obtain a Refinancing. If a Refinancing is obtained meeting the requirements of the Indenture, the Issuer and, at the direction of the Collateral Manager, the Trustee will amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no consent for such amendments shall be required from the holders of any Class of Notes, other than a Majority of the Subordinated Notes directing the redemption. The Trustee will not be obligated to enter into any amendment that, as determined by the Trustee, adversely affects its duties, obligations, liabilities or protections under the Indenture. No assurance can be given that any such amendments to the Indenture or the terms of any Refinancing will not adversely affect the holders of any Class or Classes of Notes not subject to redemption (or, in the case of the Subordinated Notes, the holders of the Subordinated Notes who do not form a part of the holders of the Subordinated Notes directing such redemption).

The Notes may be affected by interest rate risks, including mismatches between the Notes and the Collateral Obligations.

Except in the case of the first Interest Accrual Period, the Secured Notes will bear interest at a rate based on 3-month LIBOR. The Collateral Obligations may bear interest based on other indices or on rates that reset at periods other than 3 month intervals. The aggregate outstanding principal balance of the Secured Notes may be different from the aggregate principal balance of the Floating Rate Obligations, and a portion of the Collateral Obligations may be Fixed Rate Obligations. In addition, any payments of principal of or interest on Collateral Obligations received during a Collection Period (and, during the Reinvestment Period or (solely with respect to Eligible Post Reinvestment Proceeds) after the Reinvestment Period, not reinvested in Collateral Obligations during such Collection Period) will be reinvested in Eligible Investments maturing not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. There is no requirement that such Eligible Investments bear interest at a floating rate, and the interest rates available for such Eligible Investments are inherently uncertain. As a result of such mismatches, changes in the level of LIBOR or any other applicable floating rate index could adversely affect the ability of the Co-Issuers or the Issuer, as applicable, to make payments on the Notes. The Subordinated Notes will be subordinated to the payment of interest on the Secured Notes. There can be no assurance that the Collateral Obligations and the Eligible Investments will in all circumstances generate sufficient Interest Proceeds to make timely payments of interest on the Secured Notes or to make distributions to the holders of the Subordinated Notes.

The weighted average lives of the Notes may vary from their maturity date.

The Stated Maturity date of the Notes is May 15, 2023. The average life of each Class of Notes is expected to be shorter than the number of years until its respective Stated Maturity date. Each such average life may vary due to various factors affecting the early retirement of Collateral Obligations, the timing and amount of sales of such Collateral Obligations, the ability of the Collateral Manager to invest collections and proceeds in additional Collateral Obligations, and the occurrence of any Mandatory Redemption, Optional Redemption, Tax Redemption or Special Redemption. Retirement of the Collateral Obligations prior to their respective final maturities will depend, among other things, on the financial condition of the issuers of the underlying Collateral Obligations and the respective characteristics of such Collateral Obligations, including the existence and frequency of exercise of any optional redemption, mandatory redemption or sinking fund features, the prevailing level of interest rates, the redemption prices, the actual default rates and the actual amount collected on any Defaulted Obligations and the frequency of tender or exchange offers for such Collateral Obligations. In particular, loans are generally prepayable at par, and a high proportion of loans could be prepaid. The ability of the Issuer to reinvest proceeds in Collateral Obligations with comparable interest rates that satisfy the reinvestment criteria specified herein may affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Notes. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria".

The Issuer may be subject to tax.

The Issuer expects to conduct its affairs so that its income generally will not be subject to tax on a net income basis in the United States or any other jurisdiction. In this regard, on the Closing Date, the Issuer will receive an opinion from U.S. Income Tax Counsel to the effect that, based on certain assumptions and representations, the Issuer's contemplated activities will not cause it to be engaged in a trade or business in the United States for U.S. federal income tax purposes. There can be no assurance, however, that its net income will not become subject to U.S. federal income tax as the result of unanticipated activities by the Issuer, changes in law, contrary conclusions by the U.S. tax authorities or other causes. See "Certain U.S. Federal Income Tax Considerations—Tax Treatment of the Issuer".

The Issuer also expects that payments received on the Collateral Obligations and Eligible Investments generally will not be subject to withholding taxes imposed by the United States or by other countries from which such payments are sourced. Payments with respect to Equity Securities (if any), certain commitment fees and other

similar fees may, however, be subject to U.S. or other withholding taxes. In addition, payments on the Collateral Obligations and Eligible Investments might become subject to U.S. or other withholding tax due to a change in law or other causes. In the event that the amount of withholding tax applied in certain circumstances results in the occurrence of a Tax Event, the Notes may be redeemed at the direction of a Majority of any Affected Class or a Majority of the Subordinated Notes, as described under "Description of the Notes—Optional Redemption and Tax Redemption". In addition, certain payments on Letter of Credit Reimbursement Obligations are expected to be subject to withholding taxes and, as a condition of their eligibility for acquisition, are required to be subject to withholding by the relevant agent bank, unless the Issuer has received an opinion of nationally recognized legal counsel to the effect that such withholding should or will not be required or the Issuer deposits into the LC Reserve Account an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all of the fees received in respect of the Letter of Credit Reimbursement Obligation.

In addition, under FATCA, which was signed into law on March 18, 2010, and for which proposed regulations were promulgated on February 8, 2012, the Issuer will be subject to a 30% U.S. withholding tax on certain U.S.-source payments, and the proceeds of certain sales, received by the Issuer after December 31, 2013 with respect to an obligation that is not outstanding on January 1, 2013 unless it has in effect an agreement with the United States Internal Revenue Service (the "**IRS**") to (i) obtain information regarding each holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such holders are specified United States person as defined in Section 1473(3) of the Code ("specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("United States owned foreign entity"), (ii) provide annually to the IRS the name, address, taxpayer identification number and certain other information with respect to holders and beneficial owners of Notes (other than Notes that are treated as regularly traded on an established securities market) that are specified United States persons or that are United States owned foreign entities and (iii) comply with certain other due diligence procedures, IRS requests, withholding and other requirements. The Issuer expects to enter into such an agreement. However, the IRS has not yet issued final, comprehensive guidance as to the terms that must be included in, and the procedures for entering into, such an agreement.

To enable the Issuer to comply with FATCA, each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person or a United States owned foreign entity and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("substantial United States owner") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"). See "Transfer Restrictions—Additional Restrictions; Information required to be provided by Noteholders".

If any purchaser, beneficial owner or subsequent transferee of Notes fails to comply with the Noteholder Reporting Obligations, the Issuer will have the right to demand that such person or entity transfer its Notes or interest therein and, if such person or entity fails to effect such transfer, the Issuer will have the right to sell such Notes or interest therein on behalf of such person or entity. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder". In addition, the Co-Issuers will be permitted to amend the Indenture without the consent of the holder of the Notes to take any action advisable (including modifying the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in FATCA or other applicable law or regulation (or the interpretation thereof)) to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a trade or business within the United States for United States federal income tax purposes or otherwise being subject to United States federal, state or local income tax on a net income basis. See "Description of the Notes—The Indenture—Modification of the Indenture".

A determination by U.S. tax authorities that the Issuer is engaged in a U.S. trade or business and its income is, therefore, subject to U.S. federal income tax, or the imposition of unanticipated withholding taxes on the Issuer's income from the Assets, could materially impair the Issuer's ability to make payments on the Notes, cause the Issuer to sell the relevant Collateral Obligations or cause a Tax Redemption in certain circumstances.

Tax Characterization of the Secured Notes

The Issuer will receive an opinion from U.S. Income Tax Counsel that the Class A Notes, the Class B Notes and the Class C Notes will be treated as debt for United States federal income tax purposes, and that the Class D Notes should be treated as debt for U.S. federal income tax purposes. The Issuer intends to treat the Secured Notes as debt for United States federal, state and local income and franchise tax purposes and the Indenture requires Noteholders to agree to treat the Secured Notes as debt for such purposes. However, as noted above, the opinion of U.S. Income Tax Counsel is not binding on the IRS, and no ruling will be sought from the IRS regarding this, or any other, aspect of the United States federal income tax treatment of the Secured Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately conclude, that one or more Notes constitute equity interests in the Issuer for United States federal income tax purposes.

The Issuer may form Blocker Subsidiaries that would be subject to tax.

To reduce the risk that the Issuer will be engaged in a U.S. trade or business, in certain circumstances set forth in the Indenture, certain Equity Securities, Defaulted Obligations and securities or obligations received in an offer may be owned by one or more Blocker Subsidiaries wholly owned by the Issuer. Income on such securities or obligations will be subject to U.S. federal income tax, and possibly state and local tax, at regular corporate rates, and distributions by such subsidiaries to the Issuer (or, in the case of non-U.S. Blocker Subsidiaries, amounts distributed to the Blocker Subsidiary) attributable to such income may also be subject to U.S. withholding tax.

The Issuer will be treated as a passive foreign investment company for U.S. federal income tax purposes.

The Issuer will be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. In order to avoid certain adverse tax rules, U.S. holders of Subordinated Notes may wish to make an election to treat the Issuer as a qualified electing fund ("QEF"). A U.S. holder who makes a QEF election will be required to recognize currently its proportionate share of the Issuer's income, which may be greater, in any given year, than the amount of cash distributed to the U.S. holder with respect to its Subordinated Notes. In this regard, prospective purchasers of Subordinated Notes should be aware that it is possible that a significant amount of the Issuer's income, as determined for U.S. federal income tax purposes, will not be distributed on a current basis for a number of reasons, including the investment by the Issuer in instruments which bear original issue discount, reinvestment by the Issuer of a portion of its income and the retirement of all or portions of Secured Notes. Thus, U.S. holders of the Subordinated Notes that make a QEF election may owe tax on a significant amount of "phantom" income. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. holders may be permitted to elect to defer payment of some or all of these taxes subject to an interest charge.

The tax basis in the Subordinated Notes of a U.S. holder that makes a QEF election with respect to its Subordinated Notes will generally be increased by the amount of the Issuer's income included in the U.S. holder's gross income, and will be decreased by any amount already so included that is distributed to such holder. A U.S. holder that does not make a QEF election will generally not reduce its basis in its Subordinated Notes unless the Issuer makes a payment with respect to the Subordinated Notes in amounts in excess of the current and accumulated earnings and profits of the Issuer that is not an "excess distribution". Accordingly, as a practical matter, because the applicable U.S. federal income tax rules generally do not permit the amortization of basis of a security treated as a share in a corporation, it is not anticipated that a U.S. holder's original tax basis in its Subordinated Notes will be reduced other than in years in which the cash payments with respect to the Subordinated Notes exceed the Issuer's income, which may happen only in the later years, or not at all. Therefore, potential purchasers of the Subordinated Notes should be aware that although they may be required to recognize ordinary income annually based on their share of the Issuer's earnings for such year if they have made a QEF election with respect to such Notes, they may

recognize a loss only upon the retirement or other disposition of their Subordinated Notes and such loss generally will be capital in character.

The Issuer may be treated as a Controlled Foreign Corporation for U.S. federal income tax purposes.

In addition, the Issuer may be treated as a controlled foreign corporation, in which case a different tax regime will apply and, among other potential consequences, a U.S. holder who is treated for U.S. federal income tax purposes as owning 10% or more of the Issuer's voting securities (a "U.S. Shareholder") may be treated as receiving annually a deemed dividend (taxable as ordinary income) in an amount equal to its share of the Issuer's "subpart F income" for the tax year, as determined for U.S. federal income tax purposes, without regard to the amount actually distributed to such U.S. holders. A U.S. Shareholder may recognize a significant amount of phantom income for the reasons described above applicable to a U.S. holder of Subordinated Notes who makes a QEF election and may have other potentially adverse tax consequences. See "Certain U.S. Federal Income Tax Considerations—United States Income Taxation of the Subordinated Notes".

Recent legislation subjects certain U.S. investors to additional reporting requirements.

Recently enacted legislation requires certain U.S. holders to report information with respect to their investment in the Notes not held through an account with a U.S. financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in the Notes.

Payments on the Notes are not required to be grossed up for tax withheld.

The Issuer expects that payments on the Notes will ordinarily not be subject to any withholding tax in the Cayman Islands, the United States or any other jurisdiction. See "Certain U.S. Federal Income Tax Considerations" and "Cayman Islands Income Tax Considerations". In the event that withholding or deduction of any taxes from payments on the Notes is required by law in any jurisdiction, neither of the Co-Issuers shall be under any obligation to make any additional payments in respect of such withholding or deduction.

Notes issued in additional offerings by the Issuer or the Co-Issuer may not be fungible for U.S. federal income tax purposes with the Notes issued in the original offering.

Whether any new notes would be fungible for U.S. federal income tax purposes with the Notes issued on the Closing Date would depend on whether the issuance of such new notes would be treated as a "qualified reopening" within the meaning of U.S. Treasury regulations. This determination will depend on facts that cannot be determined at this time, including the date on which such issuance occurs, the yield of the outstanding Notes at that time (based on their fair market value) and whether any outstanding Notes are publicly traded or quoted at that time.

Each of the Issuer and the Co-Issuer is recently formed, has no significant operating history and has no significant assets other than the Assets.

Each of the Issuer and the Co-Issuer is a recently incorporated or organized entity and will have no operating history or track record prior to the Closing Date other than, in the case of the Issuer, the entry into commitments to purchase Collateral Obligations from, among others, an affiliate of the Initial Purchaser prior to the Closing Date in contemplation of the transactions described herein. See "—Relating to the Collateral Obligations—Pre-Closing Date acquisition of Collateral Obligations". Accordingly, neither the Issuer nor the Co-Issuer has a performance history for you to consider in making your decision to invest in the Notes.

The Notes are not guaranteed by the Co-Issuers, Citigroup, the Collateral Manager, the Collateral Administrator or the Trustee.

None of the Co-Issuers, Citigroup, the Collateral Manager, the Collateral Administrator or the Trustee or any affiliate thereof makes any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to you of ownership of the Notes and you may not rely on any such party for a determination of expected or projected success, profitability, return, performance result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) to you of ownership of the Notes. You will be required to represent (or, in the case of certain interests in global Notes, deemed to represent) to the Issuer and Citigroup, among other things, that you have consulted with your own legal, regulatory, tax, business, investment, financial, and accounting advisors regarding investment in the Notes as you have deemed necessary and that the investment by you is within your powers and authority, is permissible under applicable laws governing such purchase, has been duly authorized by you and complies with applicable securities laws and other laws.

Non-compliance with restrictions on ownership of the Notes and the Investment Company Act could adversely affect the Issuer.

Neither the Issuer nor the Co-Issuer has registered with the United States Securities and Exchange Commission ("SEC") as an investment company pursuant to the Investment Company Act, in reliance on an exception under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by "qualified purchasers" and certain transferees thereof identified in Rule 3c-6 under the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

No opinion or no-action position has been requested of the SEC with respect to the status of the Co-Issuers as investment companies under the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer or the Co-Issuer is required, but in violation of the Investment Company Act had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer and the Co-Issuer could sue the Issuer and the Co-Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer and/or the Co-Issuer is party that is made in violation of the Investment Company Act or whose performance involves such violation would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. In addition, such a finding would constitute an Event of Default under the Indenture. Should the Issuer or the Co-Issuer be subjected to any or all of the foregoing, the Issuer and the Co-Issuer would be materially and adversely affected.

Book-entry holders are not considered holders of Notes under the Indenture.

Holders of beneficial interests in any Notes held in global form will not be considered holders of such Notes under the Indenture. After payment of any interest, principal or other amount to DTC, neither the Issuer nor the Co-Issuer will have any responsibility or liability for the payment of such amount by DTC or to any holder of a beneficial interest in a Note. DTC or its nominee will be the sole holder for any Notes held in global form, and therefore each person owning a beneficial interest in a Note held in global form must rely on the procedures of DTC (and if such person is not a participant in DTC on the procedures of the participant through which such person holds such interest) with respect to the exercise of any rights of a holder of a Note under the Indenture (which may result in delays or difficulties in exercising rights or obtaining information, as well as potential delays in receiving payments on the Notes). The procedures of these institutions may be changed without notice to or the consent of Citigroup, the Collateral Manager or the Issuer.

Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes.

The Rating Agencies may change their published ratings criteria or methodologies for securities such as the Secured Notes at any time in the future. Furthermore, the Rating Agencies may retroactively apply any such new standards to the ratings of the Secured Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Secured Note, despite the fact that such Secured Note might still be performing fully to the specifications set forth for such Secured Note in this Offering Circular and the Transaction Documents. The rating assigned to any Secured Note may also be lowered following the occurrence of an event or circumstance despite the fact that the related Rating Agency previously provided confirmation that such occurrence would not result in the rating of such Secured Note being lowered. In addition, either Rating Agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any Class of Secured Notes. If any rating initially assigned to any Secured Note is subsequently lowered or withdrawn for any reason, holders of the Notes may not be able to resell their Notes without a substantial discount. Any reduction or withdrawal to the ratings on any Class of Secured Notes may significantly reduce the liquidity thereof and may adversely affect the Issuer's ability to make certain changes to the composition of the Assets.

In addition to the ratings assigned to the Secured Notes, the Issuer will be utilizing ratings assigned by the Rating Agencies to obligors of individual Collateral Obligations. Such ratings will primarily be publicly available ratings. There can be no assurance that the Rating Agencies will continue to assign such ratings utilizing the same methods and standards utilized today despite the fact that such Collateral Obligation might still be performing fully to the specifications set forth in its Underlying Instrument. Any change in such methods and standards could result in a significant rise in the number of CCC Collateral Obligations and Caa Collateral Obligations included in the Assets, which could cause the Issuer to fail to satisfy the Overcollateralization Ratio Test on subsequent Determination Dates. Any such failure could lead to the early amortization of some or all of one or more Classes of the Secured Notes. See "Description of the Notes—Mandatory Redemption" and "Security for the Secured Notes—The Coverage Tests".

Either Rating Agency may revise or withdraw its ratings of the applicable Secured Notes as a result of a failure by the responsible party to provide it with information requested by such Rating Agency or comply with any of its obligations contained in the engagement letter with such Rating Agency, including the posting of information provided to the Rating Agency on a website that is accessible by rating agencies that were not hired in connection with the issuance of the Secured Notes as described under "—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes". Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the value of the Notes and, for regulated entities, could affect the status of the Secured Notes as a legal investment or the capital treatment of the Secured Notes.

Under current S&P policy, the Notes could be subject to early amortization even if the Issuer's investment portfolio is performing well.

On any Payment Date after the Effective Date, if S&P has not yet confirmed its initial ratings of the Secured Notes, the Secured Notes will be subject to redemption in part in an amount sufficient to cause S&P to provide written confirmation of its initial ratings of the Secured Notes. Under current S&P policy, S&P reserves the right not to provide such rating confirmations upon request, regardless of the terms agreed to among transaction participants. For example, even if the Issuer satisfies the requirements described under "Use of Proceeds—Effective Date", including by delivering to S&P a report that shows that as of the Effective Date, the Target Initial Par Condition was satisfied, the Overcollateralization Ratio Test was satisfied, the Concentration Limitations were complied with and the Collateral Quality Test (excluding the S&P CDO Monitor Test) was satisfied, S&P would not be obligated to provide confirmation of its initial ratings of the Secured Notes. As a result, under current S&P policy, the Secured Notes may be subject to a partial redemption even if the Issuer's investment portfolio is in compliance with the applicable tests under the Indenture.

Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes.

S&P and Moody's have been hired by the Issuer to provide their ratings on, in the case of S&P, the Secured Notes and, in the case of Moody's, the Class A-1 Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Secured Notes (with the exception of unsolicited ratings), the issuer of a security pays the fee charged by the rating agency for its rating services.

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer agreed with each Rating Agency to the effect that it will post on a password-protected internet website, at the same time such information is provided to the Rating Agencies, all information (which shall not include any Accountants' Report) the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Secured Notes or undertaking credit rating surveillance of the Secured Notes. Pursuant to the Collateral Administration Agreement, the Issuer will appoint the Collateral Administrator as its agent (in such capacity, the "**Information Agent**") to post to such website any information that the Information Agent receives from the Issuer, the Trustee or the Collateral Manager (or their respective representatives or advisors) that is designated as information to be so posted. The Issuer, the Trustee, the Collateral Manager and the Collateral Administrator will agree to deliver to the Information Agent any information that such party provides to any Rating Agency for the purposes of undertaking credit rating surveillance of the Secured Notes. Nationally recognized statistical rating organizations ("**NRSROs**") providing the requisite certification will have access to all information posted on such website. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Secured Notes (the "**Unsolicited Ratings**"), which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. Moody's may also issue Unsolicited Ratings with respect to the Secured Notes other than the Class A-1 Notes. The Unsolicited Ratings may be issued prior to, or after, the Closing Date and are not reflected in this Offering Circular. Issuance of any Unsolicited Rating will not affect the issuance of the Secured Notes. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the applicable Secured Notes might adversely affect the value of the Notes and, for regulated entities, could affect the status of the Secured Notes as a legal investment or the capital treatment of the Secured Notes. Investors in the Secured Notes should monitor whether an unsolicited rating of the Secured Notes has been issued by a non-hired NRSRO or (with respect to the Secured Notes other than the Class A-1 Notes) Moody's and should consult with their legal counsel regarding the effect of the issuance of a rating by a non-hired NRSRO or (with respect to the Secured Notes other than the Class A-1 Notes) Moody's that is lower than the expected ratings set forth in this Offering Circular.

Certain events or circumstances that require the satisfaction of the Moody's Rating Condition may occur without written confirmation from Moody's that such events or circumstances will not result in the downgrade or withdrawal of its rating assigned to the Class A-1 Notes.

Under the Indenture, certain events or circumstances require that the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). These events or circumstances include the issuance of one or more new classes of secured notes and an Optional Redemption by Refinancing in part by Class. The Moody's Rating Condition may be satisfied if Moody's provides written confirmation (which may take the form of a press release or other communication) to the effect that the occurrence of that event or circumstance will not cause Moody's to downgrade or withdraw its rating assigned to the Class A-1 Notes.

Moody's has no duty to review any notice given with respect to any event. If the Moody's Rating Condition is deemed inapplicable as to any particular event or circumstances (and, accordingly, such event occurs or such circumstance arises without affirmative assurance from Moody's that its rating of the Class A-1 Notes will not be reduced or withdrawn as a consequence of such event or circumstance), investors in the Class A-1 Notes will bear the risk that Moody's may downgrade or withdraw its rating assigned to the Class A-1 Notes as a result of the events or circumstances which required satisfaction of the Moody's Rating Condition.

Investors should consider certain ERISA considerations.

If the ownership of any class of equity interest of the Issuer (including for this purpose a class of Notes which is characterized as equity) by Benefit Plan Investors (as defined below) were to equal or exceed 25% of the total value of such class, as determined under provisions of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the regulations issued thereunder (the "**Plan Asset Regulation**"), assets of the Issuer would be deemed to be "plan assets" for purposes of ERISA. The Plan Asset Regulation further provides that in applying the 25% limitation noted above, Notes held by Controlling Persons must be disregarded. If for any reason the assets of the Issuer were deemed to be "plan assets", certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Collateral Manager, on behalf of the Issuer, may be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Issuer were deemed to be plan assets, (i) the assets of the Issuer could be subject to ERISA's reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances. The term "**Benefit Plan Investor**" is defined in Section 3(42) of ERISA as (a) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to the fiduciary responsibility provisions of Title I of ERISA, (b) any plan to which Section 4975 of the Code applies and (c) any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity.

An equity interest is defined under the Plan Asset Regulation as an interest other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on how this definition applies, the Issuer believes that the Class A Notes, the Class B Notes and the Class C Notes will be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation, although no assurance can be given in this regard. The Class D Notes may, and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation.

The Issuer intends, through the use of written or deemed representations, to restrict ownership of the Class D Notes and the Subordinated Notes by Benefit Plan Investors and, in the case of the Subordinated Notes, Controlling Persons so that no assets of the Issuer will be deemed to be "plan assets" subject to Title I of ERISA or Section 4975 of the Code as such term is defined in Section 3(42) of ERISA and the Plan Asset Regulation. However, there can be no assurance that ownership of the Class D Notes and the Subordinated Notes by Benefit Plan Investors will always remain below the 25% limitation established under the Plan Asset Regulation.

See "Certain ERISA and Related Considerations" herein for a more detailed discussion of certain ERISA and related considerations with respect to an investment in the Notes.

The Issuer is subject to U.S. anti-money laundering legislation.

The Uniting and Strengthening America By Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), signed into law on and effective as of October 26, 2001, requires that financial institutions, a term that includes banks, broker-dealers and investment companies, establish and maintain compliance programs to guard against money laundering activities. The USA PATRIOT Act requires the Secretary of the United States Department of the Treasury (the "**Treasury**") to prescribe regulations in connection with anti-money laundering policies of financial institutions. The Financial Crimes Enforcement Network ("**FinCEN**"), an agency of the Treasury, has announced that it is likely that such regulations would require pooled investment vehicles such as the Co-Issuers to enact anti-money laundering policies. In addition, in April 2000, the Treasury published proposed regulations that would require certain investment advisors to establish an anti-money laundering program. It is possible that there could be promulgated legislation or regulations that

would require the Co-Issuers, the Initial Purchaser, the Placement Agent or other service providers to the Co-Issuers, in connection with the establishment of anti-money laundering procedures, to share information with governmental authorities with respect to investors in the Notes. Such legislation and/or regulations could require the Co-Issuers to implement additional restrictions on the transfer of the Notes. The Co-Issuers reserve the right to request such information as is necessary to verify the identity of a beneficial holder of Notes and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by FinCEN and/or the SEC. In the event of delay or failure by the applicant to produce any information required for verification purposes, an application for or transfer of Notes and the subscription monies relating thereto may be refused. See "Anti-Money Laundering and Anti-Terrorism Requirements and Disclosures".

Investors will indirectly bear expenses of the Issuer.

Through their investment in the Notes, investors bear the cost of the Base Management Fee, the Subordinated Management Fee, the Incentive Management Fee, and other expenses described in this Offering Circular. In the aggregate, these fees and expenses may be greater than if an investor were directly to make investments identical to the Collateral Obligations. Payment of any taxes and filing and registration fees is required to be payable before any of the other amounts owed by the Co-Issuers. In addition, Interest Proceeds and Principal Proceeds are required to be available for the payment of expenses in accordance with the Priority of Payments. If funds are not sufficient to pay the expenses incurred by the Co-Issuers, the ability of the Co-Issuers to operate effectively may be impaired, and the Issuer, the Collateral Manager and the Trustee may not be able to defend or prosecute legal proceedings brought against it or that it might otherwise bring to protect the interests of the Co-Issuers.

The Issuer has the right to require holders of the Notes to sell their holdings in certain circumstances.

In certain circumstances, if the Issuer reasonably determines in good faith that a holder or beneficial owner of the Notes does not have the status that it purports to have and such holder or beneficial owner is not otherwise qualified to hold such Notes, the Issuer will have the right to require such holder or beneficial owner to dispose of such holder's or beneficial owner's Notes, as applicable, within 30 days after receipt of a notice from the Issuer that such holder or beneficial owner is not so qualified, to a person or entity that is qualified to hold such Notes. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".

Potential regulation and enhanced scrutiny of the private investment fund industry.

The Dodd-Frank Act provides for a number of changes to the regulatory regime governing investment advisers and private investment funds, including the Collateral Manager (and the Issuer). Among other effects, the Dodd-Frank Act imposed increased recordkeeping and reporting obligations on the Collateral Manager with respect to the Issuer. Records and reports relating to the Issuer that must be maintained by the Collateral Manager and are subject to inspection by the SEC include (i) assets under management and use of leverage (including off-balance-sheet leverage), (ii) counterparty credit risk exposure, (iii) trading and investment positions, (iv) valuation policies and practices of the Issuer, (v) type of assets held, (vi) side arrangements or side letters, (vii) trading practices, and (viii) such other information as the SEC, in consultation with the Financial Stability Oversight Council, determines is necessary and appropriate. While the Dodd-Frank Act subjects such records and reports to certain confidentiality provisions and, as amended, provides a limited exemption from the Freedom of Information Act ("FOIA"), no assurance can be given that the mandated disclosure of records or reports to the SEC or other governmental entities will not have a significant negative impact on the Issuer, the Collateral Manager or any individual holder of Notes. Among other things, the costs of compliance with rules and regulations promulgated under the Dodd-Frank Act could have a material adverse impact on the Issuer and the holders of the Notes, particularly the Subordinated Notes.

Relating to the Collateral Manager.

The Incentive Management Fee may create an incentive for the Collateral Manager to seek to maximize the yield on the Collateral Obligations.

On each Payment Date, the Collateral Manager may be paid the Incentive Management Fee to the extent of funds available on such Payment Date in accordance with the Priority of Payments, if the holders of the

Subordinated Notes have realized the specified Subordinated Notes Internal Rate of Return as of such Payment Date. Therefore, payment of the Incentive Management Fee will be dependent to a large extent on the yield earned on the Collateral Obligations. This fee structure could create an incentive for the Collateral Manager to manage the Issuer's investments in a manner as to seek to maximize the yield on the Collateral Obligations relative to investments of higher creditworthiness. Managing the portfolio with the objective of increasing yield, even though the Collateral Manager is constrained by investment restrictions described in "Security for the Secured Notes", could result in riskier or more speculative investments for the Issuer than would otherwise be the case and in an increase in defaults or volatility and could contribute to a decline in the aggregate market value of the Collateral Obligations.

The Issuer will depend on the managerial expertise available to the Collateral Manager; prior investment results not indicative.

The performance of an investment in the Notes will be in part dependent on the analytical and managerial expertise of the investment professionals of the Collateral Manager. Because the composition of the Assets will vary over time, the performance of the Notes will be substantially dependent on the skills of the Collateral Manager in analyzing, selecting and managing the Collateral Obligations. As a result, the Issuer will also be substantially dependent on the skill and acumen of certain officers and employees of the Collateral Manager to whom the task of managing the Assets has been assigned. Such individuals may cease to be associated with the Collateral Manager at any time. The loss of one or more of such individuals could have a material adverse effect on the performance of the Notes. There can be no assurance that the individuals currently constituting the senior management team of the Collateral Manager will continue to be Affiliated with the Collateral Manager or involved in the management and administration of the Assets for the Issuer. Any employment arrangements between the Collateral Manager and its senior management team are subject to change or termination without the consent of the Issuer or any holder of the Notes. Although the Collateral Manager will commit a commensurate amount of its resources to the management of the Assets, it manages other investment products and vehicles and is not required (and will not be able) to devote all of its resources to the management of the Assets.

The prior investment results of persons associated with the Collateral Manager or any other entity or person described herein are not indicative of the Issuer's future investment results. The nature of, and risks associated with, the Issuer's future investments may differ substantially from those investments and strategies undertaken historically by such persons and entities. There can be no assurance that the Issuer's investments will perform as well as the past investments of any such persons or entities. In addition, such past investments may have been made utilizing a leveraged capital structure, an asset mix and fee arrangements that are different from the anticipated capital structure, asset mix and fee arrangements of the Issuer. Moreover, because the specific investment criteria that govern investments in the Issuer's portfolio do not govern the Collateral Manager's prior investments and prior investment strategies generally, current investments conducted in accordance with such current criteria, and the results they yield, are not directly comparable with, and may differ substantially from other investments undertaken by the Collateral Manager.

In addition, in certain events the Collateral Manager may resign or may be terminated pursuant to the Collateral Management Agreement. See "The Collateral Management Agreement".

Significant restrictions on Collateral Manager's ability to advise the Issuer.

The Indenture and the Collateral Management Agreement place significant restrictions on the Collateral Manager's ability to advise the Issuer to buy and sell Collateral Obligations, and the Collateral Manager is subject to compliance with the Indenture and the Collateral Management Agreement. As a result of the restrictions contained in the Indenture and the Collateral Management Agreement, the Issuer may be unable to buy or sell Collateral Obligations or to take other actions which the Collateral Manager might consider in the interests of the Issuer and the holders of Notes and the Collateral Manager may be required to make investment decisions on behalf of the Issuer that are different from those made for its other clients. In addition, the Collateral Manager may pursue any strategy consistent with the Indenture and the Collateral Management Agreement, and there can be no assurance that such strategy will not change from time to time in the future, in its sole discretion.

Relating to the Collateral Obligations.

Below investment-grade Assets involve particular risks.

The Assets will consist primarily of non-investment grade loans or interests in non-investment grade loans and, to a lesser extent, non-investment grade debt securities, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that the Assets generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of Collateral Obligations.

Prices of the Assets may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the Assets. The current uncertainty affecting the United States economy and the economies of other countries in which issuers of Collateral Obligations are domiciled and the possibility of increased volatility in financial markets could adversely affect the value and performance of the Collateral Obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market.

Leveraged loans and high-yield debt securities have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the Collateral Obligations, and an increase in default levels could adversely affect payments on the Notes.

A non-investment grade loan or other debt obligation or an interest in a non-investment grade loan or other debt obligation is generally considered speculative in nature and may become a Defaulted Obligation for a variety of reasons. Upon any Collateral Obligation becoming a Defaulted Obligation, such Defaulted Obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such Defaulted Obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such Defaulted Obligation. The liquidity for Defaulted Obligations may be limited, and to the extent that Defaulted Obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance that the ultimate recovery on any Defaulted Obligation will be at least equal to either the minimum recovery rate assumed by either Rating Agency in rating the applicable Secured Notes or any recovery rate used in connection with any analysis of the Notes that may have been prepared by Citigroup for or at the direction of holders of any Notes.

Credit ratings are not a guarantee of quality.

The following considerations apply, to the extent relevant, to the ratings of the Collateral Obligations and the Notes:

Credit ratings of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency, including to the extent the Issuer does not comply with its covenants to enable the Rating Agencies to comply with their obligations under Rule 17g-5 of the Exchange Act. See "—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes". In the event that a rating assigned to any Collateral Obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such Collateral Obligation. Rating

agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any Collateral Obligation should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the Notes. It is possible that many credit ratings of assets included in or similar to the Collateral Obligations will be subject to significant or severe adjustments downward. See "—Relating to the Notes—Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes".

Pre-Closing Date acquisition of Collateral Obligations.

Prior to the Closing Date, the Issuer entered into commitments to purchase Collateral Obligations with an aggregate principal balance representing a substantial portion of the Target Initial Par Amount. Such Collateral Obligations were purchased by the Issuer from, among others, an affiliate of the Initial Purchaser on dates occurring on and after the date on which the definitive Interest Rates to be applicable to the Secured Notes were established. Because the respective purchase prices paid by the Issuer for such Collateral Obligations were determined prior to the Closing Date, the respective market prices of such Collateral Obligations on the Closing Date may be higher or lower than such purchase prices. Accordingly, any unrealized losses or gains experienced by the Issuer in respect of such Collateral Obligations will be for the Issuer's account.

Holders of the Notes will receive limited disclosure about the Collateral Obligations.

The Issuer and the Collateral Manager will not be required to provide the holders of the Notes or the Trustee with financial or other information (which may include material non-public information) either receives pursuant to the Collateral Obligations and related documents. The Collateral Manager also will not be required to disclose to any of these parties the contents of any notice it receives pursuant to the Collateral Obligations or related documents. In particular, the Collateral Manager will not have any obligation to keep any of these parties informed as to matters arising in relation to any Collateral Obligations, except with respect to certain information required to be reported under the Collateral Management Agreement and the Indenture.

The holders of the Notes and the Trustee will not have any right to inspect any records relating to the Collateral Obligations, and the Collateral Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any obligor on, any Collateral Obligations, unless specifically required by the Collateral Management Agreement. Furthermore, the Collateral Manager may, with respect to any information that it elects to disclose, demand that persons receiving such information execute confidentiality agreements before being provided with the information.

Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations.

A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of the Assets, the Issuer may be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a

court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination". Because of the nature of the Assets, the Assets may be subject to claims of equitable subordination.

Because affiliates of, or persons related to, the Collateral Manager may hold equity or other interests in obligors of Collateral Obligations, the Issuer could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

The preceding discussion is based upon principles of United States federal and state laws. Insofar as Collateral Obligations that are obligations of non-United States obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

Loan prepayments may affect the ability of the Issuer to invest and reinvest available funds in appropriate Assets.

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par *plus* accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, principal proceeds received upon such a prepayment are subject to reinvestment risk. Any inability of the Issuer to reinvest payments or other proceeds in Assets with comparable interest rates that satisfy the Investment Criteria specified herein may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Secured Notes and the distributions on the Subordinated Notes. There is no assurance that the Issuer will be able to reinvest proceeds in assets with comparable interest rates that satisfy the Investment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Balloon loans and bullet loans present refinancing risk.

The Assets will primarily consist of Collateral Obligations that are either balloon loans or bullet loans. Balloon and bullet loans involve a greater degree of risk than other types of transactions because they are structured to allow for either small (balloon) or no (bullet) principal payments over the term of the loan, requiring the obligor to make a large final payment upon the maturity of the Collateral Obligation. The ability of such obligor to make this final payment upon the maturity of the Collateral Obligation typically depends upon its ability either to refinance the Collateral Obligation prior to maturity or to generate sufficient cash flow to repay the Collateral Obligation at maturity. The ability of any obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such obligor, the financial condition of such obligor, the marketability of the collateral (if any) securing such Collateral Obligation, the operating history of the related business, tax laws and the prevailing general economic conditions. Consequently, such obligor may not have the ability to repay the Collateral Obligation at maturity, and the Issuer could lose all or most of the principal of the Collateral Obligation. Given their relative size and limited resources and access to capital, some obligors may have difficulty in repaying or refinancing their balloon and bullet Collateral Obligation on a timely basis or at all.

Significant numbers of obligors are facing the need to refinance their debt over the next few years, and significant numbers of collateralized debt obligation transactions are facing the end of their reinvestment periods or the final maturities of their own debt. As a result of the foregoing "refinancing cliff", there could be significant pressure on the ability of obligors to refinance their debt over the next few years. If the issue is not addressed through adequate systemic liquidity or other measures, increased defaults could result, and there could be downward pressure on the prices and markets for debt instruments, including Collateral Obligations.

The Issuer may not be able to acquire Collateral Obligations that satisfy the Investment Criteria.

A portion of the initial Collateral Obligations is expected to be purchased after the Closing Date as described herein. The ability of the Issuer to acquire an initial portfolio of Collateral Obligations that satisfies the Investment Criteria at the projected prices, ratings, rates of interest and any other applicable characteristics will be subject to market conditions and availability of such Collateral Obligations. Any inability of the Issuer to acquire Collateral Obligations that satisfy the Investment Criteria specified herein may adversely affect the timing and amount of payments received by the holders of Notes and the yield to maturity of the Secured Notes and the distributions on the Subordinated Notes. In addition, the Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager and which would satisfy the Investment Criteria in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations. See "—Relating to the Notes—The Secured Notes are subject to Special Redemption at the option of the Collateral Manager". There is no assurance that the Issuer will be able to acquire Collateral Obligations that satisfy the Investment Criteria.

Investing in loans involves particular risks.

The Issuer may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a Participation Interest from the selling institution). As described in more detail below, holders of Participation Interests are subject to additional risks not applicable to a holder of a direct interest in a loan.

Participations by the Issuer in a selling institution's portion of a loan typically result in a contractual relationship only with such selling institution, not with the borrower. In the case of a Participation Interest, the Issuer will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the borrower. By holding a Participation Interest in a loan, the Issuer generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower, and the Issuer may not directly benefit from the collateral supporting the loan in which it has purchased the participation. As a result, the Issuer will assume the credit risk of both the borrower and the institution selling the participation, which will remain the legal owner of record of the applicable loan. In the event of the insolvency of the selling institution, the Issuer, by owning a Participation Interest, may be treated as a general unsecured creditor of the selling institution, and may not benefit from any set off between the selling institution and the borrower. In addition, the Issuer may purchase a participation from a selling institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Issuer holds a Participation Interest in a loan it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder, and it is expected that each selling institution will reserve the right to administer the loan sold by it as it sees fit and to amend the documentation evidencing such loan in all respects. Selling institutions voting in connection with such matters may have interests different from those of the Issuer and may fail to consider the interests of the Issuer in connection with their votes.

Certain of the loans or Participation Interests may be governed by the law of a jurisdiction other than a United States jurisdiction. The Issuer is unable to provide any information with respect to the risks associated with purchasing a loan or a Participation Interest under an agreement governed by the laws of a jurisdiction other than a United States jurisdiction, including characterization under such laws of such Participation Interest or sub-Participation Interest in the event of the insolvency of the institution from whom the Issuer purchases such Participation Interest or sub-Participation Interest or the insolvency of the institution from whom the grantor of the sub-Participation Interest purchased its Participation Interest. See also "—International Investing" below.

The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning selling institution and becomes a lender under the loan agreement with respect to that loan. As a purchaser of an assignment, the Issuer generally will have the same voting rights as other lenders under the

applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the borrower with the terms of the loan agreement, and the right to set off claims against the borrower and to have recourse to collateral supporting the loan. Assignments are, however, arranged through private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Issuer will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

Limited control of administration and amendment of Collateral Obligations.

As a holder of an interest in a bank loan or other Collateral Obligation, the Issuer will have limited consent and control rights and such rights may not be effective in view of the expected proportion of such obligations held by the Issuer. The Collateral Manager will exercise or enforce, or refrain from exercising or enforcing, any or all of the Issuer's rights in connection with the Collateral Obligations or any related documents or will refuse amendments or waivers of the terms of any Collateral Obligation and related documents in accordance with its Collateral Management practices and the standard of care set forth in the Collateral Management Agreement. The Collateral Manager's ability to change the terms of the Collateral Obligations will generally not otherwise be restricted by the Indenture. The holders of Notes will not have any right to compel the Collateral Manager to take or refrain from taking any actions other than in accordance with its Collateral Management practices and the standard of care set forth in the Collateral Management Agreement.

The Collateral Manager may, in accordance with its Collateral Management standards and subject to the Transaction Documents, agree to extend or defer the maturity, or adjust the outstanding balance of any Collateral Obligation, or otherwise amend, modify or waive the terms of any loan agreement or other related document, including the payment terms thereunder. Any amendment, waiver or modification of a Collateral Obligation could postpone the expected maturity of the Notes and/or reduce the likelihood of timely and complete payment of interest on or principal of the Secured Notes or distributions on the Subordinated Notes.

Voting restrictions on Collateral Obligations for minority holders.

The Issuer will generally purchase each Collateral Obligation in the form of an assignment of, or Participation Interest in, a note or other obligation issued under a loan facility to which more than one lender is a party or as a debt security issued under an indenture. Loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator, and bond indentures have an indenture trustee. The terms and conditions of these loan facilities and indentures may generally be amended, modified or waived only by the agreement of the lenders or securityholders, as applicable. Generally, any such agreement must include a majority or a super-majority (measured by outstanding loans or commitments or principal amount) or, in certain circumstances, a unanimous vote of the lenders or securityholders, and the Issuer may have a minority interest in such loan facilities or under such indenture. Consequently, the terms and conditions of a Collateral Obligation issued or sold in connection with a loan facility or indenture could be modified, amended or waived in a manner contrary to the preferences of the Issuer if the amendment, modification or waiver of such term or condition does not require the unanimous vote of the lenders or securityholders and a sufficient number of the other lenders or securityholders concur with such modification, amendment or waiver. There can be no assurance that any Collateral Obligations issued or sold in connection with any loan facility or indenture will maintain the terms and conditions to which the Issuer or a predecessor in interest to the Issuer originally agreed.

Participation on Creditors' Committees.

The Issuer, or the Collateral Manager on behalf of itself, the Issuer and its other clients and affiliates, may participate on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Issuer may seek to negotiate directly with the debtors with respect to restructuring issues. The participants on such a committee will attempt to achieve an outcome that is in their respective individual best interests and there can be no assurance that results that are the most favorable to the Issuer will be obtained in such proceedings. By participating on such committees, the Issuer may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Issuer to liability to such other creditors who disagree with the Issuer's actions.

The Issuer may also be provided with material non-public information that may restrict the Issuer's ability to trade in the securities of such a company. While the Issuer intends to comply with all applicable securities laws and to make judgments concerning restrictions on trading in good faith, the Issuer may trade in such a company's securities while engaged in the company's restructuring activities. Such trading creates a risk of litigation and liability that may cause the Issuer to incur significant legal fees and potential losses.

Third party litigation; limited funds available.

The Issuer's investment activities may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. See "—Lender liability considerations and equitable subordination can affect the Issuer's rights with respect to Collateral Obligations". The expense of defending against claims against the Issuer by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Issuer. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator and the Administrator and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited as described in "Description of the Notes—Priority of Payments". In the event that such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be brought against it or that the Issuer might otherwise bring to protect its interests.

Concentration risk.

The Issuer will invest in a portfolio of Collateral Obligations consisting of assignments of or Participation Interests in loans and, to a lesser extent, letters of credit and other debt obligations. Although no significant concentration with respect to any particular obligor, industry or country (other than the United States) is expected to exist at the Effective Date, such concentration can increase over time as Collateral Obligations mature or are sold after the Reinvestment Period ends, the concentration of the portfolio in any one obligor would subject the Notes to a greater degree of risk with respect to defaults by such obligor, and the concentration of the portfolio in any one industry would subject the Notes to a greater degree of risk with respect to economic downturns relating to such industry. See "Security for the Secured Notes".

International Investing.

A portion of the Assets may consist of Collateral Obligations that are obligations of non-U.S. obligors. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information, (ii) varying levels of governmental regulation and supervision and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. obligors may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies. Generally, there is less governmental supervision and regulation of exchanges, brokers and issuers in foreign countries than there is in the United States. For example, there may be no comparable provisions under certain foreign laws with respect to insider trading and similar investor protection afforded by securities laws that apply

with respect to securities transactions consummated in the United States. Moreover, if the sovereign rating of a country in which an obligor on a Collateral Obligation is located is downgraded, the ratings applicable to such Collateral Obligation may decline as well.

Foreign markets also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the Issuer are uninvested and no return is earned thereon. The inability of the Issuer to make intended purchases of Collateral Obligations due to settlement problems or the risk of intermediary counterparty failures could cause the Issuer to miss investment opportunities. The inability to dispose of a Collateral Obligation due to settlement problems could result either in losses to the Issuer due to subsequent declines in the value of such Collateral Obligation or, if the Issuer has entered into a contract to sell the Collateral Obligation, could result in possible liability to the purchaser. Transaction costs of buying and selling foreign debt obligations, including brokerage, tax and custody costs, also are generally higher than those involved in domestic transactions. Furthermore, foreign financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and debt obligations of many foreign companies are less liquid and their prices more volatile than debt obligations of comparable domestic companies.

In many foreign countries, there is the possibility of expropriation, nationalization or confiscatory taxation, limitations on the convertibility of currency or the removal of debt obligations, property or other assets of the Issuer, political, economic or social instability or adverse diplomatic developments, each of which could have an adverse effect on the Issuer's investments in such foreign countries (which may make it more difficult to pay U.S. Dollar-denominated obligations). The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

Insolvency considerations with respect to issuers of Collateral Obligations may affect the Issuer's rights.

Various laws enacted for the protection of creditors may apply to the Collateral Obligations. The information in this and the following paragraph is applicable with respect to U.S. issuers. Insolvency considerations will differ with respect to non-U.S. issuers. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a Collateral Obligation, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such Collateral Obligation and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair salable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the Collateral Obligations or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a Collateral Obligation, payments made on such Collateral Obligations could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year under federal bankruptcy law or even longer under state laws) before insolvency.

In general, if payments on Collateral Obligations are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured, either from the initial recipient (such as the Issuer) or from subsequent transferees of such payments (such as the holders of the Notes). To the extent that any such payments are recaptured from the Issuer, the resulting loss will be borne by the holders of the Notes in inverse order of seniority as described under "—Relating to the Notes—The subordination of the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Subordinated Notes will affect their right to payment". However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a holder of Notes only to the extent that such court has jurisdiction over such holder or its assets.

Moreover, it is likely that avoidable payments could not be recaptured directly from a holder that has given value in exchange for its Note, in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent relating to a structured transaction such as the Notes, there can be no assurance that a holder of Notes will be able to avoid recapture on this or any other basis.

Relating to Certain Conflicts of Interest.

Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Collateral Manager, its affiliates and their respective clients, and Citigroup and its affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts or their potential consequences.

The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients.

The Collateral Manager, its affiliates and their respective clients may invest in obligations that would be appropriate as Collateral Obligations. Such investments may be different from those made on behalf of the Issuer. The Collateral Manager and/or its affiliates may also have ongoing relationships with, render services to or engage in transactions with other clients, including other issuers of collateralized loan obligations and collateralized debt obligations, who invest in assets of a similar nature to those of the Issuer, and with companies whose securities or loans are acquired by the Issuer as Collateral Obligations and may own equity or debt securities issued by obligors of Collateral Obligations. As a result, officers or affiliates of the Collateral Manager may possess information relating to obligors of Collateral Obligations that is not known to the individuals at the Collateral Manager responsible for monitoring the Collateral Obligations and performing the other obligations under the Collateral Management Agreement. The Collateral Manager will be required to act under the Collateral Management Agreement with respect to any information within its possession only if such information was known or should reasonably have been known to those employees of the Collateral Manager responsible for performing the obligations of the Collateral Manager thereunder and only if such information is not deemed by the Collateral Manager to be confidential or non-public or subject to other limitations on its use. The Collateral Manager is not otherwise obligated to share such information. The Collateral Manager serves, and expects in the future to serve, as collateral manager or advisor or sub-advisor for other collateralized loan obligation vehicles and/or collateralized bond obligation vehicles (or the like) and other clients who invest in assets of a nature similar to those of the Issuer. The terms of these arrangements, including the fees attributable thereto, may differ significantly from those of the Issuer. In particular, certain investment vehicles and accounts managed by the Collateral Manager may provide for fees (including incentive fees) to the Collateral Manager that are higher than the Collateral Management Fees payable by the Issuer under the Collateral Management Agreement. In addition, affiliates and clients of the Collateral Manager may invest in securities or loans that are senior to, or have interests different from or adverse to, the securities and loans that are acquired by the Issuer as Collateral Obligations. The Collateral Manager and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of investments for its respective account, the Issuer, any similar entity for which it serves as manager or advisor and for its clients or affiliates. Subject to the requirements of the governing instruments pertaining to the Collateral Manager or its affiliates, investment opportunities sourced by the Collateral Manager will generally be allocated to the Issuer in a manner that the Collateral Manager believes, in its reasonable business judgment, to be appropriate given factors that it believes to be relevant. Such factors may include the investment objectives, liquidity, diversification, lender covenants and other limitations of the Issuer and the Collateral Manager or other affiliates or clients and the amount of funds each of them has available for such investment. If the Issuer and another account managed by the Collateral Manager should purchase or sell the same securities or loans at the same time, the Collateral Manager anticipates that such purchases or sales, respectively, will be aggregated and allocated. The Collateral Manager intends to use its reasonable efforts to allocate such investment among its accounts in an equitable manner and in accordance with applicable law.

In addition, the Collateral Manager serves as investment adviser to two registered funds (the "**Registered Funds**") that, pursuant to the terms of the 17(d) Order, must be given an opportunity to co-invest in certain private placements which MassMutual or its affiliates intend to make. Because of the Issuer's relationship with the Collateral Manager, the Issuer may only co-invest with the Registered Funds pursuant to the terms of the 17(d) Order. See "—Investment Company Act Order".

The Collateral Manager and any of its affiliates may engage in any other business and furnish investment management and advisory services to others, including persons which may have investment policies similar to those followed by the Collateral Manager with respect to the Assets and which may own securities of the same class, or of the same type, as the Collateral Obligations, Eligible Investments or Equity Securities or other securities of the issuers of Collateral Obligations, Eligible Investments or Equity Securities. The Collateral Manager will be free, in its sole discretion, to make recommendations to others, or effect transactions on behalf of itself or for others, which may be the same as or different from those it recommends that the Trustee effect with respect to the Assets. Neither the Collateral Manager nor any of its affiliates is under any obligation to offer investment opportunities of which they become aware to the Issuer or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by them from any such transaction or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Collateral Manager and/or its affiliates manage or advise. The Collateral Manager and/or its affiliates may make an investment on behalf of any account that they manage or advise without offering the investment opportunity to, or making any investment on behalf of, the Issuer. Furthermore, affiliates of the Collateral Manager may make an investment on their own behalf without offering the investment opportunity to the Issuer, or the Collateral Manager on behalf of the Issuer. Affirmative obligations may exist or may arise in the future whereby affiliates of the Collateral Manager are obligated to offer certain investments to funds or accounts that such affiliates manage or advise before or without the Collateral Manager offering those investments to the Issuer. The Collateral Manager may make investments on behalf of the Issuer in securities, or other assets, that it has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients. The Collateral Manager will endeavor to resolve conflicts arising therefrom in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and applicable law.

Although the professional staff of the Collateral Manager will devote as much time to the Issuer as the Collateral Manager deems appropriate to perform its duties in accordance with the Collateral Management Agreement and in accordance with reasonable commercial standards, the staff may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's other accounts. The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations. Accordingly, during certain periods or in certain circumstances, the Collateral Manager may be unable as a result of such restrictions to buy or sell securities or to take other actions that it might consider to be in the best interests of the Co-Issuers and the holders of the Notes.

The Collateral Manager and/or its affiliates and/or accounts managed thereby may purchase or sell Notes at any time, and on the Closing Date, one or more affiliates of and/or accounts managed by the Collateral Manager are expected to purchase 100% of the Class D Notes and a portion of the Subordinated Notes.

Additionally, the Collateral Manager has agreed to pay to one or more purchasers of Subordinated Notes a portion of the Base Management Fee and not to defer, waive, amend or otherwise modify the Base Management Fee. See "The Collateral Management Agreement". This arrangement, together with the Incentive Management Fee payable to the Collateral Manager, could provide an incentive for the Collateral Manager to seek to acquire Collateral Obligations on behalf of the Issuer at a lower price than would otherwise be the case.

Upon the removal or resignation of the Collateral Manager, the Issuer at the direction of a Majority of the Subordinated Notes (or, in the case of a removal "for cause", if all of the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes) may appoint a replacement collateral manager, if (i) each Rating Agency has been notified of such appointment (with a copy to the outgoing Collateral Manager) and (ii) a Majority of each Class of Notes (voting separately by Class) does not disapprove of such replacement collateral manager within 30 days of such appointment. Collateral Manager Notes will be disregarded and deemed not to be outstanding with respect to a vote to (i) terminate the Collateral Management Agreement, (ii) remove or replace the Collateral Manager, (iii) approve a successor collateral manager, if the Collateral Manager is being terminated for "cause" pursuant to the Collateral Management Agreement, (iv) waive an event constituting "cause" under the Collateral Management Agreement as a basis for termination of the Collateral Management Agreement or removal of the Collateral Manager or (v) consent to an assignment (as defined in the Investment Advisers Act) of the Collateral Management Agreement to any person, in whole or in part.

The Issuer may invest in obligations of issuers in which Babson Capital and/or its affiliates have a debt, equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of Babson Capital's own investments in such companies. Babson Capital and/or its affiliates may act as an underwriter, arranger or placement agent, or otherwise participate in the origination, structuring, negotiation, syndication or offering of Collateral Obligations purchased by the Issuer.

The Collateral Manager will be permitted under the Collateral Management Agreement, subject to certain requirements set forth therein, to direct the Trustee to purchase or sell Collateral Obligations from or to the Collateral Manager or any of its affiliates as principal, to purchase or sell Collateral Obligations from or to accounts or portfolios of other clients for which the Collateral Manager or its affiliates serve as investment advisor and to purchase Collateral Obligations in offerings where the Collateral Manager and/or its affiliates acted as underwriter, arranger, placement agent or otherwise participated in the origination, structuring, negotiation, syndication or offering of the Collateral Obligations. See "The Collateral Management Agreement". The interests of the Issuer may conflict with those of the Collateral Manager as an affiliate of and investment adviser to such other clients with respect to such purchases or sales. The Collateral Management Agreement requires that any such sales or purchases (including any consents, if required) be made in accordance with all applicable laws, including the Investment Advisers Act. To the extent that applicable law requires disclosure to and the consent and approval of the Issuer to any cross-trade or purchase or sale transaction on a principal basis with the Collateral Manager or its affiliates, such requirements may be satisfied with respect to the Issuer and all holders by (i) giving disclosure and obtaining consent and approval on behalf of the Issuer from any of the following persons as determined by the Collateral Manager: (a) one or more directors of the Issuer independent from the Collateral Manager; (b) one or more of the holders of the most subordinated class of Notes representing at least 25% of the outstanding principal amount of such class of Notes; (c) any independent third party retained by the Issuer; or (d) an advisory committee established by the Collateral Manager; or (ii) in any other manner that is permitted pursuant to then applicable law. The Collateral Manager is not required to obtain consent and approval of the Issuer for any transaction unless such consent and approval is required by applicable law.

There is no limitation or restriction on the Collateral Manager or any of its affiliates with regard to acting as collateral manager (or in a similar role) to other parties or persons. This and other future activities of the Collateral Manager and/or its affiliates may give rise to additional conflicts of interest.

Investment Company Act Order. The Collateral Manager and MassMutual, the indirect parent of the Collateral Manager, are parties to an order of the Securities and Exchange Commission granting exemptions from the limitations of Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder (the "**17(d) Order**") to the extent necessary to permit MassMutual, the Registered Funds and private investment funds for which MassMutual or the Collateral Manager serves as investment adviser to co-invest in securities acquired in private placements ("**Private Placements**"). Under the terms of the 17(d) Order, MassMutual and its affiliates, including the Collateral Manager, are required to offer to the Registered Funds an opportunity to co-invest in certain Private Placements that MassMutual or its affiliates intend to make. Because of the Collateral Manager's and its affiliates' relationship with the Issuer, Private Placements proposed to be purchased by the Issuer will be subject to this requirement. The Issuer may only co-invest with the Registered Funds in such Private Placements pursuant to the 17(d) Order.

The 17(d) Order provides that, among other things, if MassMutual or any affiliate proposes to purchase a Private Placement that is consistent with the investment objectives and policies of one or more of the Registered Funds, such Registered Funds must be offered the opportunity to purchase an identical amount of such Private Placement on identical terms and conditions. For purposes of the 17(d) Order, the portion of an issue of a Private Placement to be acquired by the Issuer that is allocable to the direct or indirect ownership by MassMutual of equity interests in the Issuer would be aggregated with the portion of that issue to be held by MassMutual in its own portfolio. Accordingly, in the event that any Registered Fund elects to accept an opportunity to invest in a Private Placement, the Issuer may only be able to acquire a smaller portion of the proposed Private Placement and, in certain circumstances, may be unable to purchase other securities of the same obligor or its affiliates. See "—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients".

The 17(d) Order also provides that if any party to the 17(d) Order proposes to sell all or dispose of any portion of a Private Placement that is also owned by a Registered Fund, such Registered Fund must be offered the

opportunity to dispose of a proportionate amount of such Private Placement securities on identical terms and conditions. A similar condition applies with respect to the exercise of warrants, conversion privileges and other rights in respect of Private Placements having equity features held by a Registered Fund. A Registered Fund has five business days from the date of notification within which to make an election to participate in such disposition or exercise.

The Issuer will agree to comply fully with the 17(d) Order and to take all steps necessary or desirable to permit the Collateral Manager and the other parties to the 17(d) Order to comply fully with the 17(d) Order, including causing any successor investment manager to manage the Assets in a manner that will enable the Collateral Manager and other parties subject to the 17(d) Order to comply fully therewith.

The Issuer will be subject to various conflicts of interest involving Citigroup.

Various potential and actual conflicts of interest may arise as a result of the investment banking, commercial banking, asset management, financing and financial advisory services and products provided by the Citigroup Companies, to the Issuer, the Trustee, the Collateral Manager, the issuers of the Collateral Obligations and others, as well as in connection with the investment, trading and brokerage activities of the Citigroup Companies. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

Citigroup will serve as initial purchaser for the Secured Notes, and as placement agent for the Subordinated Notes, and will be paid fees and commissions for such service by the Issuer from the proceeds of the issuance of the Notes. One or more of the Citigroup Companies may from time to time hold Notes for investment, trading or other purposes. None of the Citigroup Companies are required to own or hold any Notes and may sell any Notes held by them at any time. The Issuer entered into commitments prior to the Closing Date to purchase a substantial portion of the Collateral Obligations (for settlement on and after the Closing Date) from an affiliate of the Initial Purchaser. Certain Eligible Investments may be issued, managed or underwritten by one or more of the Citigroup Companies. One or more of the Citigroup Companies may provide investment banking, commercial banking, asset management, financing and financial advisory services and products to the Collateral Manager, its affiliates, and funds managed by the Collateral Manager and its affiliates, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments of the Collateral Manager, its affiliates, and funds managed by the Collateral Manager and its affiliates. As a result of such transactions or arrangements, one or more of the Citigroup Companies may have interests adverse to those of the Issuer and holders of the Notes.

One or more of the Citigroup Companies may:

- have placed or underwritten, or acted as a financial arranger, structuring agent or advisor in connection with the original issuance of, or may act as a broker or dealer with respect to, certain of the Collateral Obligations;
- act as trustee, paying agent and in other capacities in connection with certain of the Collateral Obligations or other classes of securities issued by an issuer of a Collateral Obligation or an affiliate thereof;
- be a counterparty to issuers of certain of the Collateral Obligations under swap or other derivative agreements;
- lend to certain of the issuers of Collateral Obligations or their respective affiliates or receive guarantees from the issuers of those Collateral Obligations or their respective affiliates;
- provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of Collateral Obligations or their respective affiliates; or
- have an equity interest, which may be a substantial equity interest, in certain issuers of the Collateral Obligations or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to a Collateral Obligation, the Citigroup Companies will be entitled to fees and expenses senior in priority to payments to such Collateral Obligation. When acting as a trustee for other classes of securities issued by the issuer of a Collateral Obligation or an affiliate thereof, the Citigroup Companies will owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the Collateral Obligation is a part, and may take actions that are adverse to the holders (including the Issuer) of the class of securities of which the Collateral Obligation is a part. As a counterparty under swaps and other derivative agreements, the Citigroup Companies might take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralization of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, the Citigroup Companies might take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the obligor in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's purchase, holding and sale of Collateral Obligations may enhance the profitability or value of investments made by the Citigroup Companies in the issuers thereof. As a result of all such transactions or arrangements between the Citigroup Companies and issuers of Collateral Obligations or their respective affiliates, the Citigroup Companies may have interests that are contrary to the interests of the Issuer and the holders of the Notes.

As part of their regular business, the Citigroup Companies may also provide investment banking, commercial banking, asset management, financing and financial advisory services and products to, and purchase, hold and sell, both for their respective accounts or for the account of their respective clients, on a principal or agency basis, loans, securities, and other obligations and financial instruments and engage in private equity investment activities. The Citigroup Companies will not be restricted in their performance of any such services or in the types of debt or equity investments, which they may make. In conducting the foregoing activities, the Citigroup Companies will be acting for their own account or the account of their customers and will have no obligation to act in the interest of the Issuer.

The Citigroup Companies may from time to time enter into financing and derivative transactions (including repurchase transactions) with third parties (including the Collateral Manager and its affiliates) with respect to the Notes, and the Citigroup Companies in connection therewith may acquire (or establish long, short or derivative financial positions with respect to) Notes, Collateral Obligations or one or more portfolios of financial assets similar to the portfolio of Collateral Obligations acquired by (or intended to be acquired by) the Issuer, including the right to exercise the voting rights with respect to such Notes or other assets.

The Citigroup Companies may, by virtue of the relationships described above or otherwise, at the Original Distribution Date or at any time thereafter, be in possession of information regarding certain of the issuers of Collateral Obligations and their respective affiliates, that is or may be material in the context of the Notes and that is or may not be known to the general public. None of the Citigroup Companies has any obligation, and the offering of the Notes will not create any obligation on their part, to disclose to any purchaser of the Notes any such relationship or information, whether or not confidential.

DESCRIPTION OF THE NOTES

The Indenture and the Secured Notes

All of the Notes will be issued pursuant to the Indenture. However, only the Secured Notes will be secured obligations of the Issuer. The following summary describes certain provisions of the Secured Notes and the Indenture and, to a limited extent, the Subordinated Notes. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture. Additional information regarding the Subordinated Notes appears under "—The Subordinated Notes".

Status and security

The Secured Notes will be limited recourse obligations of the Co-Issuers or the Issuer, as applicable, secured as described below, and will rank in priority with respect to each other and the Subordinated Notes as described herein. Under the terms of the Indenture, the Issuer will grant to the Trustee for the benefit of the Secured Parties a security interest in the Assets to secure the Issuer's obligations under the Indenture and the Secured Notes. See "Security for the Secured Notes".

Payments of interest and principal on the Secured Notes will be made from the proceeds of the Assets, in accordance with the priorities described under "Summary of Terms—Priority of Payments" and "—Priority of Payments". The aggregate amount that will be available from the Assets for payment on the Secured Notes and of certain expenses of the Co-Issuers on any Payment Date prior to the occurrence of an Enforcement Event will be the sum of Interest Proceeds and Principal Proceeds for the related Collection Period; *provided* that during the Reinvestment Period (and after the Reinvestment Period, in the case of Eligible Post Reinvestment Proceeds), it is expected that Principal Proceeds will be reinvested in additional Collateral Obligations, unless otherwise required by the Priority of Payments. To the extent that the proceeds of the Assets are insufficient to meet payments due in respect of the Secured Notes and expenses following liquidation of the Assets, the Co-Issuers will have no obligation to pay such deficiency.

Interest on the Secured Notes

The Secured Notes will bear stated interest from the Closing Date and such interest will be payable quarterly in arrears on each Payment Date at the applicable Interest Rate indicated under "Summary of Terms—Principal Terms of the Notes" on the aggregate outstanding principal amount thereof on the first day of the related Interest Accrual Period (after giving effect to payments of principal thereof on such date).

Any payment of interest due on the Class B Notes, the Class C Notes or the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more Classes of Notes more senior to such Class is outstanding, shall constitute Secured Note Deferred Interest and will not be considered due and payable on such Payment Date, but will be deferred and added to the principal balance of the applicable Class of Secured Notes and, thereafter, will bear interest at the Interest Rate for such Class, until the earliest of (i) the Payment Date on which funds are available to pay such Secured Note Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to such Class and (iii) the Stated Maturity (or the earlier date of maturity) of such Class, and the failure to pay such Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture; *provided*, that any such Secured Note Deferred Interest must, in any case, be paid no later than the earlier of the Redemption Date or Stated Maturity (or the earlier date of maturity) of such Class. Regardless of whether any more senior Class of Secured Notes is outstanding, to the extent that funds are not available on any Payment Date (other than the Redemption Date with respect to, or Stated Maturity of, the relevant Class of Secured Notes) to pay previously accrued Secured Note Deferred Interest, such previously accrued Secured Note Deferred Interest will not be due and payable on such Payment Date and any failure to pay such previously accrued Secured Note Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "—The Indenture—Events of Default". Interest may be deferred (i) on the Class B Notes as long as any Class A Note is outstanding, (ii) on the Class C Notes as long as any Class A Notes or Class B Notes are outstanding and (iii) on the Class D Notes as long as any Class A Notes, Class B Notes or Class C Notes are outstanding. Interest will cease to accrue on Secured Note Deferred Interest on the date of payment thereof.

If any interest due and payable in respect of any Class A-1 Note or Class A-2 Note (or, if there are no Class A Notes outstanding, any Class B Note or, if there are no Class A Notes or Class B Notes outstanding, any Class C Note, or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note) is not punctually paid or duly provided for on the applicable Payment Date or at the applicable Stated Maturity and such default continues for five Business Days (or, in the case of a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator, the note registrar of the Issuer or any Paying Agent (as defined herein), for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission), an Event of Default will occur. To the extent lawful and enforceable, interest on such defaulted interest will accrue at a per annum rate equal to the Interest Rate applicable to such Notes from time to time in each case until paid.

Interest on the Secured Notes will be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period *divided* by 360.

The Calculation Agent will determine LIBOR for each Interest Accrual Period on the Interest Determination Date. The Issuer has initially appointed the Trustee as the Calculation Agent.

As soon as possible after 11:00 a.m. London time on each Interest Determination Date, but in no event later than 11:00 a.m. New York time on the London Banking Day immediately following each Interest Determination Date, the Calculation Agent will calculate the Interest Rate applicable to each Class of Secured Notes during the related Interest Accrual Period and the Note Interest Amount (in each case, rounded to the nearest cent, with half a cent being rounded upward) payable on the related Payment Date in respect of the related Interest Accrual Period. At such time, the Calculation Agent will communicate such rates and amounts to the Co-Issuers, the Trustee, the Paying Agents, Euroclear, Clearstream and the Collateral Manager. The Calculation Agent will also specify to the Co-Issuers the quotations upon which the Interest Rate for each Class of Secured Notes is based, and in any event the Calculation Agent shall notify the Co-Issuers (with a copy to the Collateral Manager) before 5:00 p.m. (New York time) on every Interest Determination Date if it has not determined and is not in the process of determining any such Interest Rate or Note Interest Amount, together with its reasons therefor. The Calculation Agent's determination of the foregoing rates and amounts for any Interest Accrual Period will (in the absence of manifest error) be final and binding upon all parties.

The Issuer will agree that for so long as any Secured Notes remain outstanding there will at all times be a Calculation Agent which shall not control, be controlled by or be under common control with the Issuer or its affiliates or the Collateral Manager or its affiliates. The Calculation Agent may be removed by the Issuer or the Collateral Manager, on behalf of the Issuer, at any time. If the Calculation Agent is unable or unwilling to act as such or is removed by the Issuer or the Collateral Manager, on behalf of the Issuer, or if the Calculation Agent fails to determine any of the information required to be published on the Irish Stock Exchange via the Companies Announcement Office, the Issuer or the Collateral Manager, on behalf of the Issuer, will be required to appoint promptly a replacement Calculation Agent which does not control and is not controlled by or under common control with the Issuer, the Collateral Manager or their respective affiliates. The Calculation Agent may not resign its duties or be removed without a successor having been duly appointed.

Principal of the Secured Notes

The Secured Notes of each Class will mature at par on the Stated Maturity, unless previously redeemed or repaid prior thereto as described herein. Principal will not be payable on the Secured Notes except with respect to Secured Note Deferred Interest and in the limited circumstances described under "—Optional Redemption and Tax Redemption", "—Mandatory Redemption", "—Special Redemption", "Summary of Terms—Priority of Payments—Application of Interest Proceeds", "Summary of Terms—Priority of Payments—Application of Principal Proceeds" and "—Priority of Payments".

On each Payment Date prior to the occurrence of an Enforcement Event, Principal Proceeds (other than (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase and (iii) after the Reinvestment Period, Eligible Post Reinvestment Proceeds that will be used to reinvest in Substitute Obligations that the Issuer has already committed to purchase) will be applied in accordance

with the priorities set forth under "Summary of Terms—Priority of Payments—Application of Principal Proceeds". Upon the occurrence and during the continuance of an Enforcement Event, Interest Proceeds and Principal Proceeds will be applied in accordance with the Special Priority of Payments described under "—Priority of Payments".

At any time during which the Coverage Tests are not met, principal payments on the Secured Notes will be made as described under "—Mandatory Redemption".

The average life of each Class of Secured Notes is expected to be less than the number of years until the Stated Maturity of such Secured Notes. See "Risk Factors—Relating to the Notes—The weighted average lives of the Notes may vary from their maturity date".

Payments of principal to each holder of the Secured Notes of each Class shall be made ratably among the holders of the Secured Notes of such Class in the proportion that the aggregate outstanding principal amount of the Secured Notes of such Class registered in the name of each such holder on the applicable Record Date bears to the aggregate outstanding principal amount of all Secured Notes of such Class on such Record Date.

Optional Redemption and Tax Redemption

General—Redemption of Notes. The Secured Notes will be redeemed by the Co-Issuers or the Issuer, as applicable, on any Business Day occurring after the Non-Call Period, at the written direction of a Supermajority of the Subordinated Notes (with a copy to the Collateral Manager) as follows: based upon such written direction, (i) the Secured Notes will be redeemed in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds; or (ii) the Secured Notes will be redeemed in part by Class from Refinancing Proceeds (so long as any Class of Secured Notes to be redeemed represents not less than the entire Class of such Secured Notes). In connection with any such redemption (each such redemption, an "**Optional Redemption**") the Secured Notes shall be redeemed at the applicable Redemption Prices; *provided* that no redemption shall be effected in whole or in part with Refinancing Proceeds unless a Supermajority of the Subordinated Notes has consented to a redemption by Refinancing. To effect an Optional Redemption, a Supermajority of the Subordinated Notes must provide the above described written direction to the Issuer and the Trustee (with a copy to the Collateral Manager) not later than 22 Business Days prior to the Business Day on which such redemption is to be made; *provided* that all Secured Notes to be redeemed must be redeemed simultaneously.

Upon receipt of a notice of an Optional Redemption of the Secured Notes in whole but not in part (subject to the two immediately succeeding paragraphs with respect to a redemption from proceeds that include Refinancing Proceeds), the Collateral Manager will direct the sale (and the manner thereof), acting in a commercially reasonable manner to maximize the proceeds of such sale, of all or part of the Collateral Obligations and other Assets in an amount sufficient that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Secured Notes to be redeemed and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. If such proceeds of such sale and all other funds available for such purpose in the Collection Account and the Payment Account would not be sufficient to redeem all Secured Notes and to pay such fees and expenses, the Secured Notes may not be redeemed. The Collateral Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

In addition to (or in lieu of) a sale of Collateral Obligations and/or Eligible Investments in the manner provided above, the Secured Notes may, after the Non-Call Period, be redeemed in whole from Refinancing Proceeds and Sale Proceeds or in part by Class from Refinancing Proceeds by obtaining a loan or an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, from one or more financial institutions or purchasers, it being understood that any rating of such replacement securities by a Rating Agency will be based on a credit analysis specific to such replacement securities and independent of the rating of the Secured Notes being refinanced (any such redemption and refinancing, a "**Refinancing**"); *provided* that the terms of such Refinancing must be acceptable to the Collateral Manager and a Supermajority of the Subordinated Notes and such Refinancing otherwise satisfies the conditions described below.

In the case of a Refinancing upon a redemption of the Secured Notes in whole but not in part as described above, such Refinancing will be effective only if (i) the Refinancing Proceeds, all Sale Proceeds from the sale of

Collateral Obligations and Eligible Investments in accordance with the procedures set forth in the Indenture, and all other available funds will be at least sufficient to redeem simultaneously the Secured Notes, in whole but not in part, and to pay the other amounts included in the aggregate Redemption Prices and all accrued and unpaid Administrative Expenses (regardless of the Administrative Expense Cap), including the reasonable fees, costs, charges and expenses incurred by the Issuer, the Co-Issuer, the Trustee and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with such Refinancing, (ii) the Sale Proceeds, Refinancing Proceeds and other available funds are used (to the extent necessary) to make such redemption and (iii) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in the Indenture.

In the case of a Refinancing upon a redemption of the Secured Notes in part by Class as described above, such Refinancing will be effective only if (i) the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any remaining Class A-1 Notes that were not the subject of the Refinancing and S&P has been notified with respect to any remaining Secured Notes that were not the subject of such Refinancing, (ii) the Refinancing Proceeds will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Secured Notes subject to Refinancing, (iii) the Refinancing Proceeds are used (to the extent necessary) to make such redemption, (iv) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in the Indenture, (v) the aggregate principal amount of any obligations providing the Refinancing is no greater than the aggregate outstanding principal amount of the Secured Notes being redeemed with the proceeds of such obligations plus an amount equal to the reasonable fees, costs, charges and expenses incurred in connection with such Refinancing, (vi) the stated maturity of each class of obligations providing the Refinancing is no earlier than the corresponding Stated Maturity of each Class of Secured Notes being refinanced, (vii) the reasonable fees, costs, charges and expenses incurred in connection with such Refinancing have been paid or will be adequately provided for from the Refinancing Proceeds (except for expenses owed to persons that the Collateral Manager informs the Trustee will be paid solely as Administrative Expenses payable in accordance with the Indenture), (viii) the interest rate of any obligations providing the Refinancing will not be greater than the interest rate of the Secured Notes subject to such Refinancing, (ix) the obligations providing the Refinancing are subject to the Priority of Payments and do not rank higher in priority pursuant to the Priority of Payments than the Class of Secured Notes being refinanced, (x) the voting rights, consent rights, redemption rights and all other rights of the obligations providing the Refinancing are the same as the rights of the corresponding Class of Secured Notes being refinanced and (xi) an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters shall be delivered to the Trustee to the effect that any obligations providing the refinancing will be treated as debt (or, in the case of any obligations providing refinancing for the Class D Notes, to the effect that such obligations should be treated as debt) for U.S. federal income tax purposes.

If a Refinancing is obtained meeting the requirements specified above as certified by the Collateral Manager, the Issuer and, at the direction of the Collateral Manager, the Trustee shall amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the holders of Notes other than holders of the Subordinated Notes directing the redemption. The Trustee will not be obligated to enter into any amendment that, as determined by the Trustee, adversely affects its duties, obligations, liabilities or protections under the Indenture, and the Trustee will be entitled to conclusively rely upon an officer's certificate and/or opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel) provided by the Issuer to the effect that such amendment meets the requirements specified above and is permitted under the Indenture (except that such officer or counsel will have no obligation to certify or opine as to the sufficiency of the Refinancing Proceeds, or the sufficiency of the Accountants' Report required under the Indenture).

Tax Redemption. The Notes shall also be redeemed in whole but not in part (any such redemption, a "**Tax Redemption**") at the written direction (delivered to the Trustee, with a copy to the Collateral Manager) of (x) a Majority of any Class of Secured Notes that, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "**Affected Class**") or (y) a Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Assets which results in a payment by, or charge or tax burden to, the Issuer that

results or will result in the withholding of 5.0% or more of scheduled distributions for any Collection Period or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S.\$1,000,000. In connection with any Tax Redemption, holders of 100% of the aggregate outstanding principal amount of any Class of Secured Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

Upon receipt of a notice of a Tax Redemption of the Secured Notes, the Collateral Manager in its sole discretion will direct the sale (and the manner thereof), acting in a commercially reasonable manner to maximize the proceeds of such sale, of all or part of the Collateral Obligations and other Assets in an amount sufficient such that the proceeds from such sale and all other funds available for such purpose in the Collection Account and the Payment Account will be at least sufficient to pay the Redemption Prices of the Secured Notes to be redeemed (or with respect to any Class of Secured Notes the holders of which have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class, such lesser amount that the holders of such Class have elected to receive) and to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. If such proceeds of such sale and all other funds available for such purpose in the Collection Account and the Payment Account would not be sufficient to redeem all Secured Notes and to pay such fees and expenses, the Secured Notes may not be redeemed. The Collateral Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

The Subordinated Notes may be redeemed, in whole but not in part, on any Business Day occurring on or after the redemption or repayment in full of the Secured Notes, at the direction of (x) a Majority of the Subordinated Notes or (y) the Collateral Manager. See "—The Subordinated Notes".

Redemption Procedures. In the event of any Optional Redemption, the written direction of a Supermajority of the Subordinated Notes shall be provided to the Issuer, the Trustee and the Collateral Manager as set forth above under "—General—Redemption of Notes" and the Co-Issuers shall, at least 20 Business Days prior to the Redemption Date, notify the Trustee in writing with a copy to the Collateral Manager (and the Trustee in turn shall, in the name and at the expense of the Co-Issuers, notify the holders of Notes and each Rating Agency, with a copy to the Collateral Manager, at least 15 Business Days prior to the Redemption Date) of such Redemption Date, the applicable Record Date, the principal amount of Notes to be redeemed on such Redemption Date and the Redemption Prices. Notice of a Tax Redemption will be given by first-class mail, postage prepaid, mailed not later than five Business Days prior to the applicable Redemption Date to each holder of Notes at such holder's address in the register maintained by the registrar under the Indenture. In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Optional Redemption or Tax Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange via the Companies Announcement Office. Failure to give notice of redemption, or any defect therein, to any holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes. Notes called for redemption (other than Uncertificated Subordinated Notes) must be surrendered at the office of any Paying Agent. The initial Paying Agent for the Notes will be the Trustee.

The Co-Issuers will have the option to withdraw any such notice of an Optional Redemption (or any such notice of a Tax Redemption, if proceeds of the Assets will be insufficient to pay, together with other required amounts, the Redemption Price of any Class of Secured Notes, and holders of such Class have not elected to receive the lesser amount that will be available), following good faith efforts by the Issuer and the Collateral Manager to facilitate such redemption, on any day up to and including the day on which the Collateral Manager is required to deliver to the Trustee the sale agreement or agreements or certifications as described in the following paragraph. Any withdrawal of such notice of an Optional Redemption will be made by written notice to the Trustee (with a copy to the Collateral Manager) and will be made only if the Collateral Manager is unable to deliver the sale agreement or agreements or certifications as described in the following paragraph in form satisfactory to the Trustee. If the Co-Issuers so withdraw any notice of an Optional Redemption or Tax Redemption or are otherwise unable to complete an Optional Redemption or Tax Redemption of the Notes, the proceeds received from the sale of any Collateral Obligations and other Assets sold in contemplation of such redemption may during the Reinvestment Period, at the Collateral Manager's sole discretion, be reinvested in accordance with the Investment Criteria described herein. A Supermajority of the Subordinated Notes will have the option to direct the withdrawal of the notice of redemption on or prior to the sixth Business Day prior to the proposed Redemption Date by written notice

to the Trustee, the Co-Issuers and the Collateral Manager, *provided* that neither the Issuer nor the Collateral Manager has entered into a binding agreement in connection with the sale of any portion of the Assets or taken any other actions in connection with the liquidation of any portion of the Assets pursuant to such notice of redemption.

Unless Refinancing Proceeds are being used to redeem the Secured Notes in whole or in part, in the event of any Optional Redemption or Tax Redemption, no Secured Notes may be optionally redeemed unless (i) at least five Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions whose short-term unsecured debt obligations (other than such obligations whose rating is based on the credit of a person other than such institution) are rated, or guaranteed by a Person whose short-term unsecured debt obligations are rated, at least "A-1" by S&P and at least "P-1" by Moody's to purchase (directly or by participation or other arrangement), not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Assets at a purchase price at least sufficient, together with the Eligible Investments maturing, redeemable or puttable to the issuer thereof at par on or prior to the scheduled Redemption Date, to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable in accordance with the Priority of Payments and redeem all of the Secured Notes on the scheduled Redemption Date at the applicable Redemption Prices (or in the case of any Class of Secured Notes, such lesser amount that the holders of such Class have elected to receive, in the case of a Tax Redemption where holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class), (ii) at least five Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Assets at least sufficient to pay all Administrative Expenses (regardless of the Administrative Expense Cap) payable in accordance with the Priority of Payments and redeem all of the Secured Notes on the scheduled Redemption Date at the applicable Redemption Prices (or in the case of any Class of Secured Notes, such lesser amount that the holders of such Class have elected to receive, in the case of a Tax Redemption where holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class), or (iii) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager shall certify to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale of Eligible Investments, and (B) for each Collateral Obligation, the product of its principal balance and its Market Value and its Applicable Advance Rate, shall exceed the sum of (x) the aggregate Redemption Prices (or in the case of any Class of Secured Notes, such other amount that the holders of such Class have elected to receive, in the case of a Tax Redemption where holders of such Class have elected to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class) of the outstanding Secured Notes and (y) all Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments. Any certification delivered by the Collateral Manager pursuant to this section "Optional Redemption and Tax Redemption—Redemption Procedures" must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) or payment of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this section "Optional Redemption and Tax Redemption—Redemption Procedures". Any holder of Notes, the Collateral Manager or any of the Collateral Manager's affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Assets to be sold as part of an Optional Redemption or a Tax Redemption.

Failure to give notice of redemption, or any defect therein, to any holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes. From and after the Redemption Date (unless the Issuer shall default in the payment of the Redemption Prices and accrued interest) all Notes to be redeemed that are Secured Notes shall cease to bear interest on the Redemption Date.

Mandatory Redemption

If a Coverage Test (as described under "Security for the Secured Notes—The Coverage Tests") is not met on any Determination Date on which such Coverage Test is applicable, the Issuer will be required to apply available amounts in the Payment Account pursuant to the Priority of Payments on the related Payment Date to make payments in accordance with the Note Payment Sequence (a "**Mandatory Redemption**") to the extent necessary to achieve compliance with such Coverage Tests, as described under "Summary of Terms—Priority of Payments".

Special Redemption

The Secured Notes will be subject to redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date (i) during the Reinvestment Period, if the Collateral Manager notifies the Trustee at least five Business Days prior to the applicable Special Redemption Date that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager and which would meet the criteria for reinvestment described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" in sufficient amounts to permit the investment or reinvestment of all or a portion of the funds then in the Collection Account that are to be invested in additional Collateral Obligations or (ii) after the Effective Date, if the Collateral Manager notifies the Trustee that a redemption is required in order to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, in each case in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date" (each a "**Special Redemption**"). Any such notice in the case of clause (i) above shall be based upon the Collateral Manager having attempted, in accordance with the standard of care set forth in the Collateral Management Agreement, to identify additional Collateral Obligations as described above. On the first Payment Date (and all subsequent Payment Dates) following the Collection Period in which such notice is given (a "**Special Redemption Date**"), the amount in the Collection Account representing (1) in the case of a Special Redemption during the Reinvestment Period, Principal Proceeds which the Collateral Manager has determined cannot be reinvested in additional Collateral Obligations or (2) in the case of a Special Redemption after the Effective Date, all Interest Proceeds and all other Principal Proceeds available in accordance with the Priority of Payments, will in each case be applied in accordance with the Priority of Payments. In the case of clause (2), such amounts will be used for application in accordance with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or to cause S&P to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes, as applicable, as described in "Use of Proceeds—Effective Date". Notice of Special Redemption will be given by the Trustee not less than (x) in the case of a Special Redemption described in clause (i) above, three Business Days prior to the applicable Special Redemption Date and (y) in the case of a Special Redemption described in clause (ii) above, one Business Day prior to the applicable Special Redemption Date to each holder of Secured Notes and to both Rating Agencies (with a copy to the Collateral Manager). In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Special Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange via the Companies Announcement Office.

Clean-Up Call Redemption

At the written direction of the Collateral Manager to the Issuer and the Trustee, with copies to the Rating Agencies, at least 20 Business Days prior to the proposed Redemption Date, the Notes will be subject to redemption by the Issuer, in whole but not in part (a "**Clean-Up Call Redemption**"), at the Redemption Price therefor, on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 10% of the Target Initial Par Amount.

Any Clean-Up Call Redemption is subject to (i) the purchase of the Assets (other than the Eligible Investments referred to in clause (d) of this sentence) from the Issuer by the Collateral Manager or any other Person, on or prior to the fifth Business Day immediately preceding the related Redemption Date, for a purchase price in cash (the "**Clean-Up Call Redemption Price**") at least equal to the greater of (1) the sum of (a) the aggregate outstanding principal amount of the Secured Notes, plus (b) all unpaid interest on the Secured Notes accrued to the date of such redemption (including any interest on defaulted interest), plus (c) the aggregate of all other amounts owing by the Issuer on the date of such redemption that are payable in accordance with the Priority of Payments prior to distributions in respect of the Subordinated Notes (including, for the avoidance of doubt, all outstanding Administrative Expenses), minus (d) the balance of the Eligible Investments in the Collection Account and (2) the Market Value of such Assets being purchased, and (ii) the receipt by the Trustee from the Collateral Manager, prior to such purchase, of certification from the Collateral Manager that the sum so received satisfies clause (i). Upon receipt by the Trustee of the certification referred to in the preceding sentence, the Trustee (pursuant to written direction from the Issuer) and the Issuer will take all actions necessary to sell, assign and transfer the Assets to the Collateral Manager or such other Person upon payment in immediately available funds of the Clean-Up Call

Redemption Price. The Trustee will deposit such payment into the Collection Account in accordance with the instructions of the Collateral Manager.

Upon receipt from the Collateral Manager of a direction in writing to effect a Clean-Up Call Redemption, the Issuer will set the related Redemption Date and the Record Date and give written notice thereof to the Trustee, the Collateral Administrator, the Collateral Manager and the Rating Agencies not later than 15 Business Days prior to the proposed Redemption Date. A notice of redemption will be given by first-class mail, postage prepaid, mailed not later than 10 Business Days prior to the applicable Redemption Date, to each holder of Notes, at such holder's address in the register maintained by the registrar under the Indenture, and each Rating Agency. So long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, such a notice of redemption shall also be given to the holders thereof by publication on the Irish Stock Exchange via the Companies Announcement Office.

Any notice of Clean-Up Call Redemption may be withdrawn by the Issuer up to the fourth Business Day prior to the related scheduled Redemption Date by written notice to the Trustee, the Rating Agencies and the Collateral Manager only if amounts equal to the Clean-Up Call Redemption Price are not received in full in immediately available funds by the fifth Business Day immediately preceding such Redemption Date. The Trustee will give notice of any such withdrawal of a Clean-Up Call Redemption, at the expense of the Issuer, to each holder of Notes that were to be redeemed at such holder's address in the Register, by overnight courier guaranteeing next day delivery not later than the third Business Day prior to the related scheduled Redemption Date. So long as any Notes are listed on the Irish Stock Exchange and the guidelines of such exchange so require, the Trustee will also provide a copy of the notice of such withdrawal to the Irish Listing Agent for delivery to the Irish Stock Exchange.

On the Redemption Date related to any Clean-Up Call Redemption, the Clean-Up Call Redemption Price will be distributed pursuant to the Priority of Payments.

Issuer purchases of Secured Notes

Notwithstanding anything to the contrary in the Indenture, the Collateral Manager, on behalf of the Issuer, may conduct purchases of the Secured Notes, in whole or in part, in accordance with, and subject to, the terms and conditions set forth below. Notwithstanding the provisions of the Indenture described under "Security for the Secured Notes—The Collection Account and Payment Account", amounts in the Principal Collection Subaccount may be disbursed for purchases of Secured Notes in accordance with the provisions described in this section. The Issuer shall surrender all such purchased Secured Notes to the Trustee accompanied by an instruction to cancel the same (or, in the case of Global Secured Notes, shall give appropriate instruction to DTC and the Trustee to authorize and direct a reduction in the principal amount of such Global Secured Notes to the extent of such purchase), and the Trustee shall cancel as described under "—Cancellation" any such purchased Secured Notes surrendered to it for cancellation or, in the case of any Global Secured Notes, the Trustee shall decrease the aggregate outstanding principal amount of such Global Secured Notes in its records by the full principal amount of the purchased Secured Notes, and instruct DTC or its nominee, as the case may be, to conform its records (or confirm that such records should be conformed). Such cancellation or decrease shall be given effect for all purposes under the Indenture, including, without limitation, the calculation of the level of compliance with all applicable tests and limitations therein.

No purchases of the Secured Notes may occur unless each of the following conditions is satisfied:

- (a) the Issuer has obtained the consent thereto of a Majority of the Subordinated Notes;
- (b)
 - (i) such purchases of Secured Notes shall occur in the following sequential order of priority: *first*, the Class A-1 Notes, until the Class A-1 Notes are retired in full; *second*, the Class A-2 Notes, until the Class A-2 Notes are retired in full; *third*, the Class B Notes, until the Class B Notes are retired in full; *fourth*, the Class C Notes, until the Class C Notes are retired in full; and, *fifth*, the Class D Notes, until the Class D Notes are retired in full;
 - (ii) (1) each such purchase of Secured Notes of any Class shall be made in the open secondary market at a price negotiated on an arm's-length basis and (2) each holder that

receives a purchase offer shall have the right, but not the obligation, to accept such offer in accordance with its terms;

- (iii) each such purchase shall be effected only at prices discounted from par;
 - (iv) each such purchase of Secured Notes shall be effected with Principal Proceeds, *provided* that the purchase of accrued interest on such Secured Notes shall be effected with Interest Proceeds;
 - (v) (A) each Coverage Test will be satisfied, or if not satisfied, such Coverage Test will be maintained or improved, after giving effect to such purchase, when compared to the level of compliance with each such Coverage Test (1) immediately prior to such purchase, in the case of a purchase effected other than from proceeds of any sale of a Collateral Obligation, or (2) immediately prior to the commencement of such sale or sales, in the case of a purchase effected from the proceeds of one or more sales of Collateral Obligations; (B) each Collateral Quality Test will be satisfied, or if not satisfied, such Collateral Quality Test will be maintained or improved, after giving effect to such purchase, when compared to the level of compliance with each such Collateral Quality Test (1) immediately prior to such purchase, in the case of a purchase effected other than from proceeds of any sale of a Collateral Obligation, or (2) immediately prior to the commencement of such sale or sales, in the case of a purchase effected from the proceeds of one or more sales of Collateral Obligations; and (C) each of the Concentration Limitations will be satisfied, or if not satisfied, such Concentration Limitation will be maintained or improved, after giving effect to such purchase, when compared to the level of compliance with each such Concentration Limitation (1) immediately prior to such purchase, in the case of a purchase effected other than from proceeds of any sale of a Collateral Obligation, or (2) immediately prior to the commencement of such sale or sales, in the case of a purchase effected from the proceeds of one or more sales of Collateral Obligations;
 - (vi) no Event of Default or Enforcement Event shall have occurred and be continuing;
 - (vii) any Secured Notes to be purchased shall be surrendered to the Trustee for cancellation as described under "—Cancellation"; and
 - (viii) each such purchase will otherwise be conducted in accordance with applicable law; and
- (c) the Trustee has received an officer's certificate of the Collateral Manager to the effect that the conditions in the foregoing paragraph (a) have been satisfied, on which the Trustee shall be entitled to rely.

Cancellation

All Notes surrendered for payment, registration of transfer, exchange or redemption, or mutilated, defaced or deemed lost or stolen, or surrendered by the Issuer pursuant to the provisions of the Indenture described above under "—Issuer purchases of Secured Notes", shall be promptly cancelled by the Trustee and may not be reissued or resold. No Note may be surrendered (including in connection with any abandonment, donation, gift, contribution or other event or circumstance) except (a) for payment as provided herein, (b) by the Issuer pursuant to the provisions of the Indenture described above under "—Issuer purchases of Secured Notes"), (c) for registration of transfer, exchange or redemption or (d) for replacement in connection with any Note that is mutilated, defaced or deemed lost or stolen.

The Issuer may not acquire any of the Notes (including any Notes surrendered or abandoned) except as described above under "—Issuer purchases of Secured Notes". The preceding sentence shall not limit an optional, special or mandatory redemption pursuant to the terms of the Indenture.

Entitlement to payments

Payments on the Notes will be made to the person in whose name the Note is registered on the Record Date. Payments on interests in notes not in global form will be made in U.S. Dollars by wire transfer, as directed by the investor, in immediately available funds to the investor; *provided*, that wiring instructions have been provided to the Trustee on or before the related Record Date and *provided, further*, that if appropriate instructions for any such wire transfer are not received by the Record Date, then such payment shall be made by check drawn on a U.S. bank mailed to such holder of a Note at such holder's address specified in the applicable register maintained by the Trustee. Final payments in respect of principal on the Notes will be made only against surrender of the Notes at the office of any Paying Agent appointed under the Indenture.

Payments on any Global Secured Notes or Regulation S Global Subordinated Notes will be made to DTC or its nominee, as the registered owner thereof. Neither the Co-Issuers, the Collateral Manager, the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Secured Notes or Regulation S Global Subordinated Notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Co-Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Secured Note or a payment of a distribution in respect of a Regulation S Global Subordinated Note representing a Class of Notes held by it or its nominee, will immediately credit participants' accounts (through which, in the case of Regulation S Global Secured Notes or Regulation S Global Subordinated Notes, Euroclear and Clearstream hold their respective interests) with payments in amounts proportionate to their respective beneficial interests in the stated original principal amount of a Global Secured Note or Regulation S Global Subordinated Note for a Class of Notes, as applicable, as shown on the records of DTC or its nominee. The Co-Issuers also expect that payments by participants to owners of beneficial interests in a Global Secured Note or Regulation S Global Subordinated Note held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for the customers. The payments will be the responsibility of the participants.

Prescription. Except as otherwise required by applicable law, claims by holders of Notes in respect of principal and interest must be made to the Trustee or any Paying Agent if made within two years of such principal or interest becoming due and payable. Any funds deposited with the Trustee or any Paying Agent in trust for the payment of principal or interest remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Issuer pursuant to the Indenture; and the holder of a Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment of such amounts and all liability of the Trustee and any Paying Agent with respect to such trust funds shall thereupon cease.

Priority of Payments

On each Payment Date, unless an Enforcement Event has occurred and is continuing, Interest Proceeds will be applied in the order of priority described under "Summary of Terms—Priority of Payments—Application of Interest Proceeds".

On each Payment Date, unless an Enforcement Event has occurred and is continuing, Principal Proceeds will be applied in the order of priority described under "Summary of Terms—Priority of Payments—Application of Principal Proceeds".

Notwithstanding the provisions of "Summary of Terms—Priority of Payments—Application of Interest Proceeds" and "Summary of Terms—Priority of Payments—Application of Principal Proceeds", if the Secured Notes have been declared due and payable following an Event of Default (or have become due and payable following an Event of Default referred to in clause (e) of the definition thereof) and, in the case of such a declaration of acceleration, such declaration of acceleration has not been rescinded and annulled, or if the Secured Notes have become due and payable at Stated Maturity or on any Redemption Date and shall remain unpaid (any such event, an "**Enforcement Event**"), on any Payment Date and on each date or dates fixed by the Trustee, proceeds in respect of the Assets will be applied in the following order of priority (the "**Special Priority of Payments**"):

- (A) (1) first, to the payment of taxes and governmental fees owing by the Issuer, the Co-Issuer or any Blocker Subsidiary, if any, and (2) second, to the payment of the accrued and unpaid Administrative Expenses, in

the priority stated in the definition thereof, up to the Administrative Expense Cap (*provided* that following the commencement of any sales of Assets pursuant to the provisions of the Indenture described in the third paragraph under "—The Indenture", the Administrative Expense Cap shall be disregarded);

- (B) to the payment of (1) the Base Management Fee due and payable to the Collateral Manager and (2) any accrued and unpaid interest on the Base Management Fee; *provided* that such accrued and unpaid interest shall be paid solely to the extent that, after giving effect on a *pro forma* basis to such payment, sufficient Interest Proceeds and Principal Proceeds remain to pay in full all amounts due under clauses (C), (D), (E) and (F) below;
- (C) to the payment of accrued and unpaid interest on the Class A-1 Notes;
- (D) to the payment of principal of the Class A-1 Notes;
- (E) to the payment of accrued and unpaid interest on the Class A-2 Notes;
- (F) to the payment of principal of the Class A-2 Notes;
- (G) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class B Notes;
- (H) to the payment of any Secured Note Deferred Interest on the Class B Notes;
- (I) to the payment of principal of the Class B Notes;
- (J) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class C Notes;
- (K) to the payment of any Secured Note Deferred Interest on the Class C Notes;
- (L) to the payment of principal of the Class C Notes;
- (M) to the payment of accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class D Notes;
- (N) to the payment of any Secured Note Deferred Interest on the Class D Notes;
- (O) to the payment of principal of the Class D Notes;
- (P) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;
- (Q) to the payment of (in the same manner and order of priority stated in the definition thereof) any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;
- (R) to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 15.0%; and
- (S) to pay the balance to the Collateral Manager and the holders of the Subordinated Notes, such balance to be allocated as follows: (x) 20% to the Collateral Manager as the Incentive Management Fee payable on such Payment Date; and (y) 80% to the holders of the Subordinated Notes.

The Indenture

Events of Default. "**Event of Default**" is defined in the Indenture as:

- (a) a default in the payment, when due and payable, of (i) any interest on any Class A Note or, if there are no Class A Notes outstanding, any Class B Note or, if there are no Class A Notes or Class B Notes outstanding,

any Class C Note or, if there are no Class A Notes, Class B Notes or Class C Notes outstanding, any Class D Note and, in each case, the continuation of any such default for five Business Days, or (ii) any principal of, or interest or Secured Note Deferred Interest on, or any Redemption Price in respect of, any Secured Note at its Stated Maturity or on any Redemption Date; *provided* that, in the case of a default resulting from a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator, the note registrar of the Issuer or any Paying Agent, such default will not be an Event of Default unless such failure continues for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission (irrespective of whether the cause of such administrative error or omission has been determined);

- (b) the failure on any Payment Date to disburse amounts available in the Payment Account (other than a default in payment described in clause (a) above) in accordance with the Priority of Payments set forth in the Indenture and continuation of such failure for a period of five Business Days; *provided* that, in the case of a default resulting from a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the note registrar of the Issuer or any Paying Agent, such default will not be an Event of Default unless such failure continues for five Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission (irrespective of whether the cause of such administrative error or omission has been determined);
- (c) either of the Co-Issuers or the Assets becomes an investment company required to be registered under the Investment Company Act and such requirement has not been eliminated after a period of 45 days;
- (d) except as otherwise provided in this definition of "**Event of Default**", a default in a material respect in the performance, or breach in a material respect, of any other covenant or other agreement of the Issuer or the Co-Issuer in the Indenture (it being understood, without limiting the generality of the foregoing, that any failure to meet any Concentration Limitation, Collateral Quality Test or Coverage Test is not an Event of Default and any failure to satisfy the requirements described under "Use of Proceeds—Effective Date" is not an Event of Default, except in either case to the extent provided in clause (f) below), or the failure of any representation or warranty of the Issuer or the Co-Issuer made in the Indenture or in any certificate or other writing delivered pursuant thereto or in connection therewith to be correct in each case in all material respects when the same shall have been made, and the continuation of such default, breach or failure for a period of 45 days after notice to the Issuer or the Co-Issuer, as applicable, and the Collateral Manager by registered or certified mail or overnight courier, by the Trustee, the Issuer, the Co-Issuer or the Collateral Manager or to the Issuer or the Co-Issuer, as applicable, the Collateral Manager and the Trustee at the direction of the holders of at least a Majority of the Controlling Class, specifying such default, breach or failure and requiring it to be remedied and stating that such notice is a "**Notice of Default**" under the Indenture;
- (e) certain events of bankruptcy, insolvency, receivership or reorganization of either of the Co-Issuers; or
- (f) on any Measurement Date, failure of the percentage equivalent of a fraction (i) the numerator of which is equal to (1) the sum of (x) the aggregate principal balance of the Collateral Obligations, excluding Defaulted Obligations and (y) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds *plus* (2) the aggregate Market Value of all Defaulted Obligations on such date and (ii) the denominator of which is equal to the aggregate outstanding principal amount of the Class A-1 Notes, to equal or exceed 102.5%.

If an Event of Default occurs and is continuing (other than an Event of Default referred to in clause (e) above), the Trustee may (with the written consent of a Majority of the Controlling Class), and shall (upon the written direction of a Majority of the Controlling Class), by notice to the applicable Co-Issuers, the Collateral

Manager and each Rating Agency, declare the principal of the Secured Notes to be immediately due and payable (the principal of the Secured Notes becoming immediately due and payable, whether by such a declaration or automatically as described in the following sentence, an "**acceleration**"), and upon any such declaration the principal of the Notes, together with accrued and unpaid interest thereon (including, in the case of the Class B Notes, Class C Notes and Class D Notes, any Secured Note Deferred Interest) through the date of acceleration, shall become immediately due and payable. If an Event of Default described in clause (e) above occurs, such an acceleration will occur automatically.

If an Enforcement Event shall have occurred and be continuing (unless an Event of Default is also continuing or the Trustee has commenced remedies pursuant to the Indenture), then the Collateral Manager may continue to direct sales and other dispositions, and purchases, of Collateral Obligations in accordance with and to the extent permitted pursuant to the provisions of the Indenture described under "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria". Notwithstanding anything to the contrary in the Indenture, if an Event of Default or Enforcement Event shall have occurred and be continuing, the Trustee will retain the Assets intact (subject to the rights of the Collateral Manager pursuant to the preceding sentence), collect all payments in respect of the Assets and make and apply all payments and deposits and maintain all accounts in respect of the Assets and the Notes in accordance with the Priority of Payments and otherwise in accordance with the Indenture, unless: (I) the Trustee determines (in the manner described in the Indenture) that the anticipated proceeds of a sale or liquidation of the Assets (after deducting the anticipated reasonable expenses of such sale or liquidation) would be sufficient to discharge in full the amounts then due (or, in the case of interest, accrued) and unpaid on the Secured Notes for principal and interest (including accrued and unpaid Secured Note Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Secured Notes (including any amounts due and owing, and any amounts anticipated to be due and owing, as Administrative Expenses (without regard to the Administrative Expense Cap) and any due and unpaid Base Management Fee) and a Majority of the Controlling Class agrees with such determination; or (II) a Supermajority of each Class of the Secured Notes (voting separately by Class) directs the sale and liquidation of the Assets (by notice to the Issuer, Trustee and Collateral Manager).

A Majority of the Controlling Class will have the right following the occurrence, and during the continuance of, an Event of Default or an Enforcement Event to cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Trustee; *provided*, that (a) such direction shall not conflict with any rule of law or with any express provision of the Indenture, (b) the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction, (c) the Trustee shall have been provided with indemnity reasonably satisfactory to it, and (d) notwithstanding the foregoing, any direction to the Trustee to undertake a sale of Assets may be given only in accordance with the preceding paragraph and the other applicable provisions of the Indenture.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise the rights or powers vested in it under the Indenture in respect of an Event of Default or Enforcement Event at the request or direction of the holders of any Notes unless such holders have provided to the Trustee security or indemnity reasonably satisfactory to the Trustee. Prior to the time a judgment or decree for payment of the money due has been obtained by the Trustee, as provided in the Indenture, a Majority of the Controlling Class may on behalf of the holders of all the Notes waive any past Event of Default or any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default, and its consequences, except any such Event of Default or occurrence (a) in the payment of the principal of or interest on any Secured Note (which may be waived only with the consent of the holder of such Secured Note), (b) in the payment of interest on the Secured Notes of the Controlling Class (which may be waived only with the consent of the holders of 100% of the Controlling Class), (c) in respect of a covenant or provision of the Indenture that, under the provision of the Indenture providing for supplemental indentures with the consent of holders of Notes, cannot be modified or amended without the waiver or consent of the holder of each such outstanding Note materially and adversely affected thereby (which may be waived only with the consent of each such holder) or (d) in respect of certain representations contained in the Indenture relating to the security interests in the Assets.

No holder of a Note will have the right to institute any proceeding with respect to the Indenture unless (i) such holder previously has given to the Trustee (with a copy to the Collateral Manager) written notice of an Event of Default, (ii) the holders of not less than 25% in aggregate outstanding principal amount of the Controlling

Class have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such holders have provided the Trustee indemnity reasonably satisfactory to the Trustee, (iii) the Trustee, for 30 days after its receipt of such notice, request and provision of such indemnity to the Trustee, has failed to institute any such proceeding and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Controlling Class.

In determining whether the holders of the requisite aggregate outstanding principal amount have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, the following Notes shall be disregarded and deemed not to be outstanding:

- (a) Notes owned by the Issuer, the Co-Issuer or any other obligor upon the Notes; and
- (b) only in the case of a vote to (i) terminate the Collateral Management Agreement, (ii) remove or replace the Collateral Manager, (iii) approve a successor collateral manager, if the Collateral Manager is being terminated for "cause" pursuant to the Collateral Management Agreement, (iv) waive an event constituting "cause" under the Collateral Management Agreement as a basis for termination of the Collateral Management Agreement or removal of the Collateral Manager or (v) consent to an assignment (as defined in the Investment Advisers Act) of the Collateral Management Agreement to any person, in whole or in part, any other Notes that are Collateral Manager Notes,

except that (1) in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes that a trust officer of the Trustee actually knows to be so owned or to be Collateral Manager Notes shall be so disregarded; and (2) Notes so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not one of the Persons specified above.

Notices. Notices to the holders of the Notes shall be given by first-class mail, postage prepaid, to registered holders of Notes at each such holder's address appearing in the register maintained by the Trustee. The Trustee will agree in the Indenture to notify the holders of the Notes of its receipt of any written notice from the Collateral Manager to the effect that any of the events specified in the definition of "cause" has occurred.

Modification of Indenture. With the consent of a Majority of the Secured Notes of each Class materially and adversely affected thereby, if any, and if the Subordinated Notes are materially and adversely affected thereby, a Majority of the Subordinated Notes, the Trustee and the Co-Issuers may execute one or more supplemental indentures to add provisions to, or change in any manner or eliminate any provisions of, the Indenture or modify in any manner the rights of the holders of the Notes of any Class under the Indenture; *provided* that without the consent of each holder of each outstanding Note of each Class materially and adversely affected thereby, no such supplemental indenture described above may:

- (i) change the Stated Maturity of the principal of or the due date of any installment of interest on any Secured Note, reduce the principal amount thereof or the rate of interest thereon or the Redemption Price with respect to any Note, or change the earliest date on which Notes of any Class may be redeemed, change the provisions of the Indenture relating to the application of proceeds of any Assets to the payment of principal of or interest on the Secured Notes, or distributions on the Subordinated Notes (other than, following a redemption in full of the Secured Notes, an amendment to permit distributions to Subordinated Noteholders on dates other than Payment Dates) or change any place where, or the coin or currency in which, Notes or the principal thereof or interest or any distribution thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the applicable Redemption Date);
- (ii) reduce the percentage of the aggregate outstanding principal amount of holders of Notes of each Class whose consent is required for the authorization of any such supplemental indenture or for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder or their consequences provided for in the Indenture;

- (iii) impair or adversely affect the Assets except as otherwise permitted in the Indenture;
- (iv) except as otherwise permitted by the Indenture, permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture with respect to any part of the Assets or terminate such lien on any property at any time subject thereto or deprive the holder of any Secured Note of the security afforded by the lien of the Indenture;
- (v) reduce or increase the percentage of the aggregate outstanding principal amount of holders of any Class of Secured Notes whose consent is required to request the Trustee to preserve the Assets or rescind the Trustee's election to preserve the Assets or to sell or liquidate the Assets pursuant to the Indenture;
- (vi) modify any of the provisions of the Indenture with respect to entering into supplemental indentures, except to increase the percentage of outstanding Notes the consent of the holders of which is required for any such action or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note outstanding and affected thereby;
- (vii) modify the definition of the term "Controlling Class", the definition of the term "Outstanding" or the priority of payments set forth in the Indenture; or
- (viii) modify any of the provisions of the Indenture in such a manner as to affect the calculation of the amount of any payment of interest or principal on any Secured Note, or the calculation of the amount of distributions payable to the Subordinated Notes, or to affect the rights of the holders of any Secured Notes or the Subordinated Notes to the benefit of any provisions for the redemption of such Secured Notes or such Subordinated Notes contained therein.

The Co-Issuers and the Trustee may also enter into supplemental indentures, without a legal opinion of counsel being provided to the Co-Issuers or the Trustee as to whether or not any Class of Notes would be materially and adversely affected thereby (except in the case of clause (iii), (vi) or (xi) below) and without obtaining the consent of holders of the Notes (except any consent required by clause (iii), (vi), (x) or (xi) below) at any time and from time to time, subject to certain requirements described in the Indenture:

- (i) to evidence the succession of another person to the Issuer or the Co-Issuer and the assumption by any such successor person of the covenants of the Issuer or the Co-Issuer in the Indenture and in the Notes;
- (ii) to add to the covenants of the Co-Issuers or the Trustee for the benefit of the Secured Parties;
- (iii) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or add to the conditions, limitations or restrictions on the authorized amount, terms and purposes of the issue, authentication and delivery of the Notes, *provided* that, if the holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (iii), the consent to such supplemental indenture has been obtained from a Majority of each such Class;
- (iv) to evidence and provide for the acceptance of appointment under the Indenture by a successor Trustee and to add to or change any of the provisions of the Indenture as shall be necessary to facilitate the administration of the trusts under the Indenture by more than one Trustee, pursuant to the requirements of the Indenture;
- (v) to correct or amplify the description of any property at any time subject to the lien of the Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Indenture (including, without limitation, any and all actions necessary or desirable as a result of changes in law or regulations) or to subject to the lien of the Indenture any additional property;

- (vi) to modify the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in ERISA or other applicable law or regulation (or the interpretation thereof) or to enable the Co-Issuers to rely upon any exemption from registration under the Securities Act or the Investment Company Act or to remove restrictions on resale and transfer to the extent not required by the Indenture, *provided* that, if the holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (vi), the consent to such supplemental indenture has been obtained from a Majority of each such Class;
- (vii) to make such changes as shall be necessary or advisable in order for the listed Notes to be or remain listed on an exchange, including the Irish Stock Exchange;
- (viii) otherwise to correct any inconsistency or cure any ambiguity, omission or manifest errors in the Indenture or to conform the provisions of the Indenture to this Offering Circular;
- (ix) to take any action (including modifying the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in FATCA or other applicable law or regulation (or the interpretation thereof)) advisable to prevent the Issuer from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer from being treated as engaged in a trade or business within the United States for United States federal income tax purposes or otherwise being subject to tax in any jurisdiction outside its jurisdiction of incorporation;
- (x) at any time during the Reinvestment Period, subject to the consent of a Majority of the Subordinated Notes, to make such changes as shall be necessary to permit the Co-Issuers (A) to issue additional notes of any one or more new classes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding), *provided* that any such additional issuance of notes shall be issued in accordance with the Indenture; (B) to issue additional notes of any one or more existing Classes, *provided* that any such additional issuance of notes shall be issued in accordance with the Indenture; or (C) to issue replacement securities in connection with a Refinancing in accordance with the Indenture;
- (xi) to (A) evidence any waiver by any Rating Agency as to any requirement in the Indenture that such Rating Agency confirm (or to evidence any other elimination of any requirement in the Indenture that any Rating Agency confirm) that an action or inaction by the Issuer or any other Person will not result in a reduction or withdrawal of its then-current rating of any Class of Secured Notes as a condition to such action or inaction or (B) conform to ratings criteria and other guidelines relating generally to collateral debt obligations published by any Rating Agency, including any alternative methodology published by any Rating Agency; *provided* that (1) with respect to any proposed supplemental indenture pursuant to this clause (xi), if a Majority of the Controlling Class or a Majority of the Subordinated Notes has provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that the Controlling Class or the Subordinated Notes, respectively, would be materially and adversely affected thereby, the Trustee and the Co-Issuers shall not enter into such supplemental indenture without the consent of a Majority of the Controlling Class or a Majority of the Subordinated Notes, respectively and (2) this subclause (xi) shall be subject to the provisions of the Indenture described in the fourth following paragraph below;
- (xii) to accommodate the issuance of any Notes in book-entry form through the facilities of DTC or otherwise;
- (xiii) to change the name of the Issuer or the Co-Issuer in connection with any change in name or identity of the Collateral Manager or as otherwise required pursuant to a contractual obligation or to avoid the use of a trade name or trademark in respect of which the Issuer or the Co-Issuer does not have a license; or

- (xiv) to amend, modify or otherwise accommodate changes to the Indenture to comply with any rule or regulation enacted by any regulatory agency of the United States federal government after the Closing Date that is applicable to the Notes.

The Collateral Manager will not be bound to follow any amendment or supplement to the Indenture unless it has received written notice of such supplement and a copy of such supplement from the Issuer or the Trustee. The Issuer agrees that it will not permit to become effective any supplement or modification to the Indenture which would, as reasonably determined by the Collateral Manager, (i) increase the duties or liabilities of, reduce or eliminate any right or privilege of (including as a result of an effect on the amount or priority of any fees or other amounts payable to the Collateral Manager), or adversely change the economic consequences to, the Collateral Manager, (ii) modify the restrictions on the sales of Collateral Obligations or (iii) materially expand or restrict the Collateral Manager's discretion, and the Collateral Manager shall not be bound thereby unless the Collateral Manager shall have consented in advance thereto in writing, such consent not to be unreasonably withheld or delayed. The Trustee will not be obligated to enter into any amendment or supplement that, as determined by the Trustee, adversely affects its duties, obligations, liabilities or protections under the Indenture. No amendment to the Indenture will be effective against the Collateral Administrator if such amendment would adversely affect the Collateral Administrator, including, without limitation, any amendment or supplement that would increase the duties or liabilities of, or adversely change the economic consequences to, the Collateral Administrator, unless the Collateral Administrator otherwise consents in writing.

With respect to any supplemental indenture the consent to which is expressly required from all or a Majority of each, or any specified, Class materially and adversely affected thereby, the Trustee may rely upon an opinion of counsel as to matters of law (which may be supported as to factual (including financial and capital markets) matters by any relevant certificates and other documents necessary or advisable in the judgment of counsel delivering such opinion of counsel, upon which the Trustee may also rely as to such matters) as to (i) whether or not any Class of Secured Notes would be materially and adversely affected by any supplemental indenture described above, *provided* that if the holders of 33-1/3% in aggregate outstanding principal amount of the Notes of such Class have provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that such Class would be materially and adversely affected thereby, the Trustee shall not be entitled so to rely upon an opinion of counsel as to whether or not the holders of such Class would be materially and adversely affected by such supplemental indenture and the Trustee shall not enter into such supplemental indenture without the consent of the requisite percentage of holders of such Class if the consent to such supplemental indenture is expressly required from all or a Majority of such Class materially and adversely affected thereby and (ii) whether or not the Subordinated Notes would be materially and adversely affected by any supplemental indenture described above, *provided* that if the holders of 33-1/3% of the Subordinated Notes have provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that the Subordinated Notes would be materially and adversely affected thereby, the Trustee shall not be entitled so to rely upon an opinion of counsel as to whether or not the Subordinated Notes would be materially and adversely affected by such supplemental indenture and the Trustee shall not enter into such supplemental indenture without the consent of the requisite percentage of holders of the Subordinated Notes if the consent to such supplemental indenture is expressly required from all or a Majority of the Subordinated Notes materially and adversely affected thereby. The Trustee shall not be liable for any reliance made in good faith upon an opinion of counsel delivered to the Trustee as described in the Indenture. Such determination shall be conclusive and binding on all present and future holders.

For so long as any Notes are listed on the Irish Stock Exchange and the guidelines of such exchange shall so require, the Issuer will notify the Irish Stock Exchange of any material modification of the Indenture. At the cost of the Co-Issuers, for so long as any Notes shall remain outstanding, not later than 15 Business Days prior to the execution of any proposed supplemental indenture, the Trustee shall mail to the Collateral Manager, the Collateral Administrator, the Rating Agencies and the holders of the Notes a notice attaching a copy of such supplemental indenture and indicating the proposed date of execution of such supplemental indenture. Following such delivery by the Trustee, if any changes are made to such supplemental indenture other than to correct typographical errors, to complete or change dates, or to adjust formatting, then at the cost of the Co-Issuers, for so long as any Notes shall remain outstanding, not later than five Business Days prior to the execution of such proposed supplemental indenture (provided that the execution of such proposed supplemental indenture shall not in any case occur earlier than the date 15 Business Days after the initial distribution of such proposed supplemental indenture pursuant to the

second sentence of this paragraph), the Trustee shall mail to the Collateral Manager, the Collateral Administrator, the Rating Agencies and the holders of the Notes a copy of such supplemental indenture as revised, indicating the changes that were made.

Notwithstanding anything in the first two paragraphs under the subheading "—Modification of the Indenture" to the contrary, if any Class A-1 Notes are then outstanding and are rated by Moody's and if any supplemental indenture modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto, such supplemental indenture shall be subject to satisfaction of the Moody's Rating Condition (or deemed inapplicability thereof as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). The satisfaction, or deemed inapplicability as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition", of the Moody's Rating Condition shall not imply that the holders of Notes are not materially and adversely affected by such supplemental indenture. If any supplemental indenture modifies or amends the Collateral Quality Test or the definitions related thereto (other than a supplemental indenture to conform the provisions of the Indenture to changes in a Rating Agency's published criteria that are not material changes, as determined and certified to the Trustee by the Collateral Manager, on which certification the Trustee may rely; *provided* that if a Majority of the Controlling Class or a Majority of the Subordinated Notes has provided written notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the execution of such supplemental indenture that such Class objects to such determination, the Trustee shall not be entitled so to rely upon such certificate of the Collateral Manager), the Co-Issuers and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of each Class of Notes. If any supplemental indenture modifies or amends the clause (iii), (iv) or (v) of the Concentration Limitations or the calculation of the Base Management Fee, the Co-Issuers and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of the Subordinated Notes. If any supplemental indenture permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction, the Co-Issuers and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of the Controlling Class and the consent of a Majority of the Subordinated Notes. At the cost of the Co-Issuers, the Trustee shall provide to the holders of Notes (in the manner described in the Indenture) a copy of the executed supplemental indenture after its execution. Any failure of the Trustee to publish, mail or deliver such notice, or any defect therein, shall not in any way impair or affect the validity of any such supplemental indenture.

Additional issuance. The Indenture will provide that, at any time during the Reinvestment Period, the Co-Issuers may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes (subject, in the case of additional notes of an existing Class of Secured Notes, to clause (e) below) and use the net proceeds to purchase additional Collateral Obligations or as otherwise permitted under the Indenture; *provided* that the following conditions are met: (a) the Collateral Manager consents to such issuance, and such issuance is consented to by a Majority of the Subordinated Notes; (b) in the case of additional notes of any one or more existing Classes, the aggregate principal amount of Notes of such Class issued in all additional issuances may not exceed 100% of the respective original outstanding principal amount of the Notes of such Class; (c) in the case of additional notes of any one or more existing Classes, the terms of the notes issued must be identical to the respective terms of previously issued Notes of the applicable Class (except that the interest due on additional notes will accrue from the issue date of such additional notes, and the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class); (d) in the case of additional secured notes of any one or more existing Classes, such additional secured notes must be issued at a cash sales price equal to or greater than the principal amount thereof; (e) in the case of additional notes of any one or more existing Classes, unless only additional subordinated notes are being issued, additional notes of all Classes must be issued and such issuance of additional notes must be proportional across all Classes, *provided* that (i) the principal amount of Subordinated Notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes and (ii) if additional subordinated notes are being issued, each holder of Subordinated Notes shall have the right to purchase additional subordinated notes to maintain its proportional ownership within the Class of Subordinated Notes; (f) unless only additional subordinated notes are being issued, the Moody's Rating Condition shall have been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition") with respect to any Class A-1 Notes not constituting part of such additional issuance and S&P shall have been notified of such additional issuance, *provided* that if only additional subordinated notes are being issued, the Issuer

notifies each Rating Agency of such issuance prior to the issuance date; (g) the proceeds of any additional notes (net of fees and expenses incurred in connection with such issuance) will be treated as Principal Proceeds and used to purchase additional Collateral Obligations, to invest in Eligible Investments or to apply pursuant to the Priority of Payments; (h) immediately after giving effect to such issuance, each Coverage Test is satisfied or, with respect to any Coverage Test that was not satisfied immediately prior to giving effect to such issuance and will continue not to be satisfied immediately after giving effect to such issuance, the degree of compliance with such Coverage Test is maintained or improved immediately after giving effect to such issuance and the application of the proceeds thereof; and (i) unless only additional subordinated notes are being issued, an opinion of tax counsel of nationally recognized standing in the United States experienced in such matters shall be delivered to the Trustee, by or on behalf of the Issuer, to the effect that (A) in the case of additional notes of any one or more existing Classes, such issuance would not cause the holders or beneficial owners of previously issued Notes of such Class to be deemed to have sold or exchanged such Notes under Section 1001 of the Code and (B) any additional Class A Notes, Class B Notes or Class C Notes will, and any additional Class D Notes should, be treated as debt for U.S. federal income tax purposes. Any such additional issuance will be issued in a manner that will allow the Issuer to accurately provide the information described in Treasury Regulations section 1.1275-3(b)(1)(i). The use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture. Such additional notes of an existing Class may be offered at prices that differ from the applicable initial offering price.

Any additional notes of an existing Class issued as described above will, to the extent reasonably practicable, be offered first to holders of that Class in such amounts as are necessary to preserve (on an approximate basis) their *pro rata* holdings of Notes of such Class.

Consolidation, Merger or Transfer of Assets. Except under the limited circumstances set forth in the Indenture, neither the Issuer nor the Co-Issuer may consolidate with, merge into, or transfer or convey all or substantially all of its assets to, any other corporation, partnership, trust or other person or entity.

Petitions for Bankruptcy. The Indenture will provide that none of the holders and beneficial owners of the Notes, the Trustee and the Secured Parties may institute against, or join any other Person in instituting against, the Issuer, the Co-Issuer or any Blocker Subsidiary any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws until the payment in full of all Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) and the expiration of a period equal to one year and one day or, if longer, the applicable preference period then in effect plus one day, following such payment in full.

In the event one or more holders of Notes cause the filing of a petition in bankruptcy against the Issuer, the Co-Issuer or any Blocker Subsidiary prior to the expiration of such period, any claim that such holder(s) have against the Issuer (including under all Notes of any Class held by such holder(s)) or with respect to any Assets (including any proceeds thereof) shall, notwithstanding anything to the contrary in the Priority of Payments described herein and notwithstanding any objection to, or rescission of, such filing, be fully subordinate in right of payment to the claims of each holder of any Note (and each other secured creditor of the Issuer) that does not seek to cause any such filing, with such subordination being effective until each Note held by each holder of any Note (and each claim of each other secured creditor of the Issuer) that does not seek to cause any such filing is paid in full in accordance with the Priority of Payments described herein (after giving effect to such subordination). The foregoing agreement will constitute a "subordination agreement" within the meaning of Section 510(a) of the United States Bankruptcy Code. The Issuer shall direct the Trustee to segregate payments and take other reasonable steps to effect the foregoing, including obtaining a separate CUSIP for the Notes of each Class held by such holder(s).

Even though each holder will agree not to cause the filing of an involuntary petition in bankruptcy in relation to the Issuer (and will agree to subordinate its claims with respect to the Issuer and the Assets in the event it breaches such agreement) as described above, there is the possibility that a bankruptcy court may in the exercise of its equitable or other powers determine not to enforce such an agreement on the ground that such an agreement violates an essential policy underlying the United States Bankruptcy Code. In addition, there is no assurance that the Issuer or its directors would object to a breach by a holder of its obligation not to cause the filing of an involuntary petition even though they are required to do so as described below. In the event that a bankruptcy

proceeding is commenced, it is possible that the Assets could be sold or otherwise liquidated in a manner that is inconsistent with the rights of the holders of the various Classes of Notes as described herein under "Description of the Notes—The Indenture—Events of Default".

The Issuer, the Co-Issuer or any Blocker Subsidiary, as applicable, shall, provided funds are available for such purpose in accordance with the Priority of Payments, timely file an answer and any other appropriate pleading objecting to (i) the institution of any proceeding to have the Issuer, Co-Issuer or any Blocker Subsidiary, as the case may be, adjudicated as bankrupt or insolvent or (ii) the filing of any petition seeking relief, reorganization, arrangement, adjustment or composition of or in respect of the Issuer, Co-Issuer or any Blocker Subsidiary, as the case may be, under applicable bankruptcy law or other applicable law; *provided* in each case that neither the Issuer, the Co-Issuer nor any Blocker Subsidiary shall be required to take any such action unless sufficient funds are available in accordance with the Priority of Payments to cover the expenses of the Issuer, the Co-Issuer and any Blocker Subsidiary incurred in connection with such filings and other pleadings. The reasonable fees, costs, charges and expenses incurred by the Issuer, Co-Issuer or any Blocker Subsidiary (including reasonable attorneys' fees and expenses) in connection with taking any such action shall be paid as "Administrative Expenses".

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Assets securing the Secured Notes upon (i) (A) delivery to the Trustee for cancellation of all of the Notes (or, in the case of any Uncertificated Subordinated Notes, deregistration by the Trustee of all Uncertificated Subordinated Notes), or, upon deposit with the Trustee of funds sufficient for the payment or redemption thereof and (B) payment by or on behalf of the Co-Issuers of all other sums payable by the Co-Issuers under the Indenture and under the Collateral Administration Agreement and the Collateral Management Agreement or (ii) realization of all Assets of the Issuer that are subject to the lien of the Indenture and the distribution of the proceeds thereof and the closing of each of the accounts pledged under the Indenture, in each case in accordance with the Indenture. Upon discharge, the Indenture shall cease to be of further effect, subject to certain exceptions including rights of holders of Secured Notes to receive payments of principal thereof and interest that accrued prior to maturity (and, to the extent lawful and enforceable, interest on due and unpaid accrued interest) thereon, subject to the provision of the Indenture providing that the obligations of the Issuer or Co-Issuers, as applicable, under the Secured Notes and the Indenture are limited recourse obligations of the Issuer or Co-Issuers, as applicable, payable solely from proceeds of the Collateral Obligations and the other Assets and following realization of the Assets, and application of the proceeds thereof in accordance with the Indenture, all obligations of and any claims against the Co-Issuers thereunder or in connection therewith after such realization shall be extinguished and shall not thereafter revive.

Disposition of Illiquid Assets. If at any time the Assets consists exclusively of (a) Eligible Investments, (b) cash, and/or (c) one or more of the following: a Defaulted Obligation, an Equity Security, an obligation received in connection with an offer or other exchange or any other security or debt obligation that are part of the Assets, in respect of which (i) the Issuer has not received a payment in cash during the preceding twelve calendar months and (ii) the Collateral Manager certifies that it is not aware, after reasonable inquiry, that the issuer or obligor of such asset has publicly announced or informed the holders of such asset that it intends to make a payment in cash in respect of such asset within the next twelve calendar months (each, an "**Illiquid Asset**"), then, if directed in writing by the Collateral Manager, the Trustee shall request bids with respect to each such Illiquid Asset pursuant to the provisions of the Indenture after providing notice to the holders of Notes (with a copy to the Collateral Manager) and requesting that any holder of Notes that wishes to bid on any such Illiquid Asset notify the Trustee (with a copy to the Collateral Manager) of such intention within 15 Business Days after the date of such notice. The Trustee shall, after the end of such 15 Business Day period, offer the Illiquid Assets for public or private sale as determined and directed by the Collateral Manager (in a manner and according to terms determined by the Collateral Manager (including, in the case of a private sale, from Persons identified to the Trustee by the Collateral Manager) and pursuant to sale documentation provided by the Collateral Manager) and, if any holder of Notes so notifies the Trustee that it wishes to bid, such holder of Notes shall be included in the distribution of sale offering or bid solicitation material in connection therewith and thereby given an opportunity to participate with other bidders, if any. The Trustee shall request bids for the sale of each such Illiquid Asset, in accordance with the procedures established by the Collateral Manager, from (i) at least three Persons identified to the Trustee by the Collateral Manager that make a market in or specialize in obligations of the nature of such Illiquid Asset, (ii) the Collateral Manager, (iii) each holder of Notes that so notified the Trustee that it wishes to bid and (iv) in the case of a public sale, any other participating bidders, and the Trustee will have no responsibility for the sufficiency or acceptability of such procedures for any purpose or for any results obtained. The Trustee shall notify the Collateral Manager

promptly of the results of such bids. Subject to the requirements of applicable law, (x) if the aggregate amount of the highest bids received (if any) is greater than or equal to \$100,000, the Issuer shall sell each Illiquid Asset to the highest bidder (which may include the Collateral Manager and its Affiliates) and (y) if the aggregate amount of the highest bids received is less than \$100,000 or no bids are received, the Trustee shall dispose of the Illiquid Assets as directed by the Collateral Manager in its reasonable business judgment, which may include (with respect to each Illiquid Asset) (I) selling it to the highest bidder (which may include the Collateral Manager and its Affiliates) if a bid was received; (II) donating it to a charitable organization designated by the Collateral Manager or (III) returning it to its issuer or obligor for cancellation. The proceeds of the sale of Illiquid Assets (after payment of fees and expenses of the Trustee incurred in connection with dispositions under the provisions described in this section), if any, shall be applied to pay or provide for Administrative Expenses without regard to the limitations thereon set forth in clause (A) of "Summary of Terms—Priority of Payments—Application of Interest Proceeds" (including any dissolution and discharge expenses) and, notwithstanding the order of priority described under "Summary of Terms—Priority of Payments—Application of Interest Proceeds" and "Summary of Terms—Priority of Payments—Application of Principal Proceeds", any remaining amounts shall be applied to the payment of unpaid principal and interest (including defaulted interest and Secured Note Deferred Interest, if any) on the highest Priority Class of Notes until each such Class has been paid in full or such net proceeds have been exhausted.

Notwithstanding the foregoing, the Trustee shall not be under any obligation to dispose or offer for sale any Illiquid Assets pursuant to the preceding paragraph if it is not reasonably satisfied that payment of all expenses, costs and liabilities to be incurred by it are indemnified or provided for in a manner acceptable to it. In addition, the Trustee shall not dispose of Illiquid Assets in accordance with the immediately preceding paragraph if directed (with a copy to the Collateral Manager), at any time following notice of such disposal and prior to release, or acceptance of an offer for sale, of such Illiquid Asset, by a Majority of the Controlling Class or a Majority of the Subordinated Notes not to dispose of such Illiquid Assets in accordance with the immediately preceding paragraph; *provided* that arrangements satisfactory to the Trustee have been made to pay for any accrued and unpaid Administrative Expenses and any additional Administrative Expenses (including any dissolution and discharge expenses) reasonably expected to be incurred (after giving effect to the provision described under "—Limitation on Obligation to Incur Administrative Expenses" below). If the Trustee is so directed and no satisfactory arrangements for payment have been made, then the Trustee shall be entitled to disregard such direction and shall have no liability for taking or omitting to take any action in respect of such direction. In any event, the Trustee shall have no liability for the results of any such sale or disposition of Illiquid Assets, including, without limitation, if the proceeds received, if any, are insufficient to pay all outstanding Administrative Expenses in full.

Limitation on Obligation to Incur Administrative Expenses. If at any time (i) the sum of (A) Eligible Investments, (B) cash and (C) amounts reasonably expected to be received by the Issuer in cash during the current Collection Period (as certified by the Collateral Manager in its reasonable judgment) is less than (ii) the sum of (A) an amount not to exceed the greater of (x) \$30,000 and (y) the amount (if any) reasonably certified by the Collateral Manager or the Issuer, including but not limited to fees and expenses incurred by the Trustee and reported to the Collateral Manager, as the sum of expenses reasonably likely to be incurred in connection with the discharge of the Indenture, the liquidation of the Assets and the dissolution of the Co-Issuers and any Blocker Subsidiaries and (B) any accrued and unpaid Administrative Expenses (the "**Dissolution Expenses**"), then notwithstanding any other provision of the Indenture, the Issuer shall no longer be required to incur Administrative Expenses as otherwise required by the Indenture to any person or entity other than the Trustee, the Collateral Administrator (or any other capacity in which State Street Bank and Trust Company is acting pursuant to the Transaction Documents), the Administrator and their Affiliates, including for opinions of counsel in connection with supplemental indentures, annual opinions under the Indenture, services of accountants and fees of the Rating Agencies, in each case under the Indenture and failure to pay such amounts or provide or obtain such opinions, reports or services shall not constitute a default under the Indenture, and the Trustee shall have no liability for any failure to obtain or receive any of the foregoing opinions, reports or services. The foregoing shall not, however, limit, supersede or alter any right afforded to the Trustee under the Indenture to refrain from taking action in the absence of its receipt of any such opinion, report or service which it reasonably determines is necessary for its own protection.

Trustee. State Street Bank and Trust Company will be the Trustee under the Indenture for the Notes. The payment of the fees and expenses of the Trustee relating to the Notes is solely the obligation of the Issuer and solely payable out of the Assets. The Trustee and/or its affiliates may receive compensation in connection with the Trustee's investment of trust assets in certain Eligible Investments as provided in the Indenture. Eligible

Investments may include investments for which the Trustee or an affiliate of the Trustee provides services. The Co-Issuers, the Collateral Manager and their affiliates may maintain other banking relationships in the ordinary course of business with the Trustee or its affiliates.

The Indenture contains provisions for the indemnification of the Trustee by the Issuer, payable solely out of the Assets, for any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust. The Trustee may resign at any time by providing 30 days' notice. The Trustee may be removed at any time by an act of a Majority of each Class of Secured Notes or, at any time when an Event of Default or Enforcement Event shall have occurred and be continuing, by an act of a Majority of the Controlling Class as set forth in the Indenture. No resignation or removal of the Trustee will become effective until the acceptance of the appointment of the successor Trustee.

The Trustee will make certain reports with respect to the Collateral Obligations available via its internet website. The Trustee's internet website shall initially be located at <https://my.statestreet.com>. Parties that are unable to use the above distribution option are entitled to have a paper copy mailed to them via first-class mail. The Trustee shall have the right to change the way such statements are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the Trustee shall provide timely and adequate notification to all above parties regarding any such changes. As a condition to access to the Trustee's internet website, the Trustee may require registration and the acceptance of a disclaimer. The Trustee will not be liable for the dissemination of information in accordance with the Indenture. The Trustee shall be entitled to rely on but shall not be responsible for the content or accuracy of any information provided in the information set forth in such reports and may affix thereto any disclaimer it deems appropriate in its reasonable discretion.

Amendment of Transaction Documents. The Indenture provides that the Issuer shall not enter into any agreement amending, modifying or terminating any Transaction Document without notifying each Rating Agency (with a copy to the Collateral Manager).

Form, denomination and registration of the Notes

The Secured Notes will be sold only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are Qualified Institutional Buyers and (a) Qualified Purchasers or (b) entities owned by Qualified Purchasers. Each Secured Note sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Secured Note, is both a Qualified Institutional Buyer and a Qualified Purchaser will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Rule 144A Global Secured Notes**"). The Secured Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S will be issued in the form of one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Regulation S Global Secured Notes**"). The Rule 144A Global Secured Notes and the Regulation S Global Secured Notes are referred to herein collectively as the "**Global Secured Notes**".

Each initial investor and subsequent transferee of an interest in a Global Secured Note (except, in the case of an initial purchaser, as may be expressly agreed in writing between such initial purchaser and the Co-Issuers) will be deemed to represent, among other matters, as to its status under the Securities Act and the Investment Company Act and ERISA. No transfer of a Class D Note or any interest therein to a Benefit Plan Investor will be effective, and the Trustee will not recognize any such transfer to a Person that has been determined by the Issuer to be a Benefit Plan Investor. The Issuer has the right, under the Indenture, to compel any beneficial owner of a Secured Note who has made or has been deemed to make a prohibited transaction or Similar Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in such Note, or may sell such interest on behalf of such owner. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".

The Subordinated Notes are being initially offered, and may subsequently be transferred, only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act or (ii) persons that are (x) Qualified Institutional Buyers or (y) Accredited Investors and, in the case of (x) and (y), Qualified Purchasers or entities owned exclusively by Qualified Purchasers.

All Subordinated Notes sold to U.S. purchasers and, at the option of the Issuer (with the written consent of the Collateral Manager), certain Subordinated Notes sold to certain non-U.S. purchasers in offshore transactions in reliance on Regulation S, will be evidenced by notes in definitive, fully registered form without interest coupons ("**Certificated Subordinated Notes**") or, if requested by the beneficial owner thereof, will be issued in uncertificated, fully registered form ("**Uncertificated Subordinated Notes**"). All other Subordinated Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S will each be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (the "**Regulation S Global Subordinated Notes**"). Uncertificated Subordinated Notes registered in the name of a Person shall be considered "held" by such Person for all purposes under the Indenture.

Each initial investor and each subsequent transferee of a Certificated Subordinated Note or an Uncertificated Subordinated Note will be required to provide a purchaser representation letter in which it will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. Each initial investor and each subsequent transferee of an interest in a Regulation S Global Subordinated Note will be deemed (or, in the case of a transferee of a Certificated Subordinated Note or Uncertificated Subordinated Note taking delivery in the form of an interest in a Regulation S Global Subordinated Note, required) to make certain representations and warranties as to its status under ERISA.

As used above, "**U.S. person**" and "**offshore transaction**" shall have the meanings assigned to such terms in Regulation S under the Securities Act.

The Global Secured Notes and the Regulation S Global Subordinated Notes will be deposited with the Trustee as custodian for, and registered in the name of Cede & Co., a nominee of, DTC and, in the case of the Regulation S Global Secured Notes and the Regulation S Global Subordinated Notes, for the respective accounts of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**").

A beneficial interest in a Regulation S Global Secured Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Secured Note only upon receipt by the Trustee of (i) a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is (x) a Qualified Institutional Buyer and (y) a Qualified Purchaser. Beneficial interests in a Rule 144A Global Secured Note may be transferred to a person who takes delivery in the form of an interest in the applicable Regulation S Global Secured Note only upon receipt by the Trustee of a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S. Any beneficial interest in one of the Global Secured Notes that is transferred to a person who takes delivery in the form of an interest in another Global Secured Note will, upon transfer, cease to be an interest in such Global Secured Note, and become an interest in such other Global Secured Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Secured Notes for as long as it remains such an interest.

A beneficial interest in a Regulation S Global Subordinated Note may be transferred to a person who takes delivery in the form of a Certificated Subordinated Note or as an Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee. A Certificated Subordinated Note or an Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Subordinated Note only upon receipt by the Issuer and the Trustee of (A) in the case of a Certificated Subordinated Note, the transferor's Certificated Subordinated Note together with an interest transfer form in the form prescribed by the Indenture executed by the transferor and (B) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee. A Certificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of (A) the transferor's Certificated Subordinated Note together with an interest transfer

form in the form prescribed by the Indenture executed by the transferor and (B) certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee. An Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Issuer and the Trustee of certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee. A beneficial interest in a Regulation S Global Subordinated Note may be transferred to a person who takes delivery in the form of an interest in such Regulation S Global Subordinated Note without the provision of any transferor or transferee certifications. No Subordinated Note may be transferred to a person taking delivery in the form of an interest in a Regulation S Global Subordinated Note that is a Benefit Plan Investor or a Controlling Person.

No transfer of any Subordinated Note (or any interest therein) will be effective, and the Trustee will not recognize any such transfer, if after giving effect to such transfer 25% or more of the value of the Subordinated Notes would be held by Persons who have represented that they are Benefit Plan Investors, disregarding Subordinated Notes held by Controlling Persons. No transfer of a Regulation S Global Subordinated Note to a Benefit Plan Investor or a Controlling Person will be effective, and the Trustee will not recognize any such transfer to a Person that has been determined by the Issuer to be a Benefit Plan Investor or a Controlling Person. The Issuer has the right, under the Indenture, to compel any beneficial owner of a Subordinated Note who has made or has been deemed to make a prohibited transaction or Similar Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in such Note, or may sell such interest on behalf of such owner. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder".

No service charge will be made for any registration of transfer or exchange of Notes but the Co-Issuers, the registrar or the Trustee may require payment of a sum sufficient to cover any transfer, tax or other governmental charge payable in connection therewith. The registrar or the Trustee will be permitted to request such evidence reasonably satisfactory to it documenting the identity and/or signatures of the transferor and transferee.

The registered owner of the relevant Global Secured Note or Regulation S Global Subordinated Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Co-Issuers or the Issuer, as applicable, will be discharged by payment to, or to the order of, the registered owner of such Global Secured Note or Regulation S Global Subordinated Note in respect of each amount so paid. No person other than the registered owner of the relevant Global Secured Note or Regulation S Global Subordinated Note will have any claim against the Co-Issuers or the Issuer, as applicable, in respect of any payment due on that Global Secured Note or Regulation S Global Subordinated Note. Account holders or participants in Euroclear and Clearstream shall have no rights under the Indenture with respect to Global Secured Notes or Regulation S Global Subordinated Notes held on their behalf by the Trustee as custodian for DTC, and DTC may be treated by the Co-Issuers, the Trustee and any agent of the Co-Issuers or the Trustee as the holder of Global Secured Notes or Regulation S Global Subordinated Notes for all purposes whatsoever.

Except in the limited circumstances described below, owners of beneficial interests in the Global Secured Notes will not be entitled to have Notes registered in their names, will not receive or be entitled to receive definitive physical Notes, and will not be considered "holders" of Notes under the Indenture or the Notes. If DTC notifies the Co-Issuers that it is unwilling or unable to continue as depository for Global Secured Notes of any Class or Classes or ceases to be a "clearing agency" registered under the Exchange Act and a successor depository or custodian is not appointed by the Co-Issuers within 90 days after receiving such notice (a "**Depository Event**"), the Issuer will issue or cause to be issued, Notes of such Class or Classes in the form of definitive physical certificates in exchange for the applicable Global Secured Notes to the beneficial owners of such Global Secured Notes in the manner set forth in the Indenture. In addition, the owner of a beneficial interest in a Global Secured Note will be entitled to receive a definitive physical Note in exchange for such interest if an Event of Default or Enforcement Event has occurred and is continuing. In the event that definitive physical certificates are not so issued by the Issuer to such beneficial owners of interests in Global Secured Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global Secured Note would be entitled to pursue in accordance with the Indenture (but only to the extent of such beneficial owner's interest in the Global Secured Note) as if definitive physical Notes had been issued; *provided*, that the Trustee shall be entitled to receive and rely upon any certificate of ownership provided by such beneficial owners and/or other forms of reasonable evidence of such ownership as it may require. In the event that definitive physical Notes are issued in exchange for Global Secured

Notes as described above, the applicable Global Secured Note will be surrendered to the Trustee by DTC and the Co-Issuers or the Issuer, as applicable, will execute and the Trustee will authenticate and deliver an equal aggregate outstanding principal amount of definitive physical Notes.

Owners of beneficial interests in Regulation S Global Subordinated Notes will receive definitive Subordinated Notes registered in their names in connection with a Depository Event, and may also exchange such beneficial interests for Certificated Subordinated Notes or Uncertificated Subordinated Notes in accordance with the procedures described under "Transfer Restrictions".

The Notes will be subject to certain restrictions on transfer set forth therein and in the Indenture and the Notes (other than Uncertificated Subordinated Notes) will bear the restrictive legend set forth under "Transfer Restrictions".

The Secured Notes will be issued in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1.00 in excess thereof. The Subordinated Notes will be issued in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1.00 in excess thereof.

The Subordinated Notes

The Subordinated Notes will be issued pursuant to the Indenture, but will not be secured obligations thereunder. The following summary, together with the preceding summary of certain principal terms of the Indenture, describes certain provisions of the Subordinated Notes, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture.

Status and Ranking. The Subordinated Notes will be unsecured, subordinated, non-recourse obligations issued by the Issuer under the Indenture. The Subordinated Notes will be fully subordinated to the Secured Notes and to the payment of all other amounts payable in accordance with the Priority of Payments. The Subordinated Notes will not be secured by the Assets or any pledge of the Assets but, under the terms of the Indenture, the Trustee will pay to the holders of the Subordinated Notes amounts available pursuant to the Priority of Payments. To the extent that following realization of the Assets, these amounts are insufficient to repay the principal amount of the Subordinated Notes or to make distributions thereon, no other funds will be available to make such payments.

Distributions on the Subordinated Notes. On the Stated Maturity of the Notes, the Trustee will pay the net proceeds from the liquidation of the Assets and all available cash (but only after the payment of (or establishment of a reserve for) all Administrative Expenses (in the same manner and order of priority in the definition thereof), Management Fees and interest and principal on the Secured Notes) to the holders of the Subordinated Notes in final payment of the Subordinated Notes, unless the Subordinated Notes were previously redeemed or repaid prior thereto as described herein. To the extent funds are available for such purpose under the Indenture as described above, payments will be made to the holders of the Subordinated Notes on each Payment Date, or in connection with any optional or mandatory redemption of the Subordinated Notes as set forth below.

Payments on the Subordinated Notes will be made to the person in whose name the Subordinated Note is registered on the applicable Record Date in the same manner as payments are made to the holders of the Secured Notes as described under "—Entitlement to payments" and any unclaimed payments will be subject to the terms described under "—Entitlement to payments—Prescription".

Mandatory Redemption. The Subordinated Notes will be fully redeemed on the Stated Maturity indicated in "Summary of Terms—Principal Terms of the Notes" unless previously redeemed as described herein. The average life of the Subordinated Notes is expected to be less than the number of years until their Stated Maturity. See "Risk Factors—Relating to the Notes—The weighted average lives of the Notes may vary from their maturity date".

Optional Redemption. The Subordinated Notes will be redeemed by the Issuer, in whole but not in part, on any Payment Date on or after the date on which all of the Secured Notes have been redeemed or repaid, from the proceeds of the Assets remaining after giving effect to redemption or repayment of the Secured Notes and payment in full of all expenses of the Co-Issuers, at the direction of (x) a Majority of the Subordinated Notes (with a copy to the Collateral Manager) or (y) the Collateral Manager (which direction may be given in connection with a direction

to redeem the Secured Notes or at any time after the Secured Notes have been redeemed or repaid in full). The Redemption Price payable to each holder of the Subordinated Notes will be its proportionate share of the proceeds of the Assets remaining after the payments described above.

Voting. Holders of the Subordinated Notes will have no voting rights except as set forth in the Indenture, the Collateral Management Agreement or the other Transaction Documents, as described herein. A Majority of the Subordinated Notes (or a Supermajority of the Subordinated Notes, in the case of an Optional Redemption of the Secured Notes) will be able to direct a redemption of the Secured Notes and/or the Subordinated Notes under certain circumstances pursuant to the Indenture as described herein and, at any time during the Reinvestment Period, may approve an amendment of the Indenture to effect the issuance of additional notes of one or more new classes that are fully subordinated to the existing Secured Notes (or to the most junior class of securities of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of securities issued pursuant to the Indenture other than the Secured Notes and the Subordinated Notes is then outstanding) and/or additional notes of any existing Class, as described herein. See "—Optional Redemption and Tax Redemption", "—The Indenture—Modification of Indenture" and "—The Indenture—Additional issuance".

No Gross-Up

All payments on the Notes will be made without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If the Issuer is so required to deduct or withhold, then neither the Issuer nor the Co-Issuer will be obligated to pay any additional amounts in respect of such withholding or deduction.

Tax Characterization

The Issuer intends to treat, and the Indenture will provide that the Issuer, the Co-Issuer and the Trustee agree, and each holder and beneficial owner of Notes, by accepting a Note, agrees, to treat (i) the Secured Notes as debt instruments of the Issuer only and (ii) the Subordinated Notes as equity interests in the Issuer, in each case for U.S. federal and, to the extent permitted by law, state and local income and franchise tax purposes. The Indenture will provide that each holder, by accepting a Note, agrees to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment unless otherwise required by a relevant taxing authority.

The Issuer expects to be treated as a corporation for U.S. federal income tax purposes and the Indenture will provide that the Issuer agrees not to elect to be treated otherwise.

Compliance with Rule 17g-5

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer has agreed with each Rating Agency to the effect that it will post on a password-protected internet website, at the same time such information is provided to the Rating Agencies, all information the Issuer provides or causes to be provided to the Rating Agencies for the purposes of determining the initial credit rating of the Secured Notes or undertaking credit rating surveillance of the Secured Notes. The Issuer has arranged to provide access to the website to other NRSROs that provide the Issuer with the certification required by Rule 17g-5. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Secured Notes, which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. Moody's may also issue unsolicited ratings with respect to the Secured Notes other than the Class A-1 Notes. See "Risk Factors—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes".

RATINGS OF THE SECURED NOTES

The Secured Notes

It is a condition of the issuance of the Notes that the Secured Notes of each Class receive from S&P and that the Class A-1 Notes receive from Moody's the minimum rating indicated under "Summary of Terms—Principal Terms of the Notes". In addition, a rating agency not hired by the Issuer to rate the transaction may provide an unsolicited rating that differs from (or is lower than) the ratings provided by the Rating Agencies, and Moody's may provide unsolicited ratings with respect to Secured Notes other than the Class A-1 Notes. A security rating is not a recommendation to buy, sell or hold securities and is subject to withdrawal at any time. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the assigning Rating Agency if in its judgment circumstances in the future so warrant. See "Risk Factors—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Secured Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Secured Notes".

The ratings of the Secured Notes address the likelihood of full and ultimate payment to holders of the Secured Notes of all distributions of stated interest (or, in the case of the S&P ratings of the Class A-1 Notes and the Class A-2 Notes, with respect to interest, timely payment of stated interest) and the ultimate payment in full of the principal amount of each such Class not later than its respective Stated Maturity. The ratings assigned to the Secured Notes of each Class by the applicable Rating Agency are based upon its assessment of the probability that the Collateral Obligations will provide sufficient funds to pay the Secured Notes of such Class (based upon the Interest Rate and principal balance or face amount, as applicable, of such Class), based largely upon such Rating Agency's statistical analysis of historical default rates on debt securities with various ratings, the terms of the Indenture, the asset and interest coverage required for the Secured Notes (which is achieved through the subordination of the Subordinated Notes and certain Classes of Secured Notes as described herein), and the Concentration Limitations and the Collateral Quality Test, each of which must be satisfied, maintained or improved in order to reinvest in additional Collateral Obligations.

In addition to their respective quantitative tests, the ratings of each Rating Agency take into account qualitative features of a transaction, including the legal structure and the risks associated with such structure, such Rating Agency's view as to the quality of the participants in the transaction and other factors that it deems relevant.

Inapplicability of the Moody's Rating Condition

With respect to any event or circumstance that requires satisfaction of the Moody's Rating Condition, the Moody's Rating Condition shall be deemed inapplicable with respect to such event or circumstance if:

- (a) Moody's has made a public statement to the effect that Moody's will no longer review events or circumstances of the type requiring satisfaction of the Moody's Rating Condition in the Indenture for purposes of evaluating whether to confirm the then-current ratings (or initial ratings) of obligations rated by Moody's;
- (b) Moody's has communicated to the Issuer, the Collateral Manager or the Trustee (or their counsel) that Moody's will not review such event or circumstance for purposes of evaluating whether to confirm the then-current rating (or initial rating) of the Class A-1 Notes; or
- (c) with respect to amendments requiring unanimous consent of all holders of Notes, such holders have been advised prior to consenting that the current Moody's rating of the Class A-1 Notes may be reduced or withdrawn as a result of such amendment.

SECURITY FOR THE SECURED NOTES

The "**Assets**" will consist of, and the Issuer will grant to the Trustee a perfected security interest for the benefit of the Secured Parties in:

- (a) the Collateral Obligations that the Issuer causes to be delivered to the Trustee (directly or through an intermediary or bailee) pursuant to the Indenture and all payments thereon or with respect thereto, and all Collateral Obligations which are delivered to the Trustee in the future pursuant to the terms of the Indenture and all payments thereon or with respect thereto;
- (b) the Issuer's interest in (A) the Payment Account, (B) the Collection Account, (C) the Ramp-Up Account, (D) the Revolver Funding Account, (E) the Expense Reserve Account, (F) the Distribution Reserve Account, (G) the Custodial Account and (H) the LC Reserve Account, and in each case any Eligible Investments purchased with funds on deposit therein, and all income from the investment of funds therein;
- (c) the Issuer's rights under the Collateral Management Agreement and the Collateral Administration Agreement;
- (d) all cash or money delivered to the Trustee (or its bailee) for the benefit of the Secured Parties;
- (e) all accounts, chattel paper, deposit accounts, financial assets, general intangibles, instruments, investment property, letter-of-credit rights and other supporting obligations relating to the foregoing;
- (f) any other property otherwise delivered to the Trustee by or on behalf of the Issuer (whether or not constituting Collateral Obligations or Eligible Investments); and
- (g) all proceeds with respect to the foregoing;

provided that such grants shall not include the amounts from time to time (if any) remaining from the U.S.\$250 transaction fee paid to the Issuer in consideration of the issuance of the Notes, the funds attributable to the issuance and allotment of the Issuer's ordinary shares or the bank account in the Cayman Islands in which such funds are deposited (or any interest thereon).

Collateral Obligations

It is anticipated that the Issuer will have completed the purchase (or commitment to purchase) of at least 80% (by principal amount) of the initial portfolio of Collateral Obligations on the Closing Date. It is expected (but there can be no assurance) that the Concentration Limitations, the Collateral Quality Test and all of the Coverage Tests will be satisfied on or before the Effective Date (or, in the case of the Interest Coverage Test with respect to each Class of Secured Notes, on or before the Determination Date occurring immediately prior to the second Payment Date).

An obligation meeting the standards set forth below that is pledged by the Issuer to the Trustee will constitute a "**Collateral Obligation**". An obligation will be eligible for purchase by the Issuer and will be eligible to be pledged by the Issuer to the Trustee as a Collateral Obligation if it is a Senior Secured Loan, Senior Secured Bond, Senior Unsecured Bond, Second Lien Loan, Senior Secured Floating Rate Note or an Unsecured Loan (including, but not limited to, interests in bank loans acquired by way of a purchase or assignment) or Participation Interest therein, or a Letter of Credit Reimbursement Obligation, that as of the date of acquisition by the Issuer:

- (i) is U.S. Dollar denominated and is neither convertible by the issuer thereof into, nor payable in, any other currency;
- (ii) is not (A) a Defaulted Obligation or (B) a Credit Risk Obligation;
- (iii) is not a lease;
- (iv) is not a Deferrable Security, Interest Only Security, Step-Up Obligation or Step-Down Obligation;
- (v) provides (in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation, with respect to amounts drawn thereunder) for a fixed amount of principal payable in cash on scheduled payment dates and/or at maturity and does not by its terms provide for earlier amortization or prepayment at a price of less than par;
- (vi) does not constitute Margin Stock;
- (vii) payments due under the terms of which and proceeds from disposing of which will be received by the Issuer free and clear of withholding tax, other than (A) withholding tax as to which the obligor or issuer must make additional payments so that the net amount received by the Issuer after satisfaction of such tax is the amount due to the Issuer before the imposition of any withholding tax and (B) withholding tax on (x) fees received with respect to a Letter of Credit Reimbursement Obligation, (y) amendment, waiver, consent and extension fees and (z) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;
- (viii) has a Moody's Rating and an S&P Rating;
- (ix) is not a debt obligation whose repayment is subject to substantial non-credit related risk as determined by the Collateral Manager in its reasonable judgment;
- (x) except for Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations, is not an obligation pursuant to which any future advances or payments to the borrower or the obligor thereof may be required to be made by the Issuer;
- (xi) does not have an "f", "r", "p", "pi", "q" or "t" subscript assigned by S&P;
- (xii) is not a Related Obligation, a Zero Coupon Bond, a Middle Market Loan or a Structured Finance Obligation;
- (xiii) will not require the Issuer, the Co-Issuer or the pool of Assets to be registered as an investment company under the Investment Company Act;

- (xiv) is not, by its terms, convertible into or exchangeable for an Equity Security at any time over its life;
- (xv) is not the subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action;
- (xvi) does not have an S&P Rating that is below "CCC" or a Moody's Default Probability Rating that is below "Caa2";
- (xvii) does not mature after the Stated Maturity of the Notes;
- (xviii) if a Floating Rate Obligation, accrues interest at a floating rate determined by reference to (a) the Dollar prime rate, federal funds rate or LIBOR or (b) a similar interbank offered rate or commercial deposit rate or (c) with notice to S&P, any other then-customary index;
- (xix) is Registered;
- (xx) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligation or security will not cause the Issuer to be treated as engaged in a U.S. trade or business for U.S. federal income tax purposes;
- (xxi) is not a Synthetic Security;
- (xxii) does not pay interest less frequently than semi-annually;
- (xxiii) if it is a Letter of Credit Reimbursement Obligation, payments in respect of such obligation or security will be subject to withholding by the agent bank in respect of fee income, unless (a) the Issuer has received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or (b) the Issuer deposits into the LC Reserve Account an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all of the fees received in respect of such Letter of Credit Reimbursement Obligation;
- (xxiv) unless it is a Letter of Credit Reimbursement Obligation, does not include or support a letter of credit;
- (xxv) is not an interest in a grantor trust unless all of the assets of such trust meet the standards set forth herein for Collateral Obligations (other than clause (xix));
- (xxvi) is purchased at a price at least equal to 65% of its principal balance;
- (xxvii) is issued by an obligor that is (A) Domiciled in the United States, Canada, a Group I Country, a Group II Country, a Group III Country or a Tax Jurisdiction and (B) not Domiciled in Greece, Italy, Portugal or Spain; and
- (xxviii) is not issued by a sovereign, or by a corporate issuer located in a country, which sovereign or country on the date on which the obligation is acquired by the Issuer imposed foreign exchange controls that effectively limit the availability or use of U.S. Dollars to make when due the scheduled payments of principal thereof and interest thereon.

The composition of the Collateral Obligations will change over time as a result of (i) scheduled and unscheduled principal payments on the Collateral Obligations and (ii) subject to the limitations described under "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria", (A) during the Reinvestment Period, the acquisition of additional Collateral Obligations, sales of Assets and reinvestment of Sale Proceeds and other Principal Proceeds and (B) after the Reinvestment Period, the acquisition of Substitute Obligations and sales of Assets.

The Concentration Limitations

In connection with any investment in Collateral Obligations on and after the Effective Date and during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period), the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Concentration Limitations set forth under "Summary of Terms—Concentration Limitations" or, if not in compliance at the time of reinvestment, the relevant requirements must be maintained or improved as a result of such reinvestment as described in the Investment Criteria. See "—Collateral Assumptions" below for a description of the assumptions applicable to the determination of satisfaction of the Concentration Limitations.

The Collateral Quality Test

On any date of determination on and after the Effective Date and during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period), the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Collateral Quality Test set forth under "Summary of Terms—Collateral Quality Test" or, if not in compliance at the time of reinvestment, the relevant requirements must be maintained or improved as described in the Investment Criteria. Measurement of the degree of compliance with the Collateral Quality Test will be required on every Measurement Date on and after the Effective Date and during the Reinvestment Period (and in connection with the acquisition of Substitute Obligations, after the Reinvestment Period). See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Collateral Quality Test.

Minimum Floating Spread Test and Minimum Weighted Average Coupon Test

The "**Minimum Floating Spread Test**" will be satisfied on any date of determination if the Weighted Average Floating Spread plus the Excess Weighted Average Coupon equals or exceeds the Minimum Floating Spread.

The "**Weighted Average Floating Spread**" as of any Measurement Date, is the number obtained by dividing:

- (a) the amount equal to (i) the Aggregate Funded Spread plus (ii) the Aggregate Unfunded Spread plus (iii) for purposes other than the S&P CDO Monitor Test, the Aggregate Excess Funded Spread, minus any amount required to be deposited in the LC Reserve Account as described under "—The LC Reserve Account" in respect of any Floating Rate Obligation; by
- (b) an amount equal to (i) for purposes other than the S&P CDO Monitor Test, the lesser of (A) the Reinvestment Target Par Balance and (B) an amount equal to the aggregate principal balance (including for this purpose any capitalized interest) of all Floating Rate Obligations as of such Measurement Date and (ii) for purposes of the S&P CDO Monitor Test only, the amount in clause (B) above.

The "**Aggregate Funded Spread**" is, as of any Measurement Date, the sum of:

- (a) in the case of each Floating Rate Obligation that bears interest at a spread over a London interbank offered rate based index, (i) the stated interest rate spread (excluding any Deferring Security to the extent of any non-cash interest and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) on such Collateral Obligation above such index multiplied by (ii) the principal balance (including for this purpose any capitalized interest but excluding the unfunded portion of any

Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) of such Collateral Obligation; and

- (b) in the case of each Floating Rate Obligation that bears interest at a spread over an index other than a London interbank offered rate based index, (i) the excess of the sum of such spread and such index (excluding any Deferring Security to the extent of any non-cash interest and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) over LIBOR as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the principal balance (including for this purpose any capitalized interest but excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) of each such Collateral Obligation; *provided* that, for purposes of this definition, the interest rate spread with respect to any Floating Rate Obligation that has a floor based on the London interbank offer rate will be deemed to be the stated interest rate spread plus, if positive, (x) the value of such floor *minus* (y) LIBOR as of the immediately preceding Interest Determination Date.

The "**Aggregate Unfunded Spread**" is, as of any Measurement Date, the sum of the products obtained by multiplying (i) for each Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation (other than Defaulted Obligations), the related commitment fee then in effect as of such date and (ii) the undrawn commitments of each such Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation as of such date.

The "**Aggregate Excess Funded Spread**" is, as of any Measurement Date, the amount obtained by multiplying:

- (a) the amount equal to LIBOR applicable to the Secured Notes during the Interest Accrual Period in which such Measurement Date occurs; by
- (b) the amount (not less than zero) equal to (i) the aggregate principal balance (including for this purpose any capitalized interest) of the Collateral Obligations as of such Measurement Date minus (ii) the Reinvestment Target Par Balance.

"**Excess Weighted Average Floating Spread**" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Floating Spread by (b) the number obtained, including for this purpose any capitalized interest, by dividing the aggregate principal balance of all Floating Rate Obligations by the aggregate principal balance of all Fixed Rate Obligations.

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon.

The "**Weighted Average Coupon**" as of any Measurement Date, is the number obtained by dividing:

- (a) the amount equal to the Aggregate Coupon minus any amount required to be deposited in the LC Reserve Account as described under "—The LC Reserve Account" in respect of any Fixed Rate Obligation; by
- (b) an amount equal to the aggregate principal balance (including for this purpose any capitalized interest) of all Fixed Rate Obligations as of such Measurement Date.

The "**Aggregate Coupon**" as of any Measurement Date, is the sum of the products obtained by multiplying, in the case of each Fixed Rate Obligation, (i) the stated coupon on such Collateral Obligation (excluding any Deferring Security to the extent of any non-cash interest and the unfunded portion of any Delayed Drawdown

Collateral Obligation or Revolving Collateral Obligation) expressed as a percentage and (ii) the principal balance (including for this purpose any capitalized interest) of such Collateral Obligation.

"Excess Weighted Average Coupon" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Coupon over the Minimum Weighted Average Coupon by (b) the number obtained, including for this purpose any capitalized interest, by dividing the aggregate principal balance of all Fixed Rate Obligations by the aggregate principal balance of all Floating Rate Obligations.

Maximum Moody's Rating Factor Test.

The **"Maximum Moody's Rating Factor Test"** will be satisfied on any date of determination if the Adjusted Weighted Average Moody's Rating Factor of the Collateral Obligations is less than or equal to the sum of (i) the number set forth in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix at the intersection of the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture *plus* (ii) the Moody's Weighted Average Recovery Adjustment.

The **"Weighted Average Moody's Rating Factor"** is the number (rounded up to the nearest whole number) determined by:

(a) summing the products of (i) the principal balance of each Collateral Obligation (excluding Equity Securities) multiplied by (ii) the Moody's Rating Factor of such Collateral Obligation (as described below) and

(b) dividing such sum by the outstanding principal balance of all such Collateral Obligations.

The **"Moody's Rating Factor"** relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

For purposes of the Maximum Moody's Rating Factor Test, any Collateral Obligation issued or guaranteed by the United States government or any agency or instrumentality thereof is assigned a Moody's Rating Factor of 1.

Moody's Diversity Test.

The **"Moody's Diversity Test"** will be satisfied on any date of determination if the Diversity Score (rounded to the nearest whole number) equals or exceeds the number set forth in the column entitled **"Minimum Diversity Score"** in the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix based upon the applicable "row/column combination" chosen by the Collateral Manager (or interpolating between two adjacent rows and/or two adjacent columns, as applicable) in accordance with the Indenture.

For purposes of the Moody's Diversity Test, the Diversity Score (the "**Diversity Score**") is a single number that indicates collateral concentration in terms of both issuer and industry concentration. A higher Diversity Score reflects a more diverse portfolio in terms of issuer and industry concentration. The Diversity Score is calculated as follows:

- (i) An "**Issuer Par Amount**" is calculated for each issuer of a Collateral Obligation, and is equal to the aggregate principal balance of all Collateral Obligations issued by that issuer and all affiliates.
- (ii) An "**Average Par Amount**" is calculated by summing the Issuer Par Amounts for all issuers, and dividing by the number of issuers.
- (iii) An "**Equivalent Unit Score**" is calculated for each issuer, and is equal to the lesser of (x) one and (y) the Issuer Par Amount for such issuer *divided* by the Average Par Amount.
- (iv) An "**Aggregate Industry Equivalent Unit Score**" is then calculated for each of the Moody's industry classification groups (as defined in the Indenture) and is equal to the sum of the Equivalent Unit Scores for each issuer in such industry classification group.
- (v) An "**Industry Diversity Score**" is then established for each Moody's industry classification group by reference to the following table for the related Aggregate Industry Equivalent Unit Score; *provided*, that if any Aggregate Industry Equivalent Unit Score falls between any two such scores, the applicable Industry Diversity Score will be the lower of the two Industry Diversity Scores:

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
0.0000	0.0000	5.0500	2.7000	10.1500	4.0200	15.2500	4.5300
0.0500	0.1000	5.1500	2.7333	10.2500	4.0300	15.3500	4.5400
0.1500	0.2000	5.2500	2.7667	10.3500	4.0400	15.4500	4.5500
0.2500	0.3000	5.3500	2.8000	10.4500	4.0500	15.5500	4.5600
0.3500	0.4000	5.4500	2.8333	10.5500	4.0600	15.6500	4.5700
0.4500	0.5000	5.5500	2.8667	10.6500	4.0700	15.7500	4.5800
0.5500	0.6000	5.6500	2.9000	10.7500	4.0800	15.8500	4.5900
0.6500	0.7000	5.7500	2.9333	10.8500	4.0900	15.9500	4.6000
0.7500	0.8000	5.8500	2.9667	10.9500	4.1000	16.0500	4.6100
0.8500	0.9000	5.9500	3.0000	11.0500	4.1100	16.1500	4.6200
0.9500	1.0000	6.0500	3.0250	11.1500	4.1200	16.2500	4.6300
1.0500	1.0500	6.1500	3.0500	11.2500	4.1300	16.3500	4.6400
1.1500	1.1000	6.2500	3.0750	11.3500	4.1400	16.4500	4.6500
1.2500	1.1500	6.3500	3.1000	11.4500	4.1500	16.5500	4.6600
1.3500	1.2000	6.4500	3.1250	11.5500	4.1600	16.6500	4.6700
1.4500	1.2500	6.5500	3.1500	11.6500	4.1700	16.7500	4.6800
1.5500	1.3000	6.6500	3.1750	11.7500	4.1800	16.8500	4.6900
1.6500	1.3500	6.7500	3.2000	11.8500	4.1900	16.9500	4.7000
1.7500	1.4000	6.8500	3.2250	11.9500	4.2000	17.0500	4.7100
1.8500	1.4500	6.9500	3.2500	12.0500	4.2100	17.1500	4.7200
1.9500	1.5000	7.0500	3.2750	12.1500	4.2200	17.2500	4.7300
2.0500	1.5500	7.1500	3.3000	12.2500	4.2300	17.3500	4.7400
2.1500	1.6000	7.2500	3.3250	12.3500	4.2400	17.4500	4.7500
2.2500	1.6500	7.3500	3.3500	12.4500	4.2500	17.5500	4.7600
2.3500	1.7000	7.4500	3.3750	12.5500	4.2600	17.6500	4.7700

Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score	Aggregate Industry Equivalent Unit Score	Industry Diversity Score
2.4500	1.7500	7.5500	3.4000	12.6500	4.2700	17.7500	4.7800
2.5500	1.8000	7.6500	3.4250	12.7500	4.2800	17.8500	4.7900
2.6500	1.8500	7.7500	3.4500	12.8500	4.2900	17.9500	4.8000
2.7500	1.9000	7.8500	3.4750	12.9500	4.3000	18.0500	4.8100
2.8500	1.9500	7.9500	3.5000	13.0500	4.3100	18.1500	4.8200
2.9500	2.0000	8.0500	3.5250	13.1500	4.3200	18.2500	4.8300
3.0500	2.0333	8.1500	3.5500	13.2500	4.3300	18.3500	4.8400
3.1500	2.0667	8.2500	3.5750	13.3500	4.3400	18.4500	4.8500
3.2500	2.1000	8.3500	3.6000	13.4500	4.3500	18.5500	4.8600
3.3500	2.1333	8.4500	3.6250	13.5500	4.3600	18.6500	4.8700
3.4500	2.1667	8.5500	3.6500	13.6500	4.3700	18.7500	4.8800
3.5500	2.2000	8.6500	3.6750	13.7500	4.3800	18.8500	4.8900
3.6500	2.2333	8.7500	3.7000	13.8500	4.3900	18.9500	4.9000
3.7500	2.2667	8.8500	3.7250	13.9500	4.4000	19.0500	4.9100
3.8500	2.3000	8.9500	3.7500	14.0500	4.4100	19.1500	4.9200
3.9500	2.3333	9.0500	3.7750	14.1500	4.4200	19.2500	4.9300
4.0500	2.3667	9.1500	3.8000	14.2500	4.4300	19.3500	4.9400
4.1500	2.4000	9.2500	3.8250	14.3500	4.4400	19.4500	4.9500
4.2500	2.4333	9.3500	3.8500	14.4500	4.4500	19.5500	4.9600
4.3500	2.4667	9.4500	3.8750	14.5500	4.4600	19.6500	4.9700
4.4500	2.5000	9.5500	3.9000	14.6500	4.4700	19.7500	4.9800
4.5500	2.5333	9.6500	3.9250	14.7500	4.4800	19.8500	4.9900
4.6500	2.5667	9.7500	3.9500	14.8500	4.4900	19.9500	5.0000
4.7500	2.6000	9.8500	3.9750	14.9500	4.5000		
4.8500	2.6333	9.9500	4.0000	15.0500	4.5100		
4.9500	2.6667	10.0500	4.0100	15.1500	4.5200		

- (vi) The Diversity Score is then calculated by summing each of the Industry Diversity Scores for each Moody's industry classification group.

For purposes of calculating the Diversity Score, affiliated issuers in the same industry are deemed to be a single issuer except as otherwise agreed to by Moody's.

S&P CDO Monitor Test.

The S&P CDO Monitor Test will be satisfied on any date of determination if, after giving effect to the sale of a Collateral Obligation or the purchase of a Collateral Obligation, each Class Default Differential of the Proposed Portfolio is positive; provided that the S&P CDO Monitor Test will not apply unless S&P has provided the Issuer and the Collateral Administrator with the S&P CDO Monitor (along with the assumptions and instructions to run the S&P CDO Monitor and in a form that performs as intended with respect to the Assets). The S&P CDO Monitor Test will be considered to be improved if each Class Default Differential of the Proposed Portfolio is greater than the corresponding Class Default Differential of the Current Portfolio.

Compliance with the S&P CDO Monitor Test will be measured by the Collateral Manager on each Measurement Date on or prior to the last day of the Reinvestment Period.

There can be no assurance that actual defaults of the Collateral Obligations will not exceed those assumed in the application of the S&P CDO Monitor or that recovery rates with respect thereto will not differ from those assumed in the S&P CDO Monitor. None of the Collateral Manager, the Initial Purchaser, the Placement Agent, the Co-Issuers, the Trustee or the Collateral Administrator makes any representation as to the expected rate of defaults of the Collateral Obligations or the timing of defaults or as to the expected recovery rate or the timing of recoveries.

Minimum Weighted Average Moody's Recovery Rate Test.

The "**Minimum Weighted Average Moody's Recovery Rate Test**" will be satisfied on any date of determination if the Weighted Average Moody's Recovery Rate equals or exceeds 45.0%.

The "**Weighted Average Moody's Recovery Rate**" is, as of any date of determination, the number, expressed as a percentage, obtained by summing the product of the Moody's Recovery Rate on such Measurement Date of each Collateral Obligation and the principal balance of such Collateral Obligation, dividing such sum by the aggregate principal balance of all such Collateral Obligations and rounding up to the first decimal place.

The "**Moody's Recovery Rate**" is, with respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

- (a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;
- (b) if the preceding clause does not apply to the Collateral Obligation and the Collateral Obligation is a Moody's Senior Secured Loan, Senior Secured Floating Rate Note, Moody's Non-Senior Secured Loan, Senior Secured Bond, Senior Unsecured Bond or Unsecured Loan (in each case other than a DIP Collateral Obligation), the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Moody's Senior Secured Loans and Moody's Senior Secured Floating Rate Notes	Senior Secured Floating Rate Notes (other than Moody's Senior Secured Floating Rate Notes), Moody's Non-Senior Secured Loans, Senior Secured Bonds, Senior Unsecured Bonds, Unsecured Loans
+2 or more	60%	35%
+1	50%	30%
0	45%	25%
-1	40%	10%
-2	30%	5%
-3 or less	20%	0%

- (c) if the Collateral Obligation is a DIP Collateral Obligation (other than a DIP Collateral Obligation which has been specifically assigned a recovery rate by Moody's), 50%.

Minimum Weighted Average S&P Recovery Rate Test.

This test will be satisfied on any date of determination if the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class selected by the Collateral Manager in connection with the S&P CDO Monitor Test.

"**Weighted Average S&P Recovery Rate**" means, as of any date of determination, the number, expressed as a percentage and determined separately for each Class of Secured Notes, obtained by summing the products obtained by multiplying the outstanding principal balance of each Collateral Obligation by its corresponding recovery rate as determined in accordance with Section 1 of Annex C hereto, dividing such sum by the aggregate principal balance of all Collateral Obligations, and rounding to the nearest tenth of a percent.

Weighted Average Life Test.

The "**Weighted Average Life Test**" will be satisfied on any date of determination if the Weighted Average Life of all Collateral Obligations as of such date is less than the number of years (rounded to the nearest one hundredth thereof) during the period from such date of determination to June 21, 2020.

The "**Weighted Average Life**" is, as of any date of determination with respect to all Collateral Obligations other than Defaulted Obligations, the number of years following such date obtained by summing the products obtained by multiplying:

(a) the Average Life at such time of each such Collateral Obligation by (b) the outstanding principal balance of such Collateral Obligation

and dividing such sum by:

the aggregate remaining principal balance at such time of all Collateral Obligations other than Defaulted Obligations.

The "**Average Life**" is, on any date of determination with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

Collateral Assumptions

Unless otherwise specified, the assumptions described below will be applied to the determination of the Concentration Limitations, the Collateral Quality Test, the Coverage Tests and other determinations and calculations required by the Indenture.

For purposes of calculating all Concentration Limitations, in both the numerator and the denominator of any component of the Concentration Limitations, Defaulted Obligations will be treated as having a principal balance equal to zero. Except where expressly referenced herein for inclusion in such calculations, Defaulted Obligations will not be included in the calculation of the Collateral Quality Test.

For all purposes other than for purposes of calculating the Concentration Limitations, on and after the Effective Date, the Excess Participation Interests shall be deemed to have a principal balance equal to zero.

For purposes of calculating the Coverage Tests, except as otherwise specified in the Coverage Tests, such calculations will not include scheduled interest and principal payments on Defaulted Obligations.

For purposes of calculating clause (i) of the Concentration Limitations, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds shall each be deemed to be a Floating Rate Obligation that is a Senior Secured Loan.

For purposes of calculating compliance with each of the Concentration Limitations, all calculations will be rounded to the nearest 0.1%. All other calculations, unless otherwise set forth in the Indenture or the context otherwise requires, shall be rounded to the nearest ten-thousandth if expressed as a percentage, and to the nearest one-hundredth if expressed otherwise.

For all purposes (including calculation of the Coverage Tests), the principal balance of a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation will include all unfunded commitments that have not been irrevocably reduced or withdrawn.

For purposes of calculating the sale proceeds of a Collateral Obligation in sale transactions, sale proceeds will include any Principal Financed Accrued Interest received in respect of such sale.

For each Collection Period and as of any date of determination, the scheduled payment of principal and/or interest on any Asset (other than a Defaulted Obligation, which, except as otherwise provided herein, shall be assumed to have scheduled distributions of zero) shall be the sum of (i) the total amount of payments and collections to be received during such Collection Period in respect of such Asset (including the proceeds of the sale of such Asset received and, in the case of sales which have not yet settled, to be received during the Collection Period and not reinvested in additional Collateral Obligations or Eligible Investments or retained in the Collection Account for subsequent reinvestment) that, if received as scheduled, will be available in the Collection Account at the end of the Collection Period and (ii) any such amounts received by the Issuer in prior Collection Periods that were not disbursed on a previous Payment Date.

Each scheduled payment of principal and/or interest receivable with respect to an Asset shall be assumed to be received on the applicable due date thereof, and each such scheduled payment of principal and/or interest shall be assumed to be immediately deposited in the Collection Account to earn interest at an assumed reinvestment rate. All such funds shall be assumed to continue to earn interest until the date on which they are required to be available in the Collection Account for application, in accordance with the terms of the Indenture, to payments of principal of or interest on the Secured Notes, distributions on the Subordinated Notes or other amounts payable pursuant to the Indenture.

All calculations with respect to scheduled distributions on the Assets shall be made on the basis of information as to the terms of each such Asset and upon reports of payments, if any, received on such Asset that are furnished by or on behalf of the issuer of such Asset and, to the extent they are not manifestly in error, such information or reports may be conclusively relied upon in making such calculations.

For purposes of calculating compliance with the Investment Criteria, upon the direction of the Collateral Manager by notice to the Trustee and the Collateral Administrator, any Eligible Investment representing Principal Proceeds received upon the sale or other disposition of a Collateral Obligation may be deemed to have the characteristics of such Collateral Obligation until reinvested in an additional Collateral Obligation. Such calculations shall be based upon the principal amount of such Collateral Obligation, except in the case of Defaulted Obligations and Credit Risk Obligations, in which case the calculations will be based upon the Principal Proceeds received on the sale or other disposition of such Defaulted Obligation or Credit Risk Obligation.

If a Collateral Obligation included in the Assets would be deemed a Current Pay Obligation but for the applicable percentage limitation in the proviso to clause (x) of the proviso to the definition of "Defaulted Obligation", then the Current Pay Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Current Pay Obligation as of the date of determination) will be deemed Defaulted Obligations. Each such Defaulted Obligation will be treated as a Defaulted Obligation for all purposes until such time as the aggregate principal balance of Current Pay Obligations would not exceed, on a *pro forma* basis including such Defaulted Obligation, the applicable percentage of the Collateral Principal Amount.

References under "Summary of Terms—Priority of Payments" to calculations made on a "*pro forma* basis" shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments described herein, that precede (in priority of payment) or include the clause in which such calculation is made.

For purposes of calculating the Collateral Quality Test, DIP Collateral Obligations will be treated as having an S&P Recovery Rate equal to the S&P Recovery Rate for Senior Secured Loans.

For purposes of calculating compliance with the Investment Criteria, at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time when compliance with the Investment Criteria is required to be calculated (a "**Trading Plan**") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within ten Business Days following the date of determination of such compliance (such period, the "**Trading Plan Period**"); *provided* that (v) the Issuer (or the Collateral Manager on the Issuer's behalf) notifies S&P promptly upon the commencement of a Trading Plan, (w) no Trading Plan may result in the purchase of Collateral Obligations having an aggregate principal balance that exceeds 5% of the Collateral

Principal Amount as of the first day of the Trading Plan Period, (x) no Trading Plan Period may include a Payment Date, (y) no more than one Trading Plan may be in effect at any time during a Trading Plan Period and (z) if the Investment Criteria are satisfied prospectively after giving effect to a Trading Plan but are not satisfied upon the expiry of the related Trading Plan Period, the Investment Criteria shall not at any time thereafter be evaluated by giving effect to a Trading Plan.

All monetary calculations under the Indenture will be in U.S. Dollars.

If withholding tax is imposed on (x) the fees associated with any Letter of Credit Reimbursement Obligation, (y) any amendment, waiver, consent or extension fees or (z) commitment fees or other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations, the calculations of the Weighted Average Floating Spread, the Weighted Average Coupon and the Interest Coverage Test (and all component calculations of such calculations and tests, including when such a component calculation is calculated independently), as applicable, shall be made on a net basis after taking into account such withholding, unless the obligor is required to make "gross-up" payments to the Issuer that cover the full amount of any such withholding tax on an after-tax basis pursuant to the Underlying Instrument with respect thereto.

Any reference in the Indenture to an amount of the Trustee's or the Collateral Administrator's fees calculated with respect to a period at a per annum rate shall be computed on the basis of a 360-day year of twelve 30-day months prorated for the related Interest Accrual Period and shall be based on the aggregate face amount of the Assets.

To the extent there is, in the reasonable determination of the Collateral Administrator or the Trustee, any ambiguity in the interpretation of any definition or term contained in the Indenture or to the extent the Collateral Administrator or the Trustee reasonably determines that more than one methodology can be used to make any of the determinations or calculations set forth therein, the Collateral Administrator and/or Trustee, as the case may be, shall be entitled to request direction from the Collateral Manager as to the interpretation and/or methodology to be used, and the Collateral Administrator and Trustee, as applicable, shall be entitled to follow such direction and conclusively rely thereon without any responsibility or liability therefor.

For purposes of calculating compliance with any tests under the Indenture (including the Target Initial Par Condition, Collateral Quality Test and Concentration Limitations), the trade date (and not the settlement date) with respect to any acquisition or disposition of a Collateral Obligation or Eligible Investment shall be used by the Collateral Administrator to determine whether and when such acquisition or disposition has occurred.

The Coverage Tests

See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Coverage Tests.

See "Summary of Terms—Coverage Tests" for a description of the calculation of the Overcollateralization Ratio Test and Interest Coverage Test.

If a Coverage Test is not satisfied on any applicable Determination Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the repayment of principal of the Secured Notes in accordance with the Priority of Payments (with no makewhole amount or premium applicable in respect of such repayment) to the extent necessary to achieve compliance with such Coverage Test.

Measurement of the degree of compliance with the Coverage Tests will be required as of each Measurement Date occurring (i) in the case of the Overcollateralization Ratio Test, on or after the Effective Date and (ii) in the case of the Interest Coverage Test, on or after the Determination Date immediately preceding the second Payment Date.

Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria

Subject to the other requirements set forth in the Indenture and, notwithstanding any acceleration, unless an Event of Default has occurred and is continuing or the Trustee has commenced exercising remedies pursuant to the

Indenture (except for a sale or other disposition pursuant to clauses (a), (b), (c), (d), (g) and (h) below), the Collateral Manager on behalf of the Issuer may, but will not be required to (except as otherwise specified below), direct the Trustee to sell or otherwise dispose of, and the Trustee shall sell or otherwise dispose of, on behalf of the Issuer in the manner directed by the Collateral Manager pursuant to the provisions of the Indenture described in this paragraph, any Collateral Obligation or Equity Security (which shall include the direct sale or liquidation of the equity interests of any Blocker Subsidiary or assets held by a Blocker Subsidiary) if such sale or other disposition meets any one of the following requirements (subject in each case to any applicable requirement of disposition under clause (g) or (h) below), for purposes of which the Sale Proceeds of a Collateral Obligation sold by the Issuer shall include any Principal Financed Accrued Interest received in respect of such sale or other disposition:

- (a) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Credit Risk Obligation at any time without restriction;
- (b) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Credit Improved Obligation either:
 - (i) at any time if (A) the Sale Proceeds from such sale or other disposition are at least equal to the principal balance of such Credit Improved Obligation or (B) after giving effect to such sale or other disposition, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the anticipated net proceeds of such disposition) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance; or
 - (ii) solely during the Reinvestment Period, if the Collateral Manager reasonably believes prior to such sale or other disposition that either (A) after giving effect to such sale or other disposition and subsequent reinvestment, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance, or (B) it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale or other disposition, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an aggregate principal balance at least equal to the principal balance of such Credit Improved Obligation within 20 Business Days after such sale or other disposition;
- (c) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Defaulted Obligation at any time during or after the Reinvestment Period without restriction. With respect to each Defaulted Obligation that has not been disposed of within three years after becoming a Defaulted Obligation, the Market Value and principal balance of such Defaulted Obligation shall be deemed to be zero;
- (d) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Equity Security at any time without restriction, and shall (unless such Equity Security is required to be sold or otherwise disposed of as set forth in clause (h) below or has been transferred to a Blocker Subsidiary as set forth in clause (i) below) use its commercially reasonable efforts to effect the sale or other disposition of any Equity Security (other than an interest in a Blocker Subsidiary), regardless of price:
 - (i) within 45 Business Days after receipt in the case of Equity Securities received on the exercise of a conversion option relating to any Collateral Obligation (other than any

- Equity Security that is (A) received upon the conversion of a Defaulted Obligation, or (B) received in an exchange initiated by the obligor to avoid bankruptcy); and
- (ii) within 45 days after receipt if such Equity Security constitutes Margin Stock unless such sale or other disposition is prohibited by applicable law or an applicable contractual restriction, in which case such Equity Security shall be sold or otherwise disposed of as soon as such sale or other disposition is permitted by applicable law and not prohibited by such contractual restriction;
- (e) After the Issuer has notified the Trustee of an Optional Redemption of the Notes or a Majority of an Affected Class or a Majority of the Subordinated Notes has directed (by a written direction delivered to the Trustee) a Tax Redemption and all requirements for an Optional Redemption or a Tax Redemption, as applicable, as set forth in the Indenture are met, the Collateral Manager shall direct the Trustee to sell or otherwise dispose of (which disposition may be through participation or other arrangement) all or a portion of the Collateral Obligations, without regard to the limitations set forth in these clauses (a) through (j). If any such disposition is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the disposition;
 - (f) During the Reinvestment Period, the Collateral Manager may direct the Trustee to sell or otherwise dispose of any Collateral Obligation at any time other than during a Restricted Trading Period if:
 - (i) after giving effect to such disposition, the aggregate principal balance of all Collateral Obligations disposed of as described in this sub-paragraph (f) during the preceding period of 12 calendar months (or, for the first 12 calendar months after the Closing Date, during the period commencing on the Closing Date) is not greater than 25% of the Collateral Principal Amount as of the first day of such 12 calendar month period (or as of the Closing Date, as the case may be); and
 - (ii) either:
 - (A) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such disposition that it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such disposition, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an aggregate principal balance at least equal to the par value of such Collateral Obligation within 20 Business Days after such disposition; or
 - (B) after giving effect to such disposition, the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the anticipated net proceeds of such disposition) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than the Reinvestment Target Par Balance;
 - (g) The Collateral Manager on behalf of the Issuer shall use its commercially reasonable efforts to effect the sale or other disposition (regardless of price) of any Collateral Obligation that (i) no longer meets the criteria described in clauses (vii) and (xxiii) of the definition of "Collateral Obligation", within 18 months after the failure of such Collateral Obligation to meet any such criteria and (ii) no longer meets the criteria described in clause (vi) of the definition of "Collateral Obligation" (unless such disposition is prohibited by applicable law or an applicable contractual restriction) within 45 days after the failure of such Collateral Obligation to meet either such criteria;
 - (h) Within 10 Business Days after the Issuer's receipt thereof (or within 10 Business Days after such later date as such security may first be disposed of in accordance with its terms), the Collateral

Manager on behalf of the Issuer shall (unless such security or obligation has been transferred to a Blocker Subsidiary as set forth in clause (i) below) sell or otherwise dispose of any Equity Security, Defaulted Obligation or security or other consideration that is received in an offer that, in each case, does not comply with clause (xx) of the definition of "Collateral Obligation";

- (i) The Collateral Manager may effect the transfer to a Blocker Subsidiary of (x) any security or obligation required to be disposed of pursuant to clause (h) above within 10 Business Days after the Issuer's receipt of such security or obligation (or within 10 Business Days after such later date as such security or obligation may be disposed of in accordance with its terms), *provided* that such security or obligation has been obtained by the Issuer in connection with the workout or restructuring of a Collateral Obligation, or (y) any Collateral Obligation or portion thereof with respect to which the Issuer will receive a security or obligation described in clause (x) above prior to the receipt of such security or obligation. In connection with the incorporation of, or transfer of any security or obligation to, any Blocker Subsidiary, the Issuer shall not be required to satisfy the Moody's Rating Condition or obtain confirmation from S&P that such incorporation or transfer will not cause S&P to downgrade or withdraw its rating assigned to any Class of Secured Notes; *provided* that prior to the incorporation of any Blocker Subsidiary, the Collateral Manager will, on behalf of the Issuer, provide written notice thereof to S&P and Moody's. The Issuer shall not be required to continue to hold in a Blocker Subsidiary (and may instead hold directly) a security that ceases to be considered an Equity Security, as determined by the Collateral Manager based on written advice of nationally recognized counsel to the effect that the Issuer can transfer such security or obligation from the Blocker Subsidiary to the Issuer and can hold such security or obligation directly without causing the Issuer to be treated as engaged in a trade or business in the United States for U.S. federal income tax purposes or otherwise subject to tax in any jurisdiction outside its jurisdiction of incorporation. For financial accounting reporting purposes (including each monthly report prepared under the Indenture) and the Coverage Tests and the Collateral Quality Test (and, for the avoidance of doubt, not for tax purposes), the Issuer will be deemed to own an Equity Security or Collateral Obligation held by a Blocker Subsidiary rather than its interest in that Blocker Subsidiary; and
- (j) After the Collateral Manager has notified the Issuer and the Trustee of a Clean-Up Call Redemption in accordance with "Description of the Notes—Clean-Up Call Redemption", the Collateral Manager may at any time effect the sale (which sale may be through participation or other arrangement) of any Collateral Obligation without regard to the limitations set forth in these clauses (a) through (j) by directing the Trustee to effect such sale; *provided* that the Sale Proceeds therefrom are used for the purposes specified in "Description of the Notes—Clean-Up Call Redemption" (and applied pursuant to the Priority of Payments). If any such sale is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the sale.

The Indenture will provide that (A) the Issuer shall not permit a Blocker Subsidiary to incur any indebtedness (other than the guarantee and grant of security interest in favor of the Trustee described in clause (G) below); (B) the constitutive documents of such Blocker Subsidiary shall provide that (i) recourse with respect to the costs, expenses or other liabilities of such Blocker Subsidiary shall be solely to the assets of such Blocker Subsidiary and no creditor of such Blocker Subsidiary shall have any recourse whatsoever to the Issuer or its assets except to the extent otherwise required under applicable law, (ii) the activities and business purposes of such Blocker Subsidiary shall be limited to holding securities or obligations in accordance with clause (i) in the preceding paragraph that are otherwise required to be sold pursuant to clause (h) in the preceding paragraph and activities reasonably incidental thereto (including holding interests in other Blocker Subsidiaries), (iii) such Blocker Subsidiary will not incur any indebtedness (other than the guarantee and grant of security interest in favor of the Trustee described in clause (G) below), (iv) such Blocker Subsidiary will not create, incur, assume or permit to exist any lien (other than a lien arising by operation of law), charge or other encumbrance on any of its assets, or sell, transfer, exchange or otherwise dispose of any of its assets, or assign or sell any income or revenues or rights in respect thereof, (v) such Blocker Subsidiary will be subject to the limitations on powers set forth in the organizational documents of the Issuer, (vi) if such Blocker Subsidiary is a foreign corporation for U.S. federal income tax purposes, such Blocker Subsidiary shall file a U.S. federal income tax return reporting all effectively

connected income, if any, arising as a result of owning the permitted assets of such Blocker Subsidiary, (vii) after paying Taxes and expenses payable by such Blocker Subsidiary or setting aside adequate reserves for the payment of such Taxes and expenses, such Blocker Subsidiary will distribute 100% of the cash proceeds of the assets acquired by it (net of such Taxes, expenses and reserves), (viii) such Blocker Subsidiary will not form or own any subsidiary or any interest in any other entity other than interests in another Blocker Subsidiary or securities or obligations held in accordance with clause (i) in the preceding paragraph that would otherwise be required to be sold by the Issuer pursuant to clause (h) in the preceding paragraph and (ix) such Blocker Subsidiary will not acquire or hold title to any real property or a controlling interest in any entity that owns real property; (C) the constitutive documents of such Blocker Subsidiary shall provide that such Blocker Subsidiary will (i) maintain books and records separate from any other Person, (ii) maintain its accounts separate from those of any other Person, (iii) not commingle its assets with those of any other Person, (iv) conduct its own business in its own name, (v) maintain separate financial statements (if any), (vi) pay its own liabilities out of its own funds; *provided* that the Issuer may pay expenses of such Blocker Subsidiary to the extent that collections on the assets held by such Blocker Subsidiary are insufficient for such purpose, (vii) observe all corporate formalities and other formalities in its by-laws and its certificate of incorporation, (viii) maintain an arm's length relationship with its Affiliates, (ix) not have any employees, (x) not guarantee or become obligated for the debts of any other person (other than the Issuer) or hold out its credit as being available to satisfy the obligations of others (other than the Issuer), (xi) not acquire obligations or securities of the Issuer, (xii) allocate fairly and reasonably any overhead for shared office space, (xiii) use separate stationery, invoices and checks, (xiv) not pledge its assets for the benefit of any other Person (other than the Trustee) or make any loans or advance to any Person, (xv) hold itself out as a separate Person, (xvi) correct any known misunderstanding regarding its separate identity and (xvii) maintain adequate capital in light of its contemplated business operations; (D) the constitutive documents of such Blocker Subsidiary shall provide that the business of such Blocker Subsidiary shall be managed by or under the direction of a board of at least one director and that at least one such director shall be a person who is not at the time of appointment and for the five years prior thereto has not been (i) a direct or indirect legal or beneficial owner of the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates (excluding de minimis ownership), (ii) a creditor, supplier, officer, manager, or contractor of the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates or (iii) a person who controls (whether directly, indirectly or otherwise) the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates or any creditor, supplier, officer, manager or contractor of the Collateral Manager, such Blocker Subsidiary or any of their respective Affiliates; (E) the constitutive documents of such Blocker Subsidiary shall provide that, so long as the Blocker Subsidiary is owned directly or indirectly by the Issuer, upon the occurrence of the earliest of the date on which the aggregate outstanding principal amount of each Class of Secured Notes is to be paid in full or the date of any voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or the Co-Issuer, (x) the Issuer shall sell or otherwise dispose of all of its equity interests in such Blocker Subsidiary within a reasonable time or (y) such Blocker Subsidiary shall (i) sell or otherwise dispose of all of its property or, to the extent such Blocker Subsidiary is unable to sell or otherwise dispose of such property within a reasonable time, distribute such property in kind to its shareholders, (ii) make provision for the filing of a tax return and any action required in connection with winding up such Blocker Subsidiary and (iii) initiate procedures for the winding up and dissolution of such Blocker Subsidiary and the distribution of the proceeds of liquidation to its shareholders; (F) to the extent payable by the Issuer, with respect to any Blocker Subsidiary, any expenses related to such Blocker Subsidiary will be considered Administrative Expenses pursuant to subclause (v) of clause *third* of the definition thereof and will be payable as Administrative Expenses as described under "Summary of Terms—Priority of Payments" and "Description of the Notes—Priority of Payments"; and (G) the Issuer shall cause each Blocker Subsidiary (x) to give a guarantee in favor of the Trustee pursuant to which such Blocker Subsidiary absolutely and unconditionally guarantees, to the Trustee for the benefit of the Secured Parties, the obligations secured by the Indenture, including the payment of all amounts due on the Secured Notes in accordance with their terms (subject to limited recourse provisions equivalent (*mutatis mutandis*) to those contained in the Indenture and limited to the assets held by such Blocker Subsidiary), and (y) to enter into a security agreement between such Blocker Subsidiary and the Trustee pursuant to which such Blocker Subsidiary grants a perfected, first-priority continuing security interest in all of its property to secure its obligations under such guarantee. The Co-Issuers and the Trustee will agree in the Indenture, notwithstanding any other provision of the Indenture, and the Collateral Manager will agree in the Collateral Management Agreement, not to institute against any Blocker Subsidiary any proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law, or a petition for its winding-up or liquidation (other than, in the case of the Issuer, a winding-up or liquidation of a Blocker Subsidiary that no longer holds any assets), until the payment in full of all Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at

the request of the Issuer) and the expiration of a period equal to one year and one day or, if longer, the applicable preference period then in effect plus one day, following such payment in full.

Notwithstanding the other requirements set forth in the Indenture and described above and without limiting the right to make any other permitted purchases, sales or other dispositions, the Issuer shall also have the right to effect the sale or other disposition of any Asset or purchase of any Collateral Obligation (*provided* that, in the case of a purchase of a Collateral Obligation, such purchase must comply with the applicable tax requirements set forth or referenced in the Indenture) (x) that has been consented to by holders of Notes evidencing (i) with respect to purchases during the Reinvestment Period and sales or other dispositions during or after the Reinvestment Period, at least 75% of the aggregate outstanding principal amount of each Class of Secured Notes and at least 75% of the aggregate outstanding principal amount of the Subordinated Notes and (ii) with respect to purchases after the Reinvestment Period, 100% of the aggregate outstanding principal amount of each Class of Notes and (y) of which each Rating Agency and the Trustee (with a copy to the Collateral Manager) has been notified.

Investment Criteria. On any date during the Reinvestment Period, the Collateral Manager on behalf of the Issuer may subject to the other requirements in the Indenture, but will not be required to, direct the Trustee to invest Principal Proceeds, proceeds of additional notes issued in accordance with the Indenture, amounts on deposit in the Ramp-Up Account and accrued interest received with respect to any Collateral Obligation to the extent used to pay for accrued interest on additional Collateral Obligations, and the Trustee shall invest such Principal Proceeds and other amounts in accordance with such direction. After the Reinvestment Period, the Collateral Manager, on behalf of the Issuer, may, subject to the other requirements of the Indenture, but will not be required to, direct the Trustee to invest Eligible Post Reinvestment Proceeds in additional Collateral Obligations (each a "**Substitute Obligation**"); *provided*, that (i) the aggregate principal balance of the Substitute Obligations equals or exceeds the amount of the Eligible Post Reinvestment Proceeds; (ii) the stated maturity of each Substitute Obligation is not later than the stated maturity of the Collateral Obligation that produced the Eligible Post Reinvestment Proceeds; (iii) either (x) the Weighted Average Life Test was in compliance as of the last day of the Reinvestment Period or (y) the Weighted Average Life Test is in compliance after giving effect to the reinvestment; (iv) after giving effect to the investment in the Substitute Obligations, (x) the Maximum Moody's Rating Factor Test and clause (iv) of the Concentration Limitations are both satisfied and (y) all other Concentration Limitations are satisfied, or if any such Concentration Limitation is not satisfied, is maintained or improved; (v) the Overcollateralization Ratio Test for the Class D Notes is satisfied after giving effect to the investment in the Substitute Obligations; (vi) a Restricted Trading Period is not then in effect; and (vii) the Class Scenario Default Rate with respect to each Class of Secured Notes then rated by S&P is maintained or improved. Except as described in the preceding sentence, after the Reinvestment Period, the Collateral Manager shall not direct the Trustee to invest any amounts on behalf of the Issuer unless (x) consent thereto has been obtained from holders of Notes evidencing 100% of the aggregate outstanding principal amount of each Class of Notes and (y) each Rating Agency and the Trustee has been notified of such investment; *provided* that cash on deposit in any account constituting part of the Assets (other than the Payment Account) may be invested in Eligible Investments at any time.

Such proceeds may be used to purchase additional obligations subject to the requirement that each of the following conditions (the "**Investment Criteria**") is satisfied as of the date the Collateral Manager commits on behalf of the Issuer to make such purchase, in each case after giving effect to such purchase and all other sales (or other dispositions) or purchases previously or simultaneously committed to; *provided* that the conditions set forth in clauses (e) and (f) below need only be satisfied with respect to purchases of Collateral Obligations occurring on or after the Effective Date:

- (a) such obligation is a Collateral Obligation;
- (b) such obligation is not as of such date a Credit Risk Obligation as determined by the Collateral Manager;
- (c) such obligation is not, by its terms, convertible into or exchangeable for Equity Securities, or attached with a warrant to purchase Equity Securities;

- (d) if the commitment to make such purchase occurs on or after the Effective Date (or, in the case of the Interest Coverage Tests, on or after the Determination Date occurring immediately prior to the second Payment Date), (A) each Coverage Test will be satisfied, or if not satisfied, such Coverage Test will be maintained or improved and (B) if each Coverage Test is not satisfied, the Principal Proceeds received in respect of any Defaulted Obligation or the proceeds of any sale or other disposition of a Defaulted Obligation will not be reinvested in additional Collateral Obligations;
- (e) (A) in the case of an additional Collateral Obligation purchased with the proceeds from the sale or other disposition of a Credit Risk Obligation or a Defaulted Obligation, either (1) the aggregate principal balance of all additional Collateral Obligations purchased with the proceeds from such disposition will at least equal the Sale Proceeds from such disposition, (2) the aggregate principal balance of the Collateral Obligations will be maintained or increased (when compared to the aggregate principal balance of the Collateral Obligations immediately prior to such disposition), (3) the Overcollateralization Ratio with respect to the Class D Notes will be greater than or equal to its level as of the Effective Date or (4) the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance and (B) in the case of any other purchase of additional Collateral Obligations purchased with the proceeds from the sale or other disposition of a Collateral Obligation, either (1) the aggregate principal balance of the Collateral Obligations will be maintained or increased (when compared to the aggregate principal balance of the Collateral Obligations immediately prior to such disposition) or (2) the aggregate principal balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be at least equal to the Reinvestment Target Par Balance;
- (f) either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test (except, in the case of an additional Collateral Obligation purchased with the proceeds from the sale or other disposition of a Credit Risk Obligation, a Defaulted Obligation or an Equity Security or in the case of a Substitute Obligation, the S&P CDO Monitor Test) will be satisfied or (B) if any such requirement or test was not satisfied immediately prior to such investment, such requirement or test will be maintained or improved after giving effect to the investment; and
- (g) except in the case of the purchase of a Substitute Obligation, the date on which the Issuer (or the Collateral Manager on its behalf) commits to purchase such Collateral Obligation occurs during the Reinvestment Period.

During the Reinvestment Period, following the sale or other disposition of any Credit Improved Obligation or any discretionary sale or other discretionary disposition of a Collateral Obligation, the Collateral Manager shall use its reasonable efforts to purchase additional Collateral Obligations within 20 Business Days after such disposition; *provided* that any such purchase must comply with the Investment Criteria.

During and after the Reinvestment Period, the Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favor of a Maturity Amendment only if, as determined by the Collateral Manager, (i) either (A) the Weighted Average Life Test will be satisfied after giving effect to such Maturity Amendment or (B) if the Weighted Average Life Test was not satisfied immediately prior to giving effect to such Maturity Amendment, the level of compliance with the Weighted Average Life Test will be improved or maintained after giving effect to such Maturity Amendment and (ii) after giving effect to such Maturity Amendment, the stated maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Stated Maturity of the Secured Notes.

The Collection Account and Payment Account

All distributions on the Collateral Obligations and any proceeds received from the disposition of any Collateral Obligations will be remitted to one of two segregated accounts, one of which will be designated the **"Interest Collection Subaccount"** and one of which will be designated the **"Principal Collection Subaccount"**, each held in the name of the Trustee for the benefit of the Secured Parties and together comprising the **"Collection Account"**. Such distributions and proceeds of distributions will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under "Summary of Terms—Priority of Payments" and for the acquisition of additional Collateral Obligations under the circumstances and pursuant to the requirements described herein and in the Indenture. All Interest Proceeds received by the Trustee after the Closing Date or transferred to the Collection Account from the Expense Reserve Account or LC Reserve Account will be deposited in the Interest Collection Subaccount. All other amounts received by the Trustee or transferred from the Expense Reserve Account, Revolver Funding Account or LC Reserve Account and remitted to the Collection Account will be deposited in the Principal Collection Subaccount, including (i) any funds designated as Principal Proceeds by the Collateral Manager in accordance with the Indenture and (ii) all other Principal Proceeds (unless simultaneously reinvested in additional Collateral Obligations in accordance with the provisions of the Indenture described under "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" or in Eligible Investments). The Issuer may, but under no circumstances shall be required to, deposit from time to time into the Collection Account, in addition to any amount required hereunder to be deposited therein, such monies received from external sources for the benefit of the Secured Parties (other than payments on or in respect of the Collateral Obligations, Eligible Investments or other existing Assets) as the Issuer deems, in its sole discretion, to be advisable and to designate them as Interest Proceeds or Principal Proceeds. The Collection Account will be established at State Street Bank and Trust Company.

The Collateral Manager on behalf of the Issuer may direct the Trustee to pay from amounts on deposit in the Collection Account on any Business Day during any Interest Accrual Period (i) any amount required to exercise a warrant or right to acquire securities held in the Assets in accordance with the requirements of "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" and (ii) from Interest Proceeds only, any Administrative Expenses (such payments to be counted against the Administrative Expense Cap for the applicable period and to be subject to the order of priority as stated in the definition of Administrative Expenses); *provided*, that the aggregate Administrative Expenses paid as described in this paragraph during any Collection Period shall not exceed the Administrative Expense Cap for the related Payment Date. The Trustee shall not be obligated to make such payment if, in the reasonable determination of the Trustee, such payment would leave insufficient funds, taking into account the Administrative Expense Cap, for payments anticipated to be or become due or payable on the next Payment Date that are given a higher priority in the definition of "Administrative Expenses". The Collateral Manager on behalf of the Issuer may direct the Trustee to transfer from amounts on deposit in the Interest Collection Subaccount to the Principal Collection Subaccount, amounts necessary for application as described under "Use of Proceeds—Effective Date". In addition, the Collateral Manager on behalf of the Issuer may direct the Trustee to deposit (x) from the Principal Collection Subaccount amounts representing Principal Proceeds into the Revolver Funding Account amounts that are required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations and (y) from the Interest Collection Subaccount into the LC Funding Account amounts representing Interest Proceeds in order to satisfy obligations (if any) arising under the provisions of the Indenture described under "—The LC Funding Account".

Amounts received in the Collection Account during a Collection Period will be invested in Eligible Investments with stated maturities not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. All proceeds from the Eligible Investments will be retained in the Collection Account unless used to purchase additional Collateral Obligations in accordance with the Investment Criteria, or used as otherwise permitted under the Indenture. See "—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" and "Summary of Terms—Priority of Payments".

On the Business Day immediately preceding each Payment Date, the Trustee will deposit into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the **"Payment Account"**) all funds in the Collection Account (other than amounts that the Issuer is entitled to reinvest in accordance with the Investment Criteria described herein, which amounts may be retained in the

Collection Account for subsequent reinvestment) required for payments to holders of the Secured Notes and distributions on the Subordinated Notes and payments of fees and expenses in accordance with the priorities described under "Summary of Terms—Priority of Payments". The Co-Issuers shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with the Indenture and the Priority of Payments. The Payment Account will be established at State Street Bank and Trust Company. Amounts in the Payment Account shall remain uninvested.

The Ramp-Up Account

The net proceeds of the issuance of the Notes remaining after payment of fees and expenses will be deposited on the Closing Date into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "**Ramp-Up Account**"). Of the proceeds of the issuance of the Notes which are not applied to pay for the purchase of Collateral Obligations purchased by the Issuer on or before the Closing Date (including, without limitation, repayment of any amounts borrowed by the Issuer in connection with the purchase of Collateral Obligations prior to the Closing Date) approximately U.S.\$392,450,000, representing proceeds of the issuance of the Notes will be deposited in the Ramp-Up Account as Principal Proceeds on the Closing Date. On behalf of the Issuer, the Collateral Manager will direct the Trustee to, from time to time prior to the Effective Date, purchase additional Collateral Obligations and invest in Eligible Investments any amounts not used to purchase such additional Collateral Obligations. On the first Business Day after a trust officer of the Trustee has received written notice from the Collateral Manager making reference to the account transfer required by this paragraph and stating that both (i) the Moody's Rating Condition has been satisfied as described in "Use of Proceeds—Effective Date" (or the Issuer or the Collateral Manager has provided a Passing Report to Moody's) and (ii) S&P has confirmed its initial ratings of the Secured Notes as described in "Use of Proceeds—Effective Date", or upon the occurrence of an Event of Default, the Trustee will deposit any remaining amounts in the Ramp-Up Account (excluding any proceeds that will be used to settle binding commitments entered into prior to that date, and except as provided in the next sentence) into the Principal Collection Subaccount as Principal Proceeds. Any income earned on amounts deposited in the Ramp-Up Account will be deposited in the Interest Collection Subaccount as Interest Proceeds. The Ramp-Up Account will be established at State Street Bank and Trust Company.

The Custodial Account

The Trustee will, on or prior to the Closing Date, establish a single, segregated non-interest bearing trust account in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Custodial Account**". All Collateral Obligations, Equity Securities and equity interests in Blocker Subsidiaries shall be credited to the Custodial Account as provided in the Indenture. The only permitted withdrawals from the Custodial Account shall be in accordance with the provisions of the Indenture. The Co-Issuers shall not have any legal, equitable or beneficial interest in the Custodial Account other than in accordance with the Indenture and the Priority of Payments. The Custodial Account will be established at State Street Bank and Trust Company.

The Revolver Funding Account

Upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, funds in an amount equal to the undrawn portion of such obligation shall be withdrawn first from the Ramp-Up Account and, if necessary, from the Principal Collection Subaccount, as directed by the Collateral Manager, and deposited pursuant to such direction in a single, segregated non-interest bearing trust account established in the name of the Trustee for the benefit of the Secured Parties (the "**Revolver Funding Account**"); *provided* that, if such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation is a Participation Interest with respect to which the Selling Institution requires funds to be deposited with the Selling Institution or its custodian in an amount equal to any portion of the undrawn amount of such obligation as collateral for the funding obligations under such obligation (such funds, the "**Selling Institution Collateral**"), the Collateral Manager on behalf of the Issuer shall direct the Trustee to (and pursuant to such direction the Trustee shall) deposit such funds in the amount of the Selling Institution Collateral with such Selling Institution or custodian rather than in the Revolver Funding Account, subject to the following sentence. Any such deposit of Selling Institution Collateral shall satisfy the following requirement (as determined and directed by the Collateral Manager): either (1) the aggregate amount of Selling Institution Collateral deposited with such Selling Institution or its custodian (other than an Eligible Custodian) under all Participation Interests shall not have an aggregate principal balance in excess of 5% of the

Collateral Principal Amount and shall not remain on deposit with such Selling Institution or custodian for more than 30 calendar days after such Selling Institution first fails to satisfy the rating requirements set out in the Third Party Credit Exposure Limits (and the terms of each such deposit shall permit the Issuer to withdraw the Selling Institution Collateral if such Selling Institution fails at any time to satisfy the rating requirements set out in the Third Party Credit Exposure Limits); or (2) such Selling Institution Collateral shall be deposited with an Eligible Custodian.

U.S.\$0 will be deposited in the Revolver Funding Account on the Closing Date to be reserved for the unfunded funding obligations under the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations purchased on or before the Closing Date. Upon initial purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, funds deposited in the Revolver Funding Account in respect of such Collateral Obligation and Selling Institution Collateral deposited with the Selling Institution in respect of such Collateral Obligation will be treated as part of the purchase price therefor. Amounts in the Revolver Funding Account will be invested in overnight funds that are Eligible Investments and earnings from all such investments will be deposited in the Interest Collection Subaccount as Interest Proceeds. The Revolver Funding Account will be established at State Street Bank and Trust Company.

Funds will be deposited in the Revolver Funding Account upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, and upon the receipt by the Issuer of any Principal Proceeds with respect to a Revolving Collateral Obligation as directed by the Collateral Manager, such that the amount of funds on deposit in the Revolver Funding Account shall be equal to or greater than the aggregate amount of unfunded funding obligations (disregarding the portion, if any, of any such unfunded funding obligations that is collateralized by Selling Institution Collateral) under all such Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations then included in the Assets, as determined by the Collateral Manager.

Any funds in the Revolver Funding Account (other than earnings from Eligible Investments therein) will be available solely to cover any drawdowns on the Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations; *provided*, that any excess of (A) the amounts on deposit in the Revolver Funding Account over (B) the sum of the unfunded funding obligations (disregarding the portion, if any, of any such unfunded funding obligations that is collateralized by Selling Institution Collateral) under all Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are included in the Assets (which excess may occur for any reason, including upon (i) the sale or maturity of a Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, (ii) the occurrence of an event of default with respect to any such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation or (iii) any other event or circumstance which results in the irrevocable reduction of the undrawn commitments under such Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) may be transferred by the Trustee (at the written direction of the Collateral Manager on behalf of the Issuer) from time to time as Principal Proceeds to the Principal Collection Subaccount.

The Expense Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Expense Reserve Account**". Approximately U.S.\$6,350,000 will be deposited in the Expense Reserve Account as Interest Proceeds on the Closing Date for the payment of certain expenses of the Issuer incurred in connection with the issuance of the Notes. On any Business Day from the Closing Date to and including the Determination Date relating to the first Payment Date following the Closing Date, the Trustee will apply funds from the Expense Reserve Account, as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with the establishment of the Co-Issuers, the structuring and consummation of the Offering and the issuance of the Notes and any additional issuance. By the Determination Date relating to the first Payment Date following the Closing Date, all funds in the Expense Reserve Account (after deducting any expenses paid on such Determination Date) will be deposited in the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Collateral Manager in its sole discretion). On any Business Day after the Determination Date relating to the first Payment Date following the Closing Date, the Trustee shall apply funds from the Expense Reserve Account (except as provided in the next sentence), as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with any additional issuance of notes or as a deposit to the Collection Account as Principal Proceeds. Any income earned on amounts deposited in the Expense Reserve Account will be

deposited in the Interest Collection Subaccount as Interest Proceeds as it is paid. The Expense Reserve Account will be established at State Street Bank and Trust Company.

The Distribution Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**Distribution Reserve Account**". Proceeds of the offering of the Notes in an amount equal to U.S.\$850,000 will be deposited into the Distribution Reserve Account on the Closing Date. On (a) June 29, 2012, (i) funds on deposit in the Distribution Reserve Account, in an amount equal to U.S.\$100,000 plus any income earned on such amount, will be transferred to the Collection Account as Interest Proceeds and (ii) funds on deposit in the Interest Collection Subaccount, in an amount equal to the amount transferred from the Distribution Reserve Account pursuant to the foregoing clause (a)(i), will be paid as a distribution to one or more holders of Certificated or Uncertificated Subordinated Notes designated by the Issuer by notice to the Trustee on the Closing Date; and on (b) September 28, 2012 (each of June 29, 2012, and September 28, 2012, an "**Interim Subordinated Note Payment Date**"), (i) all remaining funds on deposit in the Distribution Reserve Account (including any income earned on amounts on deposit in the Distribution Reserve Account) will be transferred to the Collection Account as Interest Proceeds, (ii) the Distribution Reserve Account will be closed and (iii) funds on deposit in the Interest Collection Subaccount, in an amount equal to the amount transferred from the Distribution Reserve Account pursuant to the foregoing clause (b)(i), will be paid as a distribution to the holder or holders of Certificated or Uncertificated Subordinated Notes referred to in the foregoing clause (a)(ii); *provided* that any such distribution to such holders is subject to the conditions that, on the Determination Date relating to each Interim Subordinated Note Payment Date, (A) no Event of Default under the Indenture has occurred and be continuing and (B) the Overcollateralization Ratio Test relating to each Class of Notes was satisfied. If on either Interim Subordinated Note Payment Date, the related distribution is not paid because such conditions are not satisfied, the funds that had been scheduled for distribution will be deemed to constitute Principal Proceeds and transferred to the Principal Collection Subaccount for application as otherwise described herein. Any income earned on amounts deposited in the Distribution Reserve Account will be deposited in the Distribution Reserve Account. The Distribution Reserve Account will be established at State Street Bank and Trust Company.

The LC Reserve Account

If a LOC Agent Bank does not withhold on payments of fee income in respect of any Collateral Obligation that is a Letter of Credit Reimbursement Obligation and the Issuer has not received an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required, the Collateral Manager will advise the Issuer and the Issuer shall transfer funds from the Interest Collection Subaccount in an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all of the fees received in respect of such Letter of Credit Reimbursement Obligation into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "**LC Reserve Account**". Amounts deposited into the LC Reserve Account will be invested by the Trustee in Eligible Investments as directed by the Collateral Manager. The LC Reserve Account will be established at State Street Bank and Trust Company.

The Issuer shall withdraw funds from the LC Reserve Account to pay (or to provide for the payments of) the related withholding taxes when due. The Issuer also may withdraw funds from the LC Reserve Account and apply them as Interest Proceeds (a) if the Issuer receives an opinion of nationally recognized U.S. federal income tax counsel to the effect that the Issuer should or will not be subject to U.S. withholding tax with respect to the letter of credit fees from which such funds were reserved or (b) to the extent such amounts will not be due after such date, (i) at Stated Maturity or (ii) on a Redemption Date in connection with an Optional Redemption (other than pursuant to a Refinancing), a Tax Redemption or a Clean-Up Call Redemption. The Issuer shall provide to S&P a copy of any such opinion obtained pursuant to clause (a) of the preceding sentence.

Account Requirements

Each account established under the Indenture shall be established and maintained (a) with a federal or state chartered depository institution rated (1) at least "A-1" by S&P (or at least "A+" by S&P if such institution has no short-term rating) and if such institution's rating falls below "A-1" by S&P (or below "A+" by S&P if such

institution has no short-term rating), the assets held in such account shall be moved within 60 calendar days to another institution that is rated at least "A-1" by S&P (or at least "A+" by S&P if such institution has no short-term rating) and (2) at least "P-1" by Moody's (or at least "A2" by Moody's if such institution has no short-term rating) and if such institution's rating falls below "P-1" by Moody's (or below "A2" by Moody's if such institution has no short-term rating), the assets held in such account shall be moved within 60 calendar days to another institution that is rated at least "P-1" by Moody's (or at least "A2" by Moody's if such institution has no short-term rating) or (b) other than in the case of accounts to which cash is credited, in segregated trust accounts with the corporate trust department of a federal or state-chartered deposit institution that is rated at least "Baa3" by Moody's and is subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulations Section 9.10(b). Such institution shall have a combined capital and surplus of at least U.S.\$200,000,000. All cash deposited in the accounts shall be invested only in Eligible Investments or Collateral Obligations in accordance with the terms of the Indenture.

USE OF PROCEEDS

General

The net proceeds from the issuance of the Notes, after payment of applicable fees and expenses in connection with the structuring and placement of the Notes (including by making a deposit to the Expense Reserve Account of funds to be used to pay expenses following the Closing Date) and after making a deposit to the Distribution Reserve Account, are expected to be approximately U.S.\$392,450,000.

Approximately U.S.\$392,450,000 will be deposited into the Ramp-Up Account on the Closing Date for the purchase of Collateral Obligations prior to the Effective Date and for deposit into the Collection Account on the Effective Date as described herein, approximately U.S.\$6,350,000 will be deposited into the Expense Reserve Account on the Closing Date for use as described herein and U.S.\$0 will be deposited in the Revolver Funding Account on the Closing Date for use as described herein.

Effective Date

The Issuer will use commercially reasonable efforts to purchase (or enter into commitments to purchase), on or before September 21, 2012, Collateral Obligations such that the Target Initial Par Condition is satisfied.

- (a) In addition, the Issuer (or the Collateral Manager on its behalf) shall prepare a written report, determined as of August 6, 2012 (the "**Interim Report Date**"), setting forth the aggregate principal balance of the Collateral Obligations, the Diversity Score, the Weighted Average Moody's Rating Factor, the Weighted Average Floating Spread and the Weighted Average Moody's Recovery Rate. Such written report shall be delivered to the Trustee and Moody's no later than five Business Days after the Interim Report Date. The Issuer will use commercially reasonable efforts to meet the following measures as of the Interim Report Date: the aggregate principal balance of the Collateral Obligations: greater than or equal to U.S.\$360,000,000; the Diversity Score: greater than or equal to 40; the Weighted Average Moody's Rating Factor: less than or equal to 2900; the Weighted Average Floating Spread: greater than or equal to 3.80%; and the Weighted Average Moody's Recovery Rate: greater than or equal to 44.0%. Failure to meet any of the foregoing measures shall not constitute an Event of Default under the Indenture.
- (b) Unless clause (c) below is applicable, within 10 Business Days after the Effective Date, the Issuer will provide, or cause the Collateral Manager to provide, the following documents: (i) to each Rating Agency, a report (which the Issuer will cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) identifying the Collateral Obligations and requesting that S&P reaffirm its initial ratings of the Secured Notes; (ii) to the Trustee and each Rating Agency, (x) a report (which the Issuer will cause the Collateral Administrator to prepare on its behalf in accordance with, and subject to the terms of, the Collateral Administration Agreement) stating the following information (the "**Effective Date Report**"): (A) the obligor, principal balance, coupon/spread, stated maturity, Moody's Default Probability Rating, Moody's industry classification, S&P Rating and country of Domicile with respect to each Collateral Obligation as of the Effective Date and substantially similar information provided by the Issuer with respect to every other asset included in the Assets (to the extent such asset is a security or loan), by reference to such sources as shall be specified therein and (B) as of the Effective Date, the level of compliance with, and satisfaction or non-satisfaction of, (1) the Target Initial Par Condition, (2) each Overcollateralization Ratio Test, (3) the Concentration Limitations and (4) the Collateral Quality Test (excluding the S&P CDO Monitor Test) and (y) a certificate of the Collateral Manager, on behalf of the Issuer (such certificate, the "**Effective Date Issuer Certificate**"), certifying that the Issuer has received an Accountants' Report that recalculates the information set forth in the Effective Date Report (such Accountants' Report, the "**Effective Date Accountants' Report**"); (iii) to the Trustee, the Effective Date Accountants' Report and (iv) to the Trustee, an opinion of counsel confirming the matters set forth in the opinion of counsel regarding perfection of security interests furnished on the Closing Date with respect to the Assets granted to the Trustee after the Closing Date. Upon

receipt of the Effective Date Report, the Trustee and the Collateral Manager will each compare the information contained in such Effective Date Report to the information contained in their respective records with respect to the Assets and will, within three Business Days after receipt of such Effective Date Report, notify such other party and the Issuer, the Collateral Administrator and the Rating Agencies if the information contained in the Effective Date Report does not conform to the information maintained by the Trustee or the Collateral Manager, as the case may be, with respect to the Assets. In the event that any discrepancy exists, the Trustee and the Issuer, or the Collateral Manager on behalf of the Issuer, will attempt to resolve the discrepancy. If such discrepancy cannot be resolved within five Business Days after the delivery of such a notice of discrepancy, the Collateral Manager shall, on behalf of the Issuer, request that the Independent accountants selected by the Issuer pursuant to the Indenture perform agreed-upon procedures on the Effective Date Report and the Collateral Manager's and Trustee's records to determine the cause of such discrepancy. If such procedures reveal an error in the Effective Date Report or the Collateral Manager's or Trustee's records, the Effective Date Report or the Collateral Manager's or Trustee's records will be revised accordingly and notice of an error in the Effective Date Report will be sent as soon as practicable by the Issuer to all recipients of such report.

- (c) (x) If (1) the Issuer or the Collateral Manager, as the case may be, has not provided to Moody's both (A) an Effective Date Report that shows that the Target Initial Par Condition was satisfied, the Overcollateralization Ratio Test was satisfied, the Concentration Limitations were complied with and the Collateral Quality Test (excluding the S&P CDO Monitor Test) was satisfied and (B) the Effective Date Issuer Certificate (such an Effective Date Report, together with such Effective Date Issuer Certificate, a "**Passing Report**") prior to the date 10 Business Days after the Effective Date or (2) any of the tests referred to in (ii)(x)(B) of the foregoing clause (b) are not satisfied ((1) or (2) constituting a "**Moody's Ramp-Up Failure**"), then (A) the Issuer (or the Collateral Manager on the Issuer's behalf) shall either (i) provide a Passing Report to Moody's within 25 Business Days following the Effective Date or (ii) satisfy the Moody's Rating Condition within 25 Business Days following the Effective Date and (B) if, by the 25th Business Day following the Effective Date, the Issuer (or the Collateral Manager on the Issuer's behalf) has not provided a Passing Report to Moody's or satisfied the Moody's Rating Condition, each as described in the preceding clause (A) of this paragraph, the Issuer (or the Collateral Manager on the Issuer's behalf) will instruct the Trustee to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount and may, prior to the first Payment Date, purchase additional Collateral Obligations in an amount sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to (i) provide a Passing Report to Moody's or (ii) satisfy the Moody's Rating Condition; provided that, in lieu of complying with the preceding clauses (A) and (B), the Issuer (or the Collateral Manager on the Issuer's behalf) may take such action, including but not limited to, a Special Redemption and/or transferring amounts from the Interest Collection Subaccount to the Principal Collection Subaccount as Principal Proceeds (for use in a Special Redemption), sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to (1) provide to Moody's a Passing Report or (2) satisfy the Moody's Rating Condition; and (y) if S&P (which must receive the report described in subclause (iii) of the foregoing clause (b) to provide written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes) does not provide written confirmation of its initial ratings of the Secured Notes (such event, an "**S&P Rating Confirmation Failure**") within 25 Business Days after the Effective Date, then the Issuer (or the Collateral Manager on the Issuer's behalf) will instruct the Trustee to transfer amounts from the Interest Collection Subaccount to the Principal Collection Subaccount and may, prior to the first Payment Date, use such funds on behalf of the Issuer for the purchase of additional Collateral Obligations until such time as S&P has provided written confirmation (which may take the form of a press release or other written communication) of its initial ratings of the Secured Notes; *provided that*, in lieu of complying with clause (y), the Issuer (or the Collateral Manager on the Issuer's behalf) may take such action, including but not limited to, a Special Redemption and/or transferring amounts from the Interest Collection Subaccount to the Principal Collection Subaccount as Principal Proceeds (for use in a Special Redemption), sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to obtain written confirmation (which may take the form of a press release or other written

communication) from S&P of its initial ratings of the Secured Notes; it being understood that, if the events specified in both of clauses (x) and (y) occur, the Issuer (or the Collateral Manager on the Issuer's behalf) will be required to satisfy the requirements of both clause (x) and clause (y); *provided further*, that in the case of each of the foregoing clauses (x) and (y), amounts may not be transferred from the Interest Collection Subaccount to the Principal Collection Subaccount if, after giving effect to such transfer, (I) the amounts available pursuant to the Priority of Payments on the next succeeding Payment Date would be insufficient to pay the full amount of the accrued and unpaid interest on any Class of Secured Notes on such next succeeding Payment Date or (II) such transfer would result in a deferral of interest with respect to the Class B Notes, Class C Notes or Class D Notes on the next succeeding Payment Date.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by Babson Capital Management LLC and has not been independently verified by the Co-Issuers or Citigroup. The Collateral Manager accepts responsibility for such information and to the best of its knowledge the information is in accordance with the facts and does not omit anything likely to affect the import of such information. Accordingly, notwithstanding anything to the contrary herein, Citigroup does not assume any responsibility for the accuracy, completeness or applicability of such information.

General

Certain advisory and administrative functions with respect to the Assets will be performed by Babson Capital Management LLC as the Collateral Manager under the Collateral Management Agreement to be entered into on or prior to the Closing Date between the Issuer and the Collateral Manager. Certain administrative duties of the Issuer will be performed for the Issuer, or the Collateral Manager on behalf of the Issuer, with respect to the Assets, including the performance of certain calculations with respect to the Collateral Quality Test and the Coverage Tests, by State Street Bank and Trust Company, as Collateral Administrator under the Collateral Administration Agreement.

In accordance with the Collateral Quality Test and the Coverage Tests, which tests are being performed on the Assets by the Collateral Administrator, and other requirements set forth in the Indenture, and in accordance with the provisions of the Collateral Management Agreement, the Collateral Manager will select the Collateral Obligations and will instruct the Trustee with respect to any disposition or tender of a Collateral Obligation and investment in Eligible Investments. The Issuer may purchase obligations from and sell obligations to Affiliates of the Collateral Manager acting as principal and other clients of the Collateral Manager and its Affiliates. In addition, the Collateral Manager may have other potential conflicts of interest as described under "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients".

The Collateral Manager is a registered investment adviser under the Investment Advisers Act of 1940 (the "**Investment Advisers Act**"). Additional information regarding the Collateral Manager can be obtained from Part 2A of the Collateral Manager's most recent Form ADV, which is attached hereto as Annex D. The Collateral Manager will, from time to time and upon the request of any holder of the Notes, provide a copy of Part 2A of the Collateral Manager's most recent Form ADV to such holder.

The MassMutual Financial Group

The MassMutual Financial Group is a family of financial service companies providing investment management services and individual protection insurance to clients worldwide. The MassMutual Financial Group had over U.S.\$443 billion of assets under management as of December 31, 2011. The four primary members of the group are (i) Massachusetts Mutual Life Insurance Company, (ii) OppenheimerFunds Inc., (iii) Baring Asset Management Limited and (iv) Babson Capital Management LLC.

Massachusetts Mutual Life Insurance Company. Massachusetts Mutual Life Insurance Company is a mutual life insurance company that was organized in 1851 under the laws of the Commonwealth of Massachusetts. MassMutual has strong financial ratings from all four of the leading insurance rating services. As of April 1, 2012, MassMutual had financial strength ratings of "AA+ (Very Strong)" by S&P, "Aa2 (Excellent)" by Moody's, "A++ (Superior)" by AM Best and "AA+ (Very Strong)" by Fitch, Inc. Ratings are subject to change.

OppenheimerFunds, Inc. Established in 1960, OppenheimerFunds, Inc. is recognized as one of the largest retail mutual fund managers in the United States. As of December 31, 2011, OppenheimerFunds, Inc. had over U.S.\$174 billion of assets under management in mutual funds held in more than six million shareholder accounts.

Baring Asset Management Limited. Established in 1958, Baring Asset Management Limited offers a variety of global equity and fixed-income strategies to private investors and institutions in both U.S. and

international markets through mutual funds and separate account vehicles. As of February 29, 2012, Baring Asset Management Limited had over U.S.\$49.7 billion of assets under management.

Babson Capital Management LLC. Established in 1940, Babson Capital Management LLC is one of the oldest investment counsel firms in the United States and, with over U.S.\$138 billion of assets under management (including subsidiaries) as of December 31, 2011, is a provider of investment management services to institutional investors and high net worth individuals.

As of December 31, 2011, Babson Capital Management LLC and subsidiaries managed over U.S.\$107 billion in fixed income assets, including the general investment account of MassMutual and various separate accounts and funds. Bank loans under management by Babson Capital Management LLC and subsidiaries totaled approximately U.S.\$21.6 billion, consisting of both third party assets and assets managed for the account of MassMutual and its Affiliates, including Babson Capital Europe Limited ("**BCE**"). BCE is a London-based institutional debt fund manager that specializes in CDO's backed by leveraged loans. BCE invests in senior loans, mezzanine loans and buyout-related high yield bonds, predominantly in Europe, and manages eight CDO funds.

As of December 31, 2011, Babson Capital Management LLC, directly or as the designee of MassMutual, served as the investment manager for over 46 CDO transactions, and as an advisor with respect to the high yield bonds owned by Antares Funding L.P., a collateralized loan obligation transaction managed by Antares Capital Corp., a former finance company subsidiary of MassMutual. The underlying asset classes managed by Babson Capital Management LLC in these CDO transactions include high yield bonds, high yield bank loans, investment grade corporate bonds, emerging markets debt, credit default swaps, asset-backed securities and mortgage-backed securities.

Babson Capital Management LLC is an indirect, wholly-owned subsidiary of MassMutual. Babson Capital Management LLC is currently registered as an investment adviser under the Investment Advisers Act. Additional information about the Collateral Manager is available upon request.

Key Personnel

The names of principal employees of Babson Capital Management LLC and the Babson Capital Management LLC employees who will initially be involved in the selection and management of the Collateral Obligations and their principal occupations during the past five years are listed below. There can be no assurance that such persons will continue to be employed by Babson Capital Management LLC, or if so employed, be involved in the management of the Collateral Obligations and in carrying out the other obligations of Babson Capital Management LLC under the Collateral Management Agreement during the term thereof.

Senior Management

*Thomas M. Finke,
Chairman and CEO*

Mr. Finke joined Babson Capital Management LLC in June 2002 as part of the company's acquisition of First Union Institutional Debt Management, Inc. ("**IDM**") from Wachovia Corporation. Between 2002 and 2007, Mr. Finke led Babson Capital Management LLC's U.S. leveraged loan business, which grew into one of the largest in the industry. In July 2007, he was promoted to President and added to his responsibilities overseeing the firm's non-investment operations including the Global Business Development Group, Finance, Compliance, Human Resources, Operations and Technology. In December 2008, Mr. Finke was appointed Chairman and CEO of Babson Capital Management LLC and Executive Vice President and Chief Investment Officer of MassMutual Financial Group. After two and a half years in this dual role, he relinquished the MassMutual CIO position in May of 2011 to focus full-time on leading Babson Capital Management LLC. In addition to his duties as Chairman and CEO of Babson Capital Management LLC, Mr. Finke is also Chairman of Cornerstone Real Estate Advisers, and a Director of Wood Creek Capital Management. Both are wholly-owned subsidiaries of Babson Capital Management LLC.

Mr. Finke has over 23 years of financial industry experience. He was President and Co- Founder of IDM, a \$3.6 billion loan management company. Prior to founding IDM, Mr. Finke started and was Head Trader for the Leveraged Loan Trading Desk at First Union Securities, Inc. Before that, he served as a Vice President in Bear, Stearns & Co., Inc.'s High Yield Department.

Mr. Finke holds an M.B.A. from Duke University's Fuqua School of Business and a bachelor's degree from the University of Virginia's McIntire School of Commerce. Mr. Finke was also a member of the founding Board of Directors of the Loan Syndications and Trading Association.

Babson Capital Bank Loan Team

Adrienne P. Butler
Managing Director

Ms. Butler is a member of the firm's Global High Yield Investments Group and is Head of CLO Funds. She is a portfolio manager for CLO funds and a member of the Bank Loan Investment Committee with over 21 years of industry experience. Ms. Butler joined Babson Capital Management LLC in June 2002 as part of the company's acquisition of IDM, where she was a senior analyst in IDM's Loan Research Group. Prior to joining IDM, she was a Relationship Manager at First Union Corporation. Before that, she worked in Corporate Banking in First Union National Bank of South Carolina. Prior to joining First Union, she worked at NationsBank. Ms. Butler holds an M.B.A. from the University of Notre Dame's Mendoza College of Business and a B.A. from Furman University.

Andrew Lennon
Managing Director

Mr. Lennon is a member of the firm's Global Investor Services group as Head of Client and Portfolio Services that supports all client servicing for Babson Capital Management LLC. He joined Babson Capital Management LLC in 2005 to manage the Portfolio Administration Team supporting the U.S. Bank Loan Investment Group ("USBLT"). Mr. Lennon's team supported all reporting and compliance needs for the USBLT clients, Portfolio Managers and other groups within Babson Capital Management LLC and MassMutual. Mr. Lennon has worked in the financial services industry for the past 12 years and has held various management positions while working for both State Street Bank and Trust and Investors Bank and Trust Company. Mr. Lennon holds a B.S. from the University of New England.

Arthur McMahon
Managing Director

Mr. McMahon is a member of the firm's Global High Yield Investments Group and is a portfolio manager for CLO funds as well as the bank loan investments in MassMutual's General Investment Account. In addition, he is a member of the Bank Loan Investment Committee and serves as the leader for a team of research analysts primarily responsible for investments in healthcare and finance credits. Prior to joining the firm in 2004, Mr. McMahon had over five years of experience in Leveraged Finance/Syndications with Banc of America Securities LLC. Additionally, he worked in excess of three years in the Derivatives/Foreign Exchange Group of First Union National Bank. Prior to that, he worked more than two years for Susquehanna Investment Group. Mr. McMahon holds an M.B.A. from the University of North Carolina Kenan-Flagler Business School and an A.B. in Economics from Harvard University.

Russell D. Morrison
Managing Director

Mr. Morrison serves as Head of the firm's Global High Yield Investments Group. He has over 22 years of industry experience. He previously served as the Co-Head of Babson Capital Management LLC's U.S. Loan Team. Mr. Morrison joined Babson Capital Management LLC in June 2002 as part of the company's acquisition of IDM, where he was a senior portfolio manager in IDM's Portfolio Management Group. Prior to joining IDM, he was a Vice President for First Union Securities, Inc. Before that, he was a Manager in Ernst & Young's Management

Consulting Group. Prior to joining Ernst & Young, he was an accountant at North Carolina National Bank. Mr. Morrison holds an M.B.A. from Carnegie Mellon's Graduate School of Industrial Administration and a B.S. from Wake Forest University.

Marcus G. Sowell
Managing Director

Mr. Sowell is a member of the firm's Global High Yield Investments Group and is head of High Yield Investments trading and analytics. He joined Babson Capital Management LLC in June of 2002 as part of the company's acquisition of IDM. Prior to the acquisition, he was Head of Trading for IDM. Mr. Sowell has over 21 years of experience in the financial industry, 14 of which are in the leveraged lending and loan syndications markets. Prior to joining IDM, he was a Loan Trader at First Union Securities, Inc., now known as Wachovia Securities Capital Markets, LLC, where he was responsible for helping start its Par Loan Trading within the Loan Syndications Department. Before that, Mr. Sowell worked for NationsBank's, now known as Bank of America, Loan Syndications/Trading Department. During that time, he assisted in the development of the par loan trading effort and provided institutional sales coverage for the loan product. Prior to joining NationsBank, he held several accounting positions with North Carolina National Bank, now known as Bank of America. Mr. Sowell holds a B.A. in Economics from the University of North Carolina at Charlotte.

THE COLLATERAL MANAGEMENT AGREEMENT

Babson Capital Management LLC (in such capacity, the "**Collateral Manager**") will perform certain investment management and administrative functions with respect to the Assets pursuant to a Collateral Management Agreement to be entered into between the Issuer and the Collateral Manager (the "**Collateral Management Agreement**"). The Collateral Manager will be authorized to (i) select the Collateral Obligations and Eligible Investments to be acquired or disposed of by the Issuer, (ii) invest and reinvest the Assets and (iii) instruct the Trustee with respect to any acquisition, disposition or tender of a Collateral Obligation, Equity Security, Eligible Investment or other securities received in respect thereof in the open market or otherwise by the Issuer.

As compensation for the performance of its obligations as Collateral Manager, the Collateral Manager will be entitled to receive a fee, which will be payable to the Collateral Manager in arrears on each Payment Date (prorated for the related Interest Accrual Period), and which will consist of (i) a fee that will accrue during each Interest Accrual Period at a rate equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Base Management Fee**"), (ii) a fee that will accrue during each Interest Accrual Period at a rate equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date (the "**Subordinated Management Fee**") and (iii) a fee in an amount equal to, as applicable on such Payment Date, (x) the sum of 20% of any remaining Interest Proceeds distributable pursuant to clause (S) of the Priority of Payments as described in "Summary of Terms—Priority of Payments—Application of Interest Proceeds" and 20% of any remaining Principal Proceeds distributable pursuant to clause (S) of the Priority of Payments as described in "Summary of Terms—Priority of Payments—Application of Principal Proceeds" or (y) 20% of any remaining Interest Proceeds and Principal Proceeds distributable pursuant to clause (S) of the Special Priority of Payments as described in "Description of the Notes—Priority of Payments" (such payments described in clause (iii), collectively, the "**Incentive Management Fee**" and, together with the Base Management Fee and the Subordinated Management Fee, the "**Management Fee**").

The Management Fee is payable on each Payment Date only to the extent that sufficient Interest Proceeds or Principal Proceeds are available for such purpose in accordance with the Priority of Payments. To the extent they are not paid when due on any Payment Date due to the limitations set forth in the Priority of Payments (and not as the result of an elective deferral by the Collateral Manager), the Base Management Fee and the Subordinated Management Fee will be deferred and will be payable on subsequent Payment Dates in accordance with the Priority of Payments. Any such unpaid Base Management Fee or Subordinated Management Fee will accrue interest at a rate per annum equal to the interest rate on the Class A-1 Notes for the relevant Interest Accrual Period plus 3.00 percentage points for each Interest Accrual Period from (and including) the Payment Date such amount was due and payable to (but excluding) the date of payment thereof.

The Collateral Manager may, in its sole and absolute discretion, elect to defer any portion of the Subordinated Management Fee or Incentive Management Fee payable to it without the consent of any holders of the Notes, *provided* that any such election may be revoked by the Collateral Manager at any time and from time to time. Any such deferred Management Fee for a given Payment Date will be distributed as Interest Proceeds or, at the option of the Collateral Manager, deposited into the Collection Account as Principal Proceeds for investment in Collateral Obligations and/or Eligible Investments. After such Payment Date, such deferred Management Fee will be added to the cumulative amount of deferred Management Fees which the Collateral Manager has elected to defer on prior Payment Dates and which has not been repaid, and which cumulative deferred Management Fees will be payable, without interest, on any subsequent Payment Date at the election of the Collateral Manager to the extent of funds available for such purpose in accordance with the Priority of Payments.

The Collateral Manager has agreed to pay to one or more purchasers of Subordinated Notes a portion of the Base Management Fee and not to defer, waive, amend or otherwise modify the Base Management Fee. The Collateral Manager also has agreed with one such purchaser to contemporaneously provide to such purchaser copies of all notices, reports or other written communications it provides to, or receives from, the Trustee or any other Noteholder and to promptly furnish to such purchaser, to the extent that it or the Issuer is not prohibited from doing so by contract or under applicable law, any information, documents, records, research, scoring or reports (including,

without limitation, any trustee reports) relating to the Collateral Obligations, any obligor or the Issuer's or the Collateral Manager's performance or compliance with any of the requirements set forth in this Offering Circular, the Indenture, the Collateral Management Agreement or other transaction document that such purchaser may from time to time reasonably request. The Collateral Manager also has agreed to make available for periodic meetings with such purchaser of Subordinated Notes personnel involved in the management of the Assets on behalf of the Issuer. Such purchaser of Subordinated Notes has represented and warranted that it will not directly or indirectly provide investment advice to the Issuer, and the Collateral Manager will not accept advice or direction from such purchaser of Subordinated Notes in connection with the Collateral Manager's provision of investment advice to the Issuer, including but not limited to in respect of the acquisition, holding or disposition of Assets.

The Indenture and the Collateral Management Agreement place significant restrictions on the Collateral Manager's ability to direct the Issuer to buy and sell Collateral Obligations, and the Collateral Manager is subject to compliance with the Indenture and the Collateral Management Agreement. As a result of the restrictions contained in the Indenture and the Collateral Management Agreement, the Issuer may be unable to buy or sell Collateral Obligations or to take other actions which the Collateral Manager might consider in the interests of the Issuer and the holders of Notes and the Collateral Manager may be required to make investment decisions on behalf of the Issuer that are different from those made for its other clients. In addition, the Collateral Manager may pursue any strategy consistent with the Indenture and the Collateral Management Agreement, and there can be no assurance that such strategy will not change from time to time in the future, at its sole discretion.

The Collateral Manager will be permitted under the Collateral Management Agreement, subject to certain requirements set forth therein, to direct the Trustee to purchase or sell Collateral Obligations, Eligible Investments or Equity Securities from or to the Collateral Manager or any of its affiliates as principal, to purchase or sell any such obligation or security from or to accounts or portfolios of other clients for which the Collateral Manager or its affiliates serve as investment advisor and to purchase any such obligation or security in offerings where the Collateral Manager and/or its affiliates acted as underwriter, arranger, placement agent or otherwise participated in the origination, structuring, negotiation, syndication or offering of such obligation or security. The interests of the Issuer may conflict with those of the Collateral Manager as an affiliate of and investment adviser to such other clients with respect to such purchases or sales. The Collateral Management Agreement requires that any such sales or purchases (including any consents, if required) be made in accordance with all applicable laws, including the Investment Advisers Act. To the extent that applicable law requires disclosure to and the consent and approval of the Issuer to any cross-trade or purchase or sale transaction on a principal basis with the Collateral Manager or its affiliates, such requirements may be satisfied with respect to the Issuer and all of its securityholders by (i) giving disclosure and obtaining consent and approval on behalf of the Issuer from any of the following persons as determined by the Collateral Manager: (a) one or more directors of the Issuer independent from the Collateral Manager; (b) one or more of the holders of the most subordinated class of Notes representing at least 25% of the outstanding principal amount of such class of Notes; (c) any independent third party retained by the Issuer; or (d) an advisory committee established by the Collateral Manager; or (ii) in any other manner that is permitted pursuant to then applicable law. The Collateral Manager is not required to obtain consent and approval of the Issuer for any transaction unless such consent and approval is required by applicable law.

To the extent that applicable law requires the consent of the Issuer to any assignment (as defined in the Investment Advisers Act) of the Collateral Management Agreement to any person, in whole or in part, by the Collateral Manager, such requirement may be satisfied with respect to the Issuer and all holders (i) by obtaining consent to such assignment on behalf of the Issuer from any of the following persons as determined by the Collateral Manager: (A) one or more directors of the Issuer independent from the Collateral Manager, (B) one or more of the holders of the most subordinated class of Notes representing at least 25% of the outstanding principal amount of such class of Notes, (C) any independent third party retained by the Issuer or (D) an advisory committee established by the Collateral Manager; or (ii) in any other manner that is permitted pursuant to then applicable law. The Collateral Manager shall not assign the Collateral Management Agreement, in whole or in part, to any Person other than an Affiliate of the Collateral Manager with comparable personnel, expertise and capitalization without (i) the prior written consent of a Majority of the Subordinated Notes and (ii) satisfaction of the Moody's Rating Condition (or deemed inapplicability thereof as described under "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition"). No consent or other action under either of the preceding sentences shall be required, however, if the Collateral Manager enters into any consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity and, at the time of such consolidation, merger, amalgamation or

transfer the resulting, surviving or transferee entity assumes all the obligations of the Collateral Manager and generally and the other entity is solely a continuation of the Collateral Manager in another corporate or similar form. Notice shall be provided to each Rating Agency of any assignment, in whole or in part, of the Collateral Management Agreement.

The Collateral Manager may employ third parties (including Affiliates) to perform any of its duties under the Collateral Management Agreement; provided, however, that the Collateral Manager shall not be relieved of any of its duties under the Collateral Management Agreement regardless of the performance of any services by third parties. The Collateral Manager shall notify Moody's of any such delegation of its duties.

The Collateral Management Agreement may be amended by the Issuer and the Collateral Manager for any reason following notice to each Rating Agency; *provided* that any amendment to reduce the Base Management Fee shall be permitted only with the consent of a Majority of the Subordinated Notes.

The Collateral Manager agrees, under the Collateral Management Agreement, to perform its obligations with reasonable care and in good faith, and shall use its best professional judgment and all commercially reasonable efforts in rendering its services as Collateral Manager, (i) using a degree of skill and attention no less than that which the Collateral Manager or its Affiliates exercise with respect to comparable assets that they manage for themselves and others, and (ii) in accordance with their existing practices and procedures and in a manner reasonably consistent with practices and procedures followed by reasonable and prudent institutional managers of assets of the nature and character of the Assets, except as expressly provided otherwise in the Collateral Management Agreement or the Indenture. To the extent consistent with the foregoing, the Collateral Manager may follow its customary standards, policies and procedures in performing its duties under the Collateral Management Agreement.

The Collateral Manager, its Affiliates and their respective directors, officers, stockholders, partners, members, managers, agents and employees will not be liable to the Issuer, the Trustee, the Noteholders or any other Person for any acts or omissions by such persons under or in connection with the Collateral Management Agreement or the terms of the Indenture, or for any decrease in the value of the Assets, except that the Collateral Manager will be liable to such persons only for any losses incurred as a result of (i) acts or omissions constituting bad faith, fraud, willful misconduct or gross negligence in the performance of, or reckless disregard with respect to, the duties of the Collateral Manager under the Collateral Management Agreement and under the terms of the Indenture applicable to the Collateral Manager and (ii) any untrue statement or alleged untrue statement of a material fact contained in the information in (A) this Offering Circular or in the preliminary offering circular for the Notes under the headings "Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving the Collateral Manager and its affiliates and clients" and the subheadings thereunder and "The Collateral Manager" and the subheadings thereunder or (B) Part 2A of the Collateral Manager's Form ADV attached hereto as Annex D (including in each case any amendment or supplement to such information approved by the Collateral Manager that is contained in any amendment or supplement to this Offering Circular) or any omission or alleged omission to state therein a material fact, in each case necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The matters described in clauses (i) and (ii) above are collectively referred to as "**Collateral Manager Breaches**".

United States federal and state securities laws may impose liability under certain circumstances on persons who act in good faith. Nothing in the Collateral Management Agreement will constitute a waiver or limitation of any rights which the Issuer or any holder of Notes may have under any applicable federal or state securities laws.

Pursuant to the Collateral Management Agreement, the Issuer will indemnify and hold harmless the Collateral Manager, its Affiliates and their respective directors, officers, stockholders, partners, members, managers, agents and employees from and against any and all losses, claims, damages, judgments, assessments, costs or other liabilities, and will reimburse each such indemnified party for all reasonable fees and expenses (including reasonable fees and expenses of counsel) as such expenses are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation, caused by, or arising out of or in connection with, and/or any action taken by, or any failure to act by,

such indemnified party in connection with, the issuance of the Notes, the transactions contemplated by this Offering Circular, the Indenture or the Collateral Management Agreement; provided that no such indemnified party shall be indemnified for any losses, claims, damages, judgments, assessments, costs or other liabilities or reimbursed for any such expenses it incurs as a result of any acts or omissions by any such indemnified party constituting a Collateral Manager Breach.

Pursuant to the Collateral Management Agreement, the Collateral Manager will indemnify and hold harmless the Issuer, its Affiliates and each of the directors, officers, stockholders, partners, members, agents and employees of the Issuer or any of its Affiliates from and against any and all losses, claims, damages, judgments, assessments, costs or other liabilities, and will reimburse each such indemnified party for all reasonable fees and expenses (including reasonable fees and expenses of counsel) as such expenses are incurred in investigating, preparing, pursuing or defending any claim, action, proceeding or investigation with respect to any pending or threatened litigation caused by, or arising out of, any Collateral Manager Breach.

The Collateral Manager will be responsible for the ordinary expenses incurred in the performance of its obligations under the Collateral Management Agreement; *provided* that any extraordinary expenses incurred by the Collateral Manager in the performance of such obligations (including, but not limited to, any reasonable expenses incurred by it to employ outside lawyers or consultants reasonably necessary in connection with the default or restructuring of any Collateral Obligation or other unusual matters arising in the performance of its duties under the Collateral Management Agreement) shall be reimbursed by the Issuer to the extent funds are available therefor in accordance with and subject to the limitations contained in the Indenture.

Subject only to the following sentence, the Collateral Manager may resign upon 90 days' prior written notice (or such shorter notice as is acceptable to the Issuer) to the Issuer, the Trustee and each Rating Agency; provided, however, that the Collateral Manager will have the right to resign immediately upon the effectiveness of any material change in any applicable law or regulation which renders the performance by the Collateral Manager of its duties under the Collateral Management Agreement or under the Indenture to be a violation of such law or regulation. Notwithstanding any of the foregoing, no resignation or removal of the Collateral Manager, for cause or without cause, will be effective until such time as a successor collateral manager has been appointed and has accepted all of the Collateral Manager's duties and obligations in writing.

The Collateral Manager may be removed immediately upon written notice by the Issuer in the event that the Issuer determines in good faith that the appointment of the Collateral Manager under the Collateral Management Agreement has (i) caused or required either of the Co-Issuers to become registered as an investment company under the Investment Company Act, (ii) required the pool of Assets to be registered as an investment company under the Investment Company Act, (iii) caused the Issuer to be engaged in the conduct of a trade or business in the U.S. for United States federal income tax purposes or (iv) otherwise caused material adverse tax consequences to either of the Co-Issuers, unless the Collateral Manager shall remedy the conditions underlying the determinations in clause (i), (ii), (iii) or (iv), as the case may be, within 30 days following notice to the Collateral Manager or (in the case of clause (iii) or (iv)) such shorter period of time as the Issuer shall reasonably determine is necessary in order to limit such adverse tax consequences.

The Collateral Manager may be removed for cause upon 10 days' prior written notice by the Issuer at the direction of either:

(i) a Majority of the Subordinated Notes (or, if all of the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes), or

(ii) a Majority of the Controlling Class (or, if all of the Controlling Class is deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes); provided that, as long as any of the Secured Notes are outstanding, notice of such removal will have been given to the holders of each Class of Notes.

For purposes of the Collateral Management Agreement, "cause" will mean:

- (i) the Collateral Manager shall willfully violate or breach any material provision of the Collateral Management Agreement or the Indenture applicable to it;
- (ii) the Collateral Manager shall breach any provision of the Collateral Management Agreement or any terms of the Indenture applicable to it, which breach could reasonably be expected to have a material adverse effect on the holders of the Notes and shall not cure such breach (if capable of being cured) within 30 days of its becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such breach;
- (iii) the failure of any representation, warranty, certification or statement made or delivered by the Collateral Manager in or pursuant to the Collateral Management Agreement or the Indenture to be correct in any material respect when made which failure (A) could reasonably be expected to have a material adverse effect on the holders of any Class of Notes and (B) is not corrected by the Collateral Manager within 30 days of its becoming aware of, or its receipt of notice from the Issuer or the Trustee of, such failure;
- (iv) the Collateral Manager is wound up or dissolved or a bankruptcy or insolvency event occurs with respect to it;
- (v) the occurrence and continuation of an Event of Default (regardless of whether an acceleration has occurred that has not been rescinded and annulled) under the Indenture that primarily results from any breach by the Collateral Manager of its duties under the Collateral Management Agreement or under the Indenture; or
- (vi) (A) the occurrence of an act by the Collateral Manager or any officer or director thereof that constitutes fraud or criminal activity in the performance of its obligations under the Collateral Management Agreement or the Collateral Manager or any officer or director thereof being convicted of a criminal offense materially related to the primary business of the Collateral Manager, in each case pursuant to final adjudication by a court of competent jurisdiction or (B) any officer or director of the Collateral Manager having responsibility for the performance by the Collateral Manager of its obligations under the Collateral Management Agreement is indicted for a criminal offense materially related to the primary business of the Collateral Manager and continues to have responsibility for the performance by the Collateral Manager under the Collateral Management Agreement for a period of 30 days after such indictment.

Collateral Manager Notes will be disregarded and deemed not to be outstanding with respect to a vote to (i) terminate the Collateral Management Agreement, (ii) remove or replace the Collateral Manager, (iii) approve a successor collateral manager, if the Collateral Manager is being terminated for "cause" pursuant to the Collateral Management Agreement, (iv) waive an event constituting "cause" under the Collateral Management Agreement as a basis for termination of the Collateral Management Agreement or removal of the Collateral Manager or (v) consent to an assignment (as defined in the Investment Advisers Act) of the Collateral Management Agreement to any person, in whole or in part.

Upon any resignation or removal of the Collateral Manager while any of the Notes are outstanding, the Issuer at the direction of a Majority of the Subordinated Notes (or, in the case of a removal "for cause", if all of the Subordinated Notes are deemed not to be outstanding, a Majority of the most senior Class of Notes that is not comprised entirely of Collateral Manager Notes) will, with notice to each Rating Agency (with a copy to the outgoing Collateral Manager), appoint as a replacement collateral manager an institution that:

- (i) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement;
- (ii) is legally qualified and has the capacity to act as Collateral Manager;
- (iii) does not result in either of the Co-Issuers becoming, or require the pool of Assets to be registered as, an investment company under the Investment Company Act;

(iv) does not cause the Issuer to be engaged in a United States trade or business for U.S. federal income tax purposes;

(v) does not otherwise cause adverse tax consequences to either of the Co-Issuers; and

(vi) has not been disapproved by a Majority of the Secured Notes (voting separately by Class) within 30 days of notice of such appointment.

If no successor collateral manager is appointed within 90 days (or, in the event of a change in applicable law or regulation which renders the performance by the Collateral Manager of its duties under this Agreement or the Indenture to be a violation of any law or regulation, within 30 days) following the termination or resignation of the Collateral Manager, the Collateral Manager shall have the right to petition a court of competent jurisdiction to appoint a successor collateral manager.

THE CO-ISSUERS

General

Babson CLO Ltd. 2012-II (the "**Issuer**") is an exempted company incorporated with limited liability under the laws of the Cayman Islands and is a special purpose entity established for the sole purpose of acquiring the Collateral Obligations, issuing the Notes and engaging in certain related transactions. The Issuer was incorporated on May 2, 2012 in the Cayman Islands with registered number 268578 and has an indefinite existence. The Issuer's registered office is at the offices of MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, telephone number: (345) 945-7099. The directors of the Issuer are Andrew Dean and Wendy Ebanks. The directors of the Issuer serve as directors of and provide services to other special purpose entities that issue collateralized obligations and perform other duties for the Administrator. The Issuer will have no operating history prior to the Closing Date other than the entry into commitments to purchase Collateral Obligations from, among others, an affiliate of the Initial Purchaser prior to the Closing Date in contemplation of the transactions described herein. See "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Date acquisition of Collateral Obligations". The Issuer does not publish any financial statements.

Subject to the contracting restrictions imposed upon the Issuer by the Indenture, the directors of the Issuer have the power to borrow on behalf of the Issuer. A director of the Issuer is not required to own any shares in the Issuer in order to qualify as a director.

A director of the Issuer (or his alternate director or duly appointed proxy in his absence) is at liberty to vote in respect of any contract or transaction in which he is interested; *provided* that the nature of the interest of any director or alternate director in any such contract or transaction is disclosed by him or the alternate director appointed by him at or prior to its consideration and any vote on it.

As of the Closing Date, the authorized share capital of the Issuer will consist of U.S.\$250, divided into 250 ordinary voting shares of U.S.\$1.00 par value per share (the "**Issuer Ordinary Shares**"). As of the Closing Date, all of the Issuer Ordinary Shares will be held by MaplesFS Limited, (in such capacity, the "**Share Trustee**"), under the terms of a declaration of trust ultimately for charitable purposes. The Issuer will not have any material assets other than the Collateral Obligations and certain other eligible assets. The Collateral Obligations and such other eligible assets will be pledged to the Trustee as security for the Issuer's obligations under the Secured Notes and the Indenture.

Babson CLO 2012-II, LLC (the "**Co-Issuer**") was formed under the laws of the State of Delaware and is a special purpose entity established for the sole purpose of co-issuing the Secured Notes other than the Class D Notes. The Co-Issuer was formed on June 13, 2012 in the State of Delaware with registered number 5169438 and has an indefinite existence. The Co-Issuer's registered office is at 2711 Centerville Road, Suite 400, City of Wilmington, State of Delaware 19808, County of New Castle, telephone no. (302) 738-6680. The Co-Issuer has no substantial assets and will not pledge any assets to secure the Notes.

The sole manager the Co-Issuer is Donald J. Puglisi. The principal outside function of Donald J. Puglisi consists of being a finance professor emeritus at the University of Delaware and serving as a corporate director for a variety of entities. Donald J. Puglisi may be contacted at the registered office of the Co-Issuer. The Co-Issuer has no prior operating history. Unless otherwise required pursuant to the Indenture, the Co-Issuer will not publish any financial statements.

The Co-Issuer will only be capitalized to the extent of its membership interests of U.S.\$10.00. As of the Closing Date, the sole member of the Co-Issuer will be the Issuer.

The Notes are not obligations of the Trustee, the Collateral Manager, Citigroup, the Collateral Administrator, or any of their respective affiliates, the Administrator, the Share Trustee or any directors or officers of the Co-Issuers. The Co-Issuer will not make any payments of interest or principal or other distributions on the Notes.

Capitalization of the Issuer

The Issuer's initial proposed capitalization and indebtedness as of the Closing Date after giving effect to the issuance of the Notes and the Issuer Ordinary Shares (before deducting expenses of the offering) is set forth below:

	Amount
Class A-1 Notes	\$255,000,000
Class A-2 Notes	\$42,000,000
Class B Notes.....	\$32,000,000
Class C Notes.....	\$22,000,000
Class D Notes	\$18,000,000
Subordinated Notes.....	\$37,850,000
Total Debt	\$406,850,000
Issuer Ordinary Shares	250
Retained Earnings	
Total Equity	\$250
Total Capitalization.....	\$406,850,250 ¹

¹ Unaudited.

The Co-Issuer has no liabilities other than the Class A Notes, the Class B Notes and the Class C Notes.

Business of the Co-Issuers

The Issuer's Memorandum of Association describes the objects of the Issuer, which include the activities to be carried out by the Issuer in connection with the Notes. The Co-Issuer's certificate of incorporation describes the objects of the Co-Issuer, which include the activities to be carried out by the Co-Issuer in connection with the Secured Notes (other than the Class D Notes). The Co-Issuers have not issued securities, other than ordinary or common shares, prior to the Original Distribution Date and have not listed any securities on any exchange prior to the date hereof. The Issuer will covenant in the Indenture not to undertake any activities other than issuing, paying and redeeming the Notes and any additional notes issued pursuant to the Indenture, acquiring, holding, selling, exchanging, redeeming and pledging, solely for its own account, Collateral Obligations and Eligible Investments, acquiring, holding, selling, exchanging, redeeming and pledging shares in Blocker Subsidiaries and other activities incidental thereto, including entering into the Purchase Agreement, the Placement Agency Agreement and the Transaction Documents to which it is a party. The Co-Issuer will covenant in the Indenture not to engage in any business or activity other than issuing and selling the Secured Notes (other than the Class D Notes) and any additional rated notes issued pursuant to the Indenture and other activities incidental thereto, including entering into the Purchase Agreement and the Transaction Documents to which it is a party. Neither of the Co-Issuers will have any subsidiaries (other than any Blocker Subsidiaries, in the case of the Issuer). In general, subject to the credit quality and diversity of the Collateral Obligations and general market conditions and the need (in the judgment of the Collateral Manager) to satisfy the Coverage Tests, the Concentration Limitations and the Collateral Quality Test or to obtain funds for the redemption or payment of the Notes, the Issuer will own the Assets and will receive payments of interest and principal on the Collateral Obligations and Eligible Investments as the principal source of its income. The ability to purchase additional Collateral Obligations and sell Collateral Obligations prior to maturity is subject to significant restrictions under the Indenture. See "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria".

In addition, pursuant to the terms of an agreement to be entered into on or prior to the Closing Date between the Issuer and the Collateral Administrator (the "**Collateral Administration Agreement**"), the Issuer will retain State Street Bank and Trust Company, in such capacity as collateral administrator (the "**Collateral Administrator**") to, among other things, perform certain administrative duties of the Issuer with respect to the Assets, including the compilation of certain reports and the performance of certain calculations with respect to the Collateral Quality Test and the Coverage Tests, subject, in each case, to the Collateral Administrator's receipt from the Collateral Manager of information with respect to the Assets that is not contained in the collateral database maintained under the Collateral Administration Agreement. The compensation paid by the Issuer for such services

will be in addition to the fees paid to the Collateral Manager and will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

In addition, the Issuer (or the Collateral Manager on behalf of the Issuer) may retain one or more firms to provide software databases and applications for the purpose of modeling, evaluating and monitoring the Assets and the Notes pursuant to a licensing or other agreement and the compensation paid to such firms will be treated as an expense of the Issuer and will be subject to the Priority of Payments.

MaplesFS Limited will act as the administrator of the Issuer (in such capacity, the "**Administrator**"). The office of the Administrator will serve as the general business office of the Issuer. Through the office, and pursuant to the terms of an Administration Agreement to be entered into between the Issuer and the Administrator (the "**Administration Agreement**"), the Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Issuer and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. The Issuer and the Administrator have entered into a registered office agreement dated May 4, 2012 (the "**Registered Office Agreement**") for the provision of registered office facilities to the Issuer. In consideration of the foregoing, the Administrator will receive various fees payable by the Issuer at rates agreed upon from time to time, plus expenses. The terms of the Administration Agreement and the Registered Office Agreement provide that either the Issuer or the Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Administration Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

The activities of the Administrator under the Administration Agreement will be subject to the overview of the Issuer's Board of Directors.

The Administrator's principal office and the business address of each of the directors of the Issuer is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following summary describes the principal United States federal income tax consequences of the purchase, ownership and disposition of the Notes. It addresses only purchasers that buy in the original offering at the original offering price. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, special tax considerations that may apply to certain types of taxpayers, including but not limited to securities dealers, banks, entities treated as partnerships for United States federal income tax purposes, tax-exempt investors (other than to the limited extent specifically discussed below), insurance companies, and subsequent purchasers of the Notes, are not addressed. In addition, this summary does not describe any state, local or other tax consequences arising under the laws of any taxing jurisdiction other than the United States federal government. In general, the summary assumes that a holder acquires a Note at original issuance and holds such Note as a capital asset and not as part of a hedge, straddle, or conversion transaction, within the meaning of Section 1258 of the Code.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, NOTEHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY NOTEHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON NOTEHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN BY THE CO-ISSUERS; AND (C) NOTEHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

This summary is based on the United States federal income tax laws, regulations (final, temporary, and proposed), administrative rulings and practice and judicial decisions in effect or available on the Original Distribution Date, as well as the expected Cayman Islands undertaking described in "Cayman Islands Income Tax Considerations". All of the foregoing are subject to change, and any change may apply retroactively and could affect the continued validity of this summary.

This summary is included herein for general information only, and there can be no assurances that the United States Internal Revenue Service (the "IRS") will take a similar view of the United States federal income tax consequence of an investment in the Notes as described herein. **ACCORDINGLY, PROSPECTIVE PURCHASERS OF A NOTE SHOULD CONSULT THEIR TAX ADVISORS AS TO THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SUCH NOTE, INCLUDING THE POSSIBLE APPLICATION OF STATE, LOCAL, NON-U.S. OR OTHER TAX LAWS.**

As used in this section, the term "**U.S. holder**" means a beneficial owner of a Note who is, as determined for United States federal income tax purposes, a citizen or resident of the United States, a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia, any estate the income of which is subject to United States federal income tax regardless of the source of its income or any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons, as defined in Section 7701(a)(30) of the Code, have the authority to control all substantial decisions of the trust and certain eligible trusts that have elected to be treated as United States persons. As used in this section, the term "**non-U.S. holder**" means a beneficial owner of Notes who is neither a U.S. holder nor a partnership. If an entity treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner therein will generally depend on the status of the partner and upon the activities of the partnership. Partners in partnerships holding Notes should consult their tax advisors.

Notes issued in additional offerings by the Issuer or the Co-Issuer may not be fungible for U.S. federal income tax purposes with the Notes issued in the original offering.

Tax Treatment of the Issuer

United States Federal Income Taxes

The Issuer, as a foreign corporation, will be subject to United States federal income tax on its net income only if it is treated as engaged in a United States trade or business. In this regard, on the Closing Date the Issuer will receive an opinion from Freshfields Bruckhaus Deringer US LLP, United States federal income tax counsel to the Issuer ("**U.S. Income Tax Counsel**"), to the effect that, as of the Closing Date, under current law and assuming compliance with the Memorandum and Articles of Association of the Issuer, the Indenture, the Collateral Management Agreement and other related documents, although there is no direct authority addressing activities similar to those contemplated by the Issuer under such documents, the Issuer's contemplated activities will not cause it to be engaged in a trade or business in the United States for United States federal income tax purposes. The opinion will be based in part on representations by the Issuer and the Collateral Manager as to the activities of the Issuer during the period from formation through the Closing Date. The opinion of U.S. Income Tax Counsel is not binding on the IRS, and thus no assurance can be given that a contrary position may not be asserted successfully by the IRS.

The Issuer intends to operate so as not to be subject to United States federal income taxes on its net income. However, there can be no assurance that the Issuer will not become subject to net income tax in the United States or another jurisdiction as a result of a change in law or administrative practice, procedure or interpretations thereof, or as a result of unanticipated activities by the Issuer. Notwithstanding the foregoing, if the Issuer were engaged in a trade or business in the United States, it would be potentially subject to substantial United States federal income taxes. The imposition of such taxes could materially affect the Issuer's financial ability to repay the Notes.

Withholding Taxes

Generally, United States source interest income received by a foreign corporation not engaged in a trade or business within the United States is subject to United States withholding tax. The Code provides a complete exception for interest which constitutes "portfolio interest". The Collateral Manager, on behalf of the Issuer, intends to select investments qualifying for the portfolio interest exemption. Furthermore, the Indenture requires the Issuer to acquire Collateral Obligations on which withholding tax is not otherwise applicable, or with respect to which the issuer of the Collateral Obligation is required to make "gross-up" payments that cover the full amount of such withholding tax. However, there can be no assurance that the Issuer will not become subject to withholding tax in the United States or another jurisdiction as a result of a change in law or administrative practice, procedure, or interpretations thereof. Any such change could constitute a Tax Event. See "Description of the Notes—Optional Redemption and Tax Redemption".

Any commitment or similar fees received by the Issuer in respect of Revolving Collateral Obligations, Delayed Drawdown Collateral Obligations or letters of credit (or interests therein) or any payments with respect to Equity Securities may be subject to a United States withholding tax, which would, if such amounts were so subject, reduce the Issuer's net income from such investments. In general, the Issuer does not anticipate that it will derive material amounts of any such fees, payments or other items of income potentially subject to United States withholding tax. Certain payments on Letter of Credit Reimbursement Obligations also are expected to be subject to withholding, and as a condition of their eligibility for acquisition, they are required to be subject to withholding by the relevant agent bank unless the Issuer either receives an opinion of nationally recognized external legal counsel to the effect that such withholding should or will not be required or the Issuer deposits into the LC Reserve Account an amount equal to 30% (or such other percentage equal to the withholding rate then in effect) of all the fees received in respect of the letter of credit.

In addition, under FATCA, which was signed into law on March 18, 2010, and for which proposed regulations were promulgated on February 8, 2012, the Issuer will be subject to a 30% U.S. withholding tax on certain U.S.-source payments, and the proceeds of certain sales, received by the Issuer after December 31, 2013 with respect to an obligation that is not outstanding on January 1, 2013 unless it has in effect an agreement with the IRS to (i) obtain information regarding each holder of its Notes (other than the Notes treated as regularly traded on an established securities market) as is necessary to determine which, if any, such holders are specified United States persons or United States owned foreign entities, (ii) provide annually to the IRS the name, address, taxpayer identification number and certain other information with respect to holders and beneficial owners of Notes (other

than Notes that are treated as regularly traded on an established securities market) that are specified United States persons or that are United States owned foreign entities and (iii) comply with certain other due diligence procedures, IRS requests, withholding and other requirements. The Issuer expects to enter into such an agreement. However, the IRS has not yet issued final, comprehensive guidance as to the terms that must be included in, and the procedures for entering into, such an agreement. See "Transfer Restrictions—Additional Restrictions; Information required to be provided by Noteholders".

Issuance of the Notes

For United States federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Notes.

Tax Treatment of U.S. Holders of Secured Notes

Status of the Co-Issued Notes

The Issuer will receive an opinion from U.S. Income Tax Counsel that the Class A Notes, the Class B Notes and the Class C Notes (collectively, the "**Co-Issued Notes**") will be treated as debt for United States federal income tax purposes. However, as noted above, the opinion of U.S. Income Tax Counsel is not binding on the IRS, and no ruling will be sought from the IRS regarding this, or any other, aspect of the United States federal income tax treatment of the Secured Notes. Accordingly, there can be no assurances that the IRS will not contend, and that a court will not ultimately conclude, that one or more Classes of Co-Issued Notes constitute equity interests in the Issuer for United States federal income tax purposes. If any Class of Co-Issued Notes were treated as equity in, rather than debt of, the Issuer for United States federal income tax purposes, the U.S. holders thereof would be subject to the treatment described below for U.S. holders of Subordinated Notes. The remainder of this discussion assumes that the Co-Issued Notes are debt for U.S. federal income tax purposes.

Status of the Class D Notes

The Issuer will receive an opinion from U.S. Income Tax Counsel that the Class D Notes should constitute debt for U.S. federal income tax purposes, and each holder of a Class D Note, by acceptance of such Class D Note, will agree to treat the Class D Notes as debt for such purposes. The U.S. federal income tax treatment of the Class D Notes is, however, subject to some uncertainty. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately hold, that the Class D Notes are properly characterized as equity in the Issuer.

The following discussion assumes that the Class D Notes will be treated entirely as debt of the Issuer. If the Class D Notes were characterized as equity in the Issuer for U.S. federal income tax purposes, U.S. holders of such Notes would be subject to the treatment described below for U.S. holders of Subordinated Notes that do not make an election to treat the Issuer as a "qualified electing fund".

Interest, Discount and Fees on the Secured Notes

In general, U.S. holders of a Class A Note will include in gross income payments of stated interest received on such Class A Note, in accordance with their method of accounting as ordinary income from sources outside the United States. Because payments on each Payment Date of stated interest on the Class B Notes, the Class C Notes and the Class D Notes are contingent on available funds and subject to deferral, although the matter is not free from doubt, the Issuer will treat the Class B Notes, the Class C Notes and the Class D Notes (collectively, the "**Deferred Interest Notes**") for United States federal income tax purposes as having original issue discount ("**OID**"). The total amount of such OID with respect to a Deferred Interest Note will equal the sum of all payments to be received under such Deferred Interest Note less its issue price (the price at which a substantial amount of Deferred Interest Notes of the same Class were sold to investors). A U.S. holder of Deferred Interest Notes will be required to include OID in income as it accrues. The amount of OID accruing in any Interest Accrual Period will generally equal the stated interest accruing in that period (whether or not currently due) *plus* any additional amount representing the accrual under a constant yield method of any additional OID represented by the excess of the principal amount of the Deferred Interest Notes over their issue price. Although the Treasury Regulations governing the accrual of OID do not clearly address instruments precisely comparable to the Deferred Interest Notes, the Issuer intends to base

accruals of any such additional OID on the projected weighted average life of the Deferred Interest Notes rather than their stated maturity, adjusted for any difference between the timing of actual principal repayments on the Notes and the projected weighted average life. As a result of the complexity (and uncertainty of application in various circumstances) of the OID rules, each U.S. holder of a Deferred Interest Note should consult its tax advisor regarding the potential impact of the OID rules on its investment in Deferred Interest Notes. Accruals of OID will be calculated by assuming that interest will be paid over the life of the Deferred Interest Notes based on the value of LIBOR used in setting interest for the first Interest Accrual Period, and then adjusting the income for each subsequent Interest Accrual Period for any difference between the value of LIBOR used in setting interest for that subsequent Interest Accrual Period and the assumed rate.

Sale, Exchange, Redemption and Retirement of the Secured Notes

In general, a U.S. holder of a Secured Note will have a basis in such Secured Note equal to the cost of the Secured Note to such holder, increased by any amount includible in income by such holder as OID and reduced by any payments thereon other than payments of stated interest. Upon a sale, exchange, redemption or retirement of the Secured Note, a U.S. holder will generally recognize gain or loss equal to the difference between the amount realized (less any accrued interest, which would be taxable as such) and the holder's tax basis in the Secured Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held the Secured Note for more than one year at the time of disposition. In certain circumstances, U.S. holders that are individuals (or whose income is taxable to United States individuals) may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. holders to offset capital losses against ordinary income is limited.

Gain realized by a U.S. holder on the sale, exchange, redemption or retirement of a Secured Note generally will be treated as from sources within the United States.

United States Income Taxation of the Subordinated Notes

Status of the Subordinated Notes

Under United States federal income tax principles, the Subordinated Notes will be treated as equity of the Issuer. The Issuer will treat, and each U.S. holder of the Subordinated Notes, by acquiring an interest in a Subordinated Note, will agree to treat, the Subordinated Notes as equity of the Issuer for United States federal income tax purposes, and the following discussion assumes the Subordinated Notes constitute equity for such purposes.

Passive Foreign Investment Company Rules

The Issuer will constitute a "passive foreign investment company" ("PFIC") for United States federal income tax purposes, and the Subordinated Notes will be subject to treatment as equity in a PFIC. In general, a U.S. holder of a Subordinated Note may desire to make an election to treat the Issuer as a "qualified electing fund" ("QEF") with respect to such U.S. holder in order to avoid the application of certain potentially adverse United States tax rules (discussed below) applicable to ownership of PFIC equity by United States persons. Generally, a QEF election should be made on or before the due date for filing a U.S. holder's federal income tax return for the first taxable year for which it holds the Subordinated Notes. If a timely QEF election is made, an electing U.S. holder would be required in each taxable year to include in gross income such holder's *pro rata* share of the Issuer's ordinary earnings and net capital gain, whether or not distributed, assuming that the Issuer does not constitute a "controlled foreign corporation" with respect to which the holder is treated as a "U.S. Shareholder," as discussed further below. A U.S. holder will not be eligible for a dividends received deduction in respect of such income or gain, nor will interest paid with respect to the Subordinated Notes to a U.S. holder who is an individual be eligible to be taxed at the reduced rates generally applicable to dividends paid by certain United States corporations and "qualified foreign corporations". In addition, any losses of the Issuer in a taxable year may not be available to such U.S. holder and may not be carried back or forward in computing the Issuer's ordinary earnings and net capital gain in other taxable years. The electing U.S. holder may recognize income in a taxable year in respect of the Subordinated Notes in amounts significantly greater than the distributions received from the Issuer on such Subordinated Notes in such taxable year. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. holders may be permitted to elect to defer payment of some or all of their taxes with respect to the QEF's income subject to an interest charge on the deferred amount. In this respect, prospective purchasers of the

Subordinated Notes should be aware that it is expected that the Collateral Obligations may be purchased by the Issuer with substantial OID the cash payment of which may be deferred, perhaps for a substantial period of time, and the Issuer may use interest and other income from the Collateral Obligations to purchase additional Collateral Obligations or to retire Secured Notes. As a result, the Issuer may have in any given year substantial amounts of earnings for United States federal income tax purposes that are not distributed on the Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. holders that make a QEF election with respect to the Issuer may owe tax on significant "phantom" income. If applicable, the rules pertaining to a "controlled foreign corporation," discussed below, generally override those pertaining to a PFIC with respect to which a QEF election is in effect.

The Issuer will provide, upon request, all information and documentation that a U.S. holder of a Subordinated Note making a QEF election is required to obtain for United States federal income tax purposes (e.g., the U.S. holder's *pro rata* share of ordinary income and net capital gain, and a "**PFIC Annual Information Statement**," as described in applicable Treasury Regulations).

If a U.S. holder does not make a timely QEF election, a U.S. holder of Subordinated Notes would generally be required to report any gain on disposition of such Subordinated Notes (including any deemed disposition resulting from the use of such Subordinated Notes as security for a loan) as ordinary income rather than capital gain. A U.S. holder would generally be required to compute tax liability on any such disposition gain and on certain "excess" distributions received by the U.S. holder as if the items had been earned ratably over each day in the U.S. holder's holding period for such Subordinated Notes and would be subject to the highest ordinary income tax rate for each taxable year (other than the current year of the U.S. holder) in which the items were treated as having been earned, regardless of the rate otherwise applicable to the U.S. holder. Such U.S. holder would also be liable for an additional tax equal to an interest charge on the tax liability attributable to income that is treated as allocated to prior years as if such liability had actually been due in each such prior year. For purposes of these rules, gifts, exchanges pursuant to corporate reorganizations and use of Subordinated Notes as security for a loan may be treated as a taxable disposition of such Subordinated Notes. An "**excess distribution**" is the amount by which distributions during a taxable year in respect of a Subordinated Note exceed 125% of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the U.S. holder's holding period for such Subordinated Note). In addition, a stepped-up basis in such Subordinated Notes upon the death of an individual U.S. holder may not be available. Where a QEF election is not timely made by a U.S. holder for the year in which it acquired its Subordinated Notes, but is made for a later year, the excess distribution rules can be avoided by making an election to recognize gain from a deemed sale of the Subordinated Notes at the time when the QEF election becomes effective.

In many cases, application of the tax on gain on disposition and receipt of excess distributions will be substantially more onerous than the treatment applicable if a timely QEF election is made. ACCORDINGLY, U.S. HOLDERS OF SUBORDINATED NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE SUBORDINATED NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

Controlled Foreign Corporation Rules

The Issuer may be classified as a controlled foreign corporation ("**CFC**"). In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, are held, directly or indirectly, by U.S. Shareholders. A "**U.S. Shareholder**," for this purpose, is in general any U.S. holder that possesses, directly, indirectly or constructively, 10% or more of the combined voting power of all classes of shares of the corporation. It is possible that the IRS would assert that the Subordinated Notes are de facto voting equity, and that there is sufficient concentration of ownership of Subordinated Notes among U.S. Shareholders such that the Issuer constitutes a CFC. If this argument were successful and the Issuer were to constitute a CFC, a U.S. Shareholder of the Issuer would be required, subject to certain exceptions, to include in gross income (as ordinary income) at the end of the taxable year of the Issuer an amount equal to that person's *pro rata* share of the subpart F income and certain United States source income of the Issuer. Any such inclusion would increase the U.S. Shareholder's basis in its Subordinated Notes. Among other items, and subject to certain exceptions, "subpart F income" includes dividends, interest, gains from the sale of securities, and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, all or substantially all of its income would be subpart F income.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer would generally be taxable on the subpart F income of the Issuer under the rules described in the preceding paragraph and not under the PFIC rules previously described. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains would be treated as ordinary income of the U.S. Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the PFIC rules if a QEF election were made.

In general, if a U.S. holder is not initially subject to the CFC inclusion rules described above (e.g., because the holder is not a U.S. Shareholder or because the Issuer is not a CFC) and does not elect to treat the Issuer as a QEF, and if such U.S. holder subsequently becomes subject to the CFC inclusion rules (e.g., as a result of changes in the holder's holdings of Subordinated Notes or in the status of the Issuer), and if at a later date such U.S. holder ceases to be subject to the CFC inclusion rules, then at such later date such U.S. holder would be required to treat the Issuer as a PFIC that was not a QEF and, for purposes of the PFIC rules described above, the U.S. holder would treat the date on which it first acquired the Subordinated Notes as the date on which its holding period began. If, however, the U.S. holder had made the QEF election before becoming subject to the CFC inclusion rules, then such U.S. holder would be treated as acquiring an interest in a QEF on the day following such later date on which it ceased to be subject to the CFC inclusion rules.

Similarly, if a U.S. holder of Subordinated Notes is subject to the CFC inclusion rules at issuance, but subsequently ceases to be subject to the CFC inclusion rules while continuing to hold Subordinated Notes, then such U.S. holder would be treated as acquiring a new equity interest in the Issuer on the day following the date on which the holder ceased to be subject to the CFC inclusion rules. Because such Subordinated Notes would thereafter be treated as stock in a PFIC, if there was not a QEF election in effect with respect to the holder's taxable year that includes the date of cessation of its status as a U.S. Shareholder subject to the CFC inclusion rules, the U.S. holder would become subject to the adverse rules applicable to non-QEF PFICs described above.

THE TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF SUBORDINATED NOTES UNDER SUCH CIRCUMSTANCES, INCLUDING THE POTENTIAL INTERPLAY OF THE PFIC, QEF AND CFC RULES, ARE QUITE COMPLEX, AND U.S. HOLDERS OF SUBORDINATED NOTES (ACTUALLY OR CONSTRUCTIVELY BY ATTRIBUTION) SHOULD CONSULT THEIR TAX ADVISORS IN THIS REGARD.

Distributions on the Subordinated Notes

The treatment of actual distributions of cash on the Subordinated Notes, in very general terms, will vary depending on whether a U.S. holder has made a timely QEF election as described above or, has included income under the CFC inclusion rules as a U.S. Shareholder. See "—Passive Foreign Investment Company Rules" and "—Controlled Foreign Corporation Rules" above. If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election (or pursuant to the CFC inclusion rules, if applicable) and to this extent would not be taxable to U.S. holders. Distributions in excess of such previously taxed amount will be taxable to U.S. holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current and accumulated earnings and profits of the Issuer. Distributions in excess of (i) previously taxed amounts and (ii) any remaining current and accumulated earnings and profits will be treated first as a nontaxable return of capital, which reduces the tax basis in the Subordinated Notes to the extent thereof, and then as capital gain.

In the event that a U.S. holder does not make a timely QEF election, then except to the extent that distributions may be attributable to amounts previously taxed pursuant to the CFC inclusion rules, some or all of any distributions with respect to the Subordinated Notes may constitute "excess" distributions, taxable as previously described. See "—Passive Foreign Investment Company Rules" above.

In any event, a U.S. holder will not be eligible for a dividends received deduction in respect of such income or gain, nor will distributions paid with respect to the Subordinated Notes to a U.S. holder who is an individual be eligible to be taxed at the reduced rates generally applicable to dividends paid by certain United States corporations and "qualified foreign corporations".

Sale or Other Disposition of the Subordinated Notes

In general, and subject to the discussion below regarding U.S. holders that do not elect to make a timely QEF election and regarding the rules applicable to U.S. Shareholders of a CFC, a U.S. holder will recognize gain or loss upon the sale or other disposition of a Subordinated Note equal to the difference between the amount realized and such holder's adjusted tax basis in such Subordinated Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held such Subordinated Note for more than one year at the time of the sale or other disposition. In certain circumstances, U.S. holders that are individuals (or whose income is taxable to United States individuals) may be entitled to preferential treatment for net long-term capital gains; however, the ability of U.S. holders to offset capital losses against ordinary income is limited. The tax basis of a U.S. holder will generally include the amount paid for the Subordinated Note. Such basis will be increased by amounts taxable to such holder by virtue of a QEF election, or by virtue of the CFC rules, as applicable, and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a nontaxable reduction to the U.S. holder's tax basis for the Subordinated Note (as described above).

If a U.S. holder does not make a timely QEF election as described above, any gain realized on the sale or exchange of a Subordinated Note or any such gain deemed to accrue prior to the time a non-timely QEF election is made will generally be treated as an excess distribution, taxed as ordinary income and subject to an additional tax reflecting a deemed interest charge under the special tax rules described above. See "—Passive Foreign Investment Company Rules" above.

If the Issuer were treated as a CFC and a U.S. holder were treated as a U.S. Shareholder thereof, then any gain realized by such U.S. holder upon disposition of the Subordinated Notes, other than gain constituting an excess distribution under the PFIC rules, if applicable, would generally be treated as ordinary income to the extent of the current and accumulated earnings and profits of the Issuer. In this respect, earnings and profits generally would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

Transfer Reporting

Treasury Regulations require reporting for certain transfers of property (including cash) to a foreign corporation by United States persons or entities. In general, these rules require any U.S. holders who acquire Subordinated Notes to file a Form 926 with the IRS and to supply certain additional information to the IRS. **In the event a U.S. holder fails to file any such required form, the U.S. holder could be subject to a penalty equal to 10% of the gross amount paid for the Subordinated Notes, subject to a maximum penalty of \$100,000 (except in cases involving intentional disregard).** Recently enacted legislation may add additional reporting requirements. Purchasers of Subordinated Notes are urged to consult their tax advisors regarding these reporting requirements.

Tax Shelter Regulations

A U.S. holder of Subordinated Notes that disposes of such Subordinated Notes in a transaction resulting in the recognition by such holder of losses in excess of certain threshold amounts will be obligated to disclose its participation in such transaction in accordance with regulations governing tax shelters and other potentially tax motivated transactions (the "**Tax Shelter Regulations**"). Potential purchasers of Subordinated Notes should consult their tax advisors concerning any possible disclosure obligation under the Tax Shelter Regulations with respect to the disposition of their Subordinated Notes.

Information Reporting and Backup Withholding

Information reporting to the IRS generally will be required with respect to payments on the Notes and payments of proceeds of the sale of such Notes to holders other than corporations and other exempt recipients. A "backup" withholding tax will apply to those payments that are subject to information reporting if the holder fails to provide certain required documentation to the payor. As a condition to the payment of principal of and interest on any Note without United States federal back-up withholding, the Co-Issuers will require the delivery of properly completed and signed applicable United States federal income tax certifications (generally, an IRS Form W-9 (or applicable successor form) in the case of a person that is a "United States person" within the meaning of Section 7701(a)(30) of the Code or the applicable IRS Form W-8 (or applicable successor form) in the case of a person that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code). Backup

withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), *provided* that certain required information is timely furnished to the IRS.

Recently enacted legislation requires certain U.S. holders to report information with respect to their investment in the Notes not held through an account with a U.S. financial institution to the IRS. Investors who fail to report required information could become subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible implications of this new legislation on their investment in the Notes.

Tax Treatment of Tax-Exempt U.S. Holders

A tax-exempt U.S. holder of the Notes will not be subject to tax on unrelated business taxable income ("UBTI") with respect to income or gains from the Notes except to the extent that the Notes are considered "debt-financed property" (as defined in the Code) of that entity. A tax-exempt holder that owns more than 50% of the outstanding Subordinated Notes and also owns other Notes should consider the possible application of the special UBTI rules for amounts received from controlled entities.

Tax Treatment of Non-U.S. Holders

Payments on the Notes to a non-U.S. holder and the gain recognized on the sale, exchange, redemption or retirement of such Notes will not be subject to United States federal income or withholding tax, unless such payments or gain are effectively connected with a United States trade or business of such holder, or, in the case of gain, such holder is a nonresident alien individual who holds the Notes as a capital asset and who is present in the United States more than 182 days in the taxable year of the disposition and certain other conditions are met. A non-U.S. holder will not be considered to be engaged in a United States trade or business solely by reason of holding Notes. "Non-effectively connected" gain or payments received by a non-U.S. holder will not be subject to United States information reporting requirements or United States backup withholding, although such holders may be required to furnish a certificate to the paying agent of the Issuer attesting to their status as non-U.S. holders.

CAYMAN ISLANDS INCOME TAX CONSIDERATIONS

The following is a discussion of certain Cayman Islands tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider your particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands Laws:

- (i) Payments of interest, principal and other amounts on the Secured Notes and amounts in respect of the Subordinated Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal and other amounts on the Secured Notes or a distribution to any holder of the Subordinated Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- (ii) no stamp duty is payable in respect of the issue or transfer of the Notes although duty may be payable if Notes are executed in or brought into the Cayman Islands; and
- (iii) Certificates evidencing the Notes, in registered form, to which title is not transferable by delivery, should not attract Cayman Islands stamp duty. However, an instrument transferring title to a Note, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The Issuer has been incorporated as an exempted company with limited liability under the laws of the Cayman Islands and, as such, will apply for and expects to receive an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**"The Tax Concessions Law
(2011 Revision)
Undertaking As To Tax Concessions**

In accordance with Section 6 of the Tax Concessions Law (2011 Revision) the Governor in Cabinet undertakes with:

Babson CLO Ltd. 2012-II "the Company"

- (a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable
 - (i) on or in respect of the shares debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

These concessions shall be for a period of TWENTY years from the 22nd day of May 2012.

CLERK OF THE CABINET"

The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country; however, the Cayman Islands has entered into a tax information exchange agreement with the United States.

CERTAIN ERISA AND RELATED CONSIDERATIONS

THE STATEMENTS ABOUT U.S. FEDERAL TAX ISSUES ARE MADE TO SUPPORT MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN NOTES UNDER THE LAWS OF THE CAYMAN ISLANDS, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

The United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) which are subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "**Plans**") and certain persons ("**parties in interest**" as defined in Section 3(14) of ERISA (each a "**Party in Interest**") for purposes of ERISA or "**disqualified persons**" as defined in Section 4975(e)(2) of the Code (each a "**Disqualified Person**") for purposes of Section 4975 of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A Party in Interest or Disqualified Person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

Regulations promulgated by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), describe what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA and Section 4975 of the Code, including the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or, as further discussed below, that participation in the entity by "benefit plan investors" constitutes less than 25% of each class of equity in the entity, determined in accordance with Section 3(42) of ERISA.

For purposes of the Plan Asset Regulation, a "**publicly offered security**" is a security that is (a) "freely transferable", (b) part of a class of securities that is "widely held", and (c)(i) sold to the Plan as part of an offering of securities to the public pursuant to an effective registration statement under the Securities Act and the class of securities to which such security is a part is registered under the Exchange Act within 120 days after the end of the fiscal year of the issuer during which the offering of such securities to the public has occurred, or (ii) is part of a class of securities that is registered under Section 12 of the Exchange Act.

It is not anticipated that (i) the Notes will constitute "publicly offered securities" for purposes of the Plan Asset Regulation, (ii) the Issuer will be an investment company registered under the Investment Company Act or (iii) the Issuer will qualify as an operating company within the meaning of the Plan Asset Regulation.

Whether or not the underlying assets of the Issuer are deemed to include "plan assets," as described below, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Notes

are acquired with the assets of a Plan with respect to which the Issuer, Citigroup, the Trustee, the Collateral Manager, any seller of Collateral Obligations to the Issuer or any of their respective affiliates, is a Party in Interest or a Disqualified Person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 95-60 (relating to investments by insurance company general accounts), and PTCE 96-23 (relating to transactions effected by in-house asset managers). Even if one or more exemptions is available, there can be no assurance that relief will be provided from all prohibited transactions that may result if any Note or any interest therein is acquired or held by a Plan.

Governmental plans, certain church plans and non-U.S. plans, while not subject to the prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to other state, local, other federal or non-U.S. laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code (any such law or regulation, an "**Other Plan Law**"). Fiduciaries of any such plans should consult with their counsel before acquiring any Notes.

Any insurance company proposing to invest assets of its general account in Notes should consider the extent to which such investment would be subject to the requirements of Title I of ERISA and Section 4975 of the Code in light of the U.S. Supreme Court's decision in *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank*, 510 U.S. 86 (1993), and the enactment of Section 401(c) of ERISA on August 20, 1996. In particular, such an insurance company should consider (i) the exemptive relief granted by the U.S. Department of Labor for transactions involving insurance company general accounts in PTCE 95-60 and (ii) if such exemptive relief is not available, whether its acquisition of Notes will be permissible under the final regulations issued under Section 401(c) of ERISA.

The Plan Asset Regulation defines an "**equity interest**" as any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. The assets of an entity will be deemed to be the assets of an investing Plan (in the absence of another applicable Plan Asset Regulation exception) if 25% or more of the value of any class of equity interest in the entity is held by "benefit plan investors" as calculated under the Plan Asset Regulation (the "**25% Limitation**"). The term "**benefit plan investor**" is defined by Section 3(42) of ERISA to include (a) an employee benefit plan (as defined in Section 3(3) of Title I of ERISA) that is subject to Part 4 of Title I of ERISA, (b) a plan as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code or (c) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity (collectively, "**Benefit Plan Investors**"). An entity that is treated as holding plan assets for purposes of the Plan Asset Regulation is considered to hold plan assets only to the extent of the percentage of the equity interest held by Benefit Plan Investors. For purposes of making the 25% determination, the Plan Asset Regulation provides that the value of any equity interests held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person (each, a "**Controlling Person**"), is disregarded. Under the Plan Asset Regulation, an "**affiliate**" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "**control**" with respect to a person other than an individual means the power to exercise a controlling influence over the management or policies of such person.

Although there is little guidance on how this definition applies, the Issuer believes that the Class A Notes, the Class B Notes and the Class C Notes will be treated as indebtedness without substantial equity features for purposes of the Plan Asset Regulation, although no assurance can be given in this regard. However, the Class D Notes may, and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation. Accordingly, in an effort to avoid issues that could arise if the assets of the Issuer were to be treated as plan assets for purposes of ERISA or Section 4975 of the Code, the Class D Notes and the Subordinated Notes will be subject to restrictions on ownership by Benefit Plan Investors and, in the case of the Subordinated Notes, Controlling Persons.

If you are a purchaser or transferee of Class A Notes, Class B Notes or Class C Notes, you will be required or deemed (i) to represent, warrant and agree that (1) if you are, or are acting on behalf of, a Benefit Plan Investor,

your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and (2) if you are a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any such Other Plan Law.

If you are a purchaser or subsequent transferee of Class D Notes or an interest therein, you will be required or deemed to represent and warrant that (1) you are not, and for so long as you hold such Notes you will not be, and will not be acting on behalf of, a Benefit Plan Investor, and (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer or the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (any such law or regulation, a "**Similar Law**") and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws. No transfer of a Class D Note (or any interest therein) to a Benefit Plan Investor will be permitted or recognized.

If you are a purchaser or subsequent transferee of Certificated Subordinated Notes or Uncertificated Subordinated Notes, you will be required to (i) represent and warrant in writing to the Trustee (1) whether or not, for so long as you hold such Notes or interest herein, you are, or are acting on behalf of, a Benefit Plan Investor, (2) whether or not, for so long as you hold such Notes or interest therein, you are a Controlling Person and (3) that (a) if you are, or are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or (b) if you are a governmental, church or non-U.S. plan, (x) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any Similar Law and (y) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws, and (ii) agree to certain transfer restrictions regarding your interest in such Notes.

If you are a purchaser or subsequent transferee of an interest in Regulation S Global Subordinated Notes, you will be deemed (or, in the case of a transferee of a Certificated Subordinated Note or Uncertificated Subordinated Note taking delivery in the form of an interest in a Regulation S Global Subordinated Note, required) to represent and warrant that (1) for so long as you hold such Notes or interest therein, you are not, and are not acting on behalf of, a Benefit Plan Investor and are not a Controlling Person and (2) if you are a governmental, church, non-U.S. or other plan, (i) you are not, and for so long as you hold such Notes or interest therein will not be, subject to any Similar Law and (ii) your acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws.

No transfer of a Subordinated Note (or any interest therein) will be permitted or recognized if it would cause the 25% Limitation described above to be exceeded with respect to the Subordinated Notes. No transfer of an interest in a Regulation S Global Subordinated Note to a person that is a Benefit Plan Investor or a Controlling Person will be permitted or recognized.

If any person shall become the beneficial owner of a Note who has made or is deemed to have made a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or upon notice from the Trustee (if the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, with a copy to the Collateral Manager, if either of them makes the discovery (who, in each case, agree to notify the Issuer, with a copy to the Collateral Manager, of such discovery, if any), send notice (with a copy to the Collateral Manager) to such Non-Permitted ERISA Holder demanding that such Non-Permitted ERISA Holder transfer its interest to a person that is not a Non-Permitted ERISA Holder within 20 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its interest in such Notes, the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell its interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes, as applicable, and selling such Notes, as applicable, to the highest such bidder. The holder of each Note, as applicable, the Non-Permitted ERISA Holder

and each other person in the chain of title from the holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager or the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Further considerations

There can be no assurance that, despite the transfer restrictions relating to acquisitions by Benefit Plan Investors and Controlling Persons and the procedures to be employed by the Issuer to attempt to limit ownership by Benefit Plan Investors of the Class D Notes or Subordinated Notes to less than 25%, Benefit Plan Investors will not in actuality own 25% or more of the Class D Notes or Subordinated Notes, disregarding Notes held by Controlling Persons.

If for any reason the assets of the Issuer were deemed to be "plan assets" of a Plan, certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Collateral Manager, on behalf of the Issuer, may be prevented from engaging in certain investments or other transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. Moreover, if the underlying assets of the Issuer were deemed to be assets constituting plan assets, (i) the assets of the Issuer could be subject to ERISA's reporting and disclosure requirements, (ii) a fiduciary causing a Benefit Plan Investor to make an investment in the equity of the Issuer could be deemed to have delegated its responsibility to manage the assets of the Benefit Plan Investor, (iii) various providers of fiduciary or other services to the Issuer, and any other parties with authority or control with respect to the Issuer, could be deemed to be Plan fiduciaries or otherwise Parties in Interest or Disqualified Persons by virtue of their provision of such services, and (iv) it is not clear that Section 404(b) of ERISA, which generally prohibits plan fiduciaries from maintaining the indicia of ownership of assets of plans subject to Title I of ERISA outside the jurisdiction of the district courts of the United States, would be satisfied in all instances.

Any Plan fiduciary or other person who proposes to use assets of any Plan to acquire any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA.

The sale of any Notes to a plan, or to a person using assets of any plan to effect its acquisition of any Notes, is in no respect a representation by the Issuer, Citigroup, the Trustee, the Collateral Administrator or the Collateral Manager that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

ANY POTENTIAL INVESTOR CONSIDERING AN INVESTMENT IN THE NOTES THAT IS, OR IS ACTING ON BEHALF OF, A PLAN IS STRONGLY URGED TO CONSULT ITS OWN LEGAL AND TAX ADVISORS REGARDING THE CONSEQUENCES OF SUCH AN INVESTMENT UNDER ERISA, THE CODE AND ANY APPLICABLE OTHER PLAN LAWS OR SIMILAR LAWS AND ITS ABILITY TO MAKE THE REPRESENTATIONS DESCRIBED ABOVE.

Legal investment considerations

If your investment activities are subject to regulation by federal, state or local law or governmental authorities you should review the applicable laws and/or rules, policies and guidelines adopted from time to time by such authorities before purchasing any Notes. No representation is made as to the proper characterization of the Notes for legal investment or other purposes or as to the ability of particular investors to purchase any Notes under applicable law or other legal investment restrictions. Accordingly, if your investment activities are subject to such laws and/or regulations, regulatory capital requirements or review by regulatory authorities you should consult your own legal advisors in determining whether and to what extent the Notes constitute a legal investment or are subject to investment, capital or other restrictions.

None of the Issuer, the Co-Issuer, the Collateral Manager, Citigroup, the Trustee or the Collateral Administrator make any representation as to the proper characterization of the Notes for legal investment or other purposes, as to the ability of particular investors to purchase the Notes for legal investment or other purposes or as to the ability of particular investors to purchase the Notes under applicable investment restrictions. All institutions whose activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult their own legal advisors in determining whether and to what extent the Notes are subject to investment, capital or other restrictions. Without limiting the generality of the foregoing, none of the Issuer, the Co-Issuer, the Collateral Manager, Citigroup, the Trustee or the Collateral Administrator makes any representation as to the characterization of the Notes as a U.S. domestic or foreign (non-U.S.) investment under any state insurance code or related regulations, and they are not aware of any published precedent that addresses such characterization. The uncertainties described above (and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the Notes) may affect the liquidity of the Notes.

ANTI-MONEY LAUNDERING AND ANTI-TERRORISM REQUIREMENTS AND DISCLOSURES

In order to comply with U.S. laws and regulations, including the USA PATRIOT Act, aimed at the prevention of money laundering and the prohibition of transactions with certain countries, organizations and individuals, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may request from an investor or a prospective investor such information as it reasonably believes is necessary to verify the identity of such investor or prospective investor, and to determine whether such investor or prospective investor is permitted to be an investor in the Issuer or the Notes pursuant to such laws and regulations. In the event of the delay or failure by any investor or prospective investor in the Notes to deliver to the Issuer any such requested information, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may (a) require such investor to immediately transfer any Note, or beneficial interest therein, held by such investor to an investor meeting the requirements of this Offering Circular and the Indenture, (b) refuse to accept the subscription of a prospective investor, or (c) take any other action required to comply with such laws and regulations. In addition, following the delivery of any such information, the Issuer (or the Initial Purchaser or Placement Agent on its behalf) may take any of the actions identified in clauses (a)-(c) above. In certain circumstances, the Issuer, the Trustee, the Initial Purchaser or Placement Agent may be required to provide information about investors to regulatory authorities and to take any further action as may be required by law. None of the Issuer, the Co-Issuer, the Trustee, the Collateral Administrator, the Collateral Manager, the Initial Purchaser or Placement Agent will be liable for any loss or injury to an investor or prospective investor that may occur as a result of disclosing such information, refusing to accept the subscription of any potential investor, redeeming any investment in a Note or taking any other action required by law.

PLAN OF DISTRIBUTION

The Secured Notes are being offered by Citigroup (in such capacity, the "**Initial Purchaser**") pursuant to the Purchase Agreement with the Co-Issuers and the Subordinated Notes are being offered by the Issuer through Citigroup (in such capacity, the "**Placement Agent**") pursuant to the Placement Agency Agreement.

Pursuant to the Purchase Agreement, the Secured Notes will be offered by Citigroup, as initial purchaser, from time to time for sale to investors in negotiated transactions at varying prices to be determined in each case at the time of sale. Pursuant to the Placement Agency Agreement, Citigroup, as placement agent, will use its best efforts to arrange for the issuance of the Subordinated Notes to investors on the Closing Date in negotiated transactions at varying prices. Citigroup may elect to purchase and resell the Subordinated Notes on the Closing Date in lieu of them being issued directly to investors.

The Purchase Agreement will provide that the obligations of Citigroup to pay for and accept delivery of the Secured Notes thereunder are subject to certain conditions. The Placement Agency Agreement will provide that the obligation of Citigroup to act as placement agent of the Issuer thereunder is subject to certain conditions.

In the Purchase Agreement and the Placement Agency Agreement, each of the Co-Issuers will agree to indemnify Citigroup against certain liabilities, including under the Securities Act, the Exchange Act or otherwise, insofar as such liabilities arise out of or are connected with the consummation of the transactions contemplated by the Offering Documents or the execution and delivery of, and the consummation of the transactions contemplated by, the Transaction Documents, the Purchase Agreement and the Placement Agency Agreement, or to contribute to payments Citigroup may be required to make in respect thereof. In addition, the Issuer will agree to reimburse Citigroup for certain of their expenses incurred in connection with the closing of the transactions contemplated hereby.

The offering of the Notes has not been and will not be registered under the Securities Act and may not be offered or sold in non-offshore transactions except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No action has been taken or is being contemplated by the Issuer and Co-Issuer that would permit a public offering of the Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Notes in any jurisdiction (other than Ireland) where, or in any other circumstances in which, action for those purposes is required. No offers, sales or deliveries of any Notes, or distribution of this Offering Circular or any other offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or Citigroup. Because of the restrictions contained in the front of this Offering Circular, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

In the Purchase Agreement and the Placement Agency Agreement, Citigroup will agree that it will sell or arrange for the sale (as applicable) of Notes only to or with, in each case, (a) purchasers it reasonably believes to be (i) (x) Qualified Institutional Buyers or (y) with respect to Subordinated Notes only, Accredited Investors, and (ii) (x) Qualified Purchasers or (y) entities owned exclusively by Qualified Purchasers and (b) non-U.S. persons in offshore transactions pursuant to Regulation S. Until 40 days after completion of the distribution by the Issuer, an offer or sale of Notes, in a non-offshore transaction by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if the offer or sale is made otherwise than pursuant to Rule 144A or a transaction exempt from the registration requirements under the Securities Act. Resales of the Notes offered in reliance on Rule 144A or in another transaction exempt from the registration requirements under the Securities Act, as the case may be, are restricted as described under "Transfer Restrictions". Beneficial interests in a Regulation S Global Secured Note or Regulation S Global Subordinated Note may not be held by a U.S. person at any time, and resales of the Notes offered in offshore transactions to non-U.S. persons in reliance on Regulation S may be effected only in accordance with the transfer restrictions described herein. As used in this paragraph, the terms "**United States**" and "**U.S.**" have the meanings given to them by Regulation S.

Citigroup and its affiliates may have had in the past and may in the future have business relationships and dealings with the Collateral Manager and its affiliates and one or more obligors with respect to Collateral Obligations and their affiliates and may own equity or debt securities issued by such entities or their affiliates. Citigroup and its affiliates may have provided and may in the future provide investment banking services to such entities or their affiliates and may have received or may receive compensation for such services.

The Notes are offered when, as and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions.

The Notes are a new issue of securities for which there is currently no market. Citigroup is under no obligation to make a market in any Class of Notes and any market making activity, if commenced, may be discontinued at any time. There can be no assurance that a secondary market for any Class of Notes will develop, or if one does develop, that it will continue. Accordingly, no assurance can be given as to the liquidity of or trading market for the Notes.

In connection with the offering of the Notes, Citigroup may, as permitted by applicable law, over-allot or effect transactions that stabilize or maintain the market price of the Notes at a level which might not otherwise prevail in the open market. The stabilizing, if commenced, may be discontinued at any time.

Purchasers of the Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price.

The Co-Issuers have not authorized and do not authorize the making of any offer of Notes through any financial intermediary on their behalf, other than offers made by the Initial Purchaser or the Placement Agent with a view to the final placement of the Notes as contemplated in this Offering Circular. Accordingly, no purchaser of the Notes, other than the Initial Purchaser and the Placement Agent, is authorized to make any further offer of the Notes on behalf of the Co-Issuers, the Initial Purchaser or the Placement Agent.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “**relevant member state**”), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the “**relevant implementation date**”), an offer of securities described in this Offering Circular may not be made to the public in that relevant member state prior to the publication of a prospectus in relation to the securities that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state, except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in that relevant member state at any time:

- to any legal entity that is a “**qualified investor**” as defined in the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision of Directive 2010/73/EU, 150, natural or legal persons (other than qualified investors) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state;

provided that no such offer of securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state

Each purchaser of securities described in this Offering Circular located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a “**qualified investor**” as defined in the Prospectus Directive, any amendments thereto to the extent implemented in each relevant member state and any relevant implementing measure in each relevant member state.

For purposes of this provision, the expression an “offer to the public” in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any amendments to the Prospectus Directive to the extent implemented in that member state and any measure implementing the Prospectus Directive in that member state, and the expression “**Prospectus Directive**” means Directive 2003/71/EC.

Notice to Prospective Investors in the United Kingdom

Within the United Kingdom this Offering Circular is only being distributed to, and is only directed at, professionals or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply to the Issuer (all such persons together being referred to as “**relevant persons**”). This Offering Circular may not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in France

Neither this Offering Circular nor any other offering material relating to the Notes has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Offering Circular nor any other offering material relating to the Notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Notes to the public in France.
- Such offers, sales and distributions will be made in France only:
 - to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*;
 - to investment services providers authorized to engage in collateral management on behalf of third parties; or
 - in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French *Code monétaire et financier* and article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute a public offer (*appel public à l'épargne*).

The Notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in Italy

The Notes will not be offered, sold or delivered, and copies of this Offering Circular or any other document relating to the Notes will not be distributed, in the Republic of Italy unless such offer, sale or delivery of Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy is:

- made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September, 1993 (the "**Banking Act**"), the Financial Services Act, Regulation 11522 and any other applicable laws and regulations; and
- in compliance with any and all other applicable laws and regulations.

Notice to Prospective Investors in Ireland

The Notes will not be underwritten or placed otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20th March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act, 1989, of Ireland, as amended.

In connection with offers or sales of the Notes, each of the Co-Issuers and the Initial Purchaser has only issued or passed on, and will only issue or pass on, in Ireland, any document received by it in connection with the issue of the Notes to persons who are persons to whom the documents may otherwise lawfully be issued or passed on.

In respect of a local offer (within the meaning of Section 38(1) of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (the "**2005 Act**")) of Notes in Ireland, Section 49 of the 2005 Act has been complied with and will be complied with.

Notice to Prospective Investors in Japan

The Notes have not been registered under the Financial Instruments and Exchange Law of Japan. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, or transfer of the Notes.

The Notes have not been registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described herein and set forth in the Indenture.

Without limiting the foregoing, by holding a Note, you will acknowledge and agree, among other things, that you understand that neither of the Co-Issuers is registered as an investment company under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers who privately place their securities solely to persons who at the time of purchase are "qualified purchasers" (or entities owned exclusively by "qualified purchasers"). In general terms, "**qualified purchaser**" is defined to mean, among other things, any natural person who owns not less than U.S.\$5,000,000 in investments; any person who in the aggregate owns and invests on a discretionary basis, not less than U.S.\$25,000,000 in investments; and trusts as to which both the settlor and the decision-making trustee are qualified purchasers (but only if such trust was not formed for the specific purpose of making such investment).

Global Secured Notes and Regulation S Global Subordinated Notes

If you are either an initial purchaser or a transferee of Notes represented by an interest in a Global Secured Note or Regulation S Global Subordinated Note you will be deemed to have represented and agreed as follows (except as may be expressly agreed in writing between you and the Co-Issuers or the Issuer, as applicable, if you are an initial purchaser):

- (i) In connection with the purchase of such Notes: (A) none of the Co-Issuers, the Collateral Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment advisor for such beneficial owner; (B) such beneficial owner is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Co-Issuers, the Collateral Manager, the Trustee, the Collateral Administrator, Citigroup, or any of their respective affiliates other than any statements in this Offering Circular, and such beneficial owner has read and understands this Offering Circular; (C) such beneficial owner has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, the Collateral Manager, the Trustee, the Collateral Administrator, Citigroup, or any of their respective affiliates; (D) such beneficial owner is either (1) (in the case of a beneficial owner of an interest in a Rule 144A Global Secured Note) both (a) a "**qualified institutional buyer**" (as defined under Rule 144A under the Securities Act) that is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of issuers that are not affiliated persons of the dealer and is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A under the Securities Act or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A under the Securities Act that holds the assets of such a plan, if investment decisions with respect to the plan are made by beneficiaries of the plan and (b) a "**qualified purchaser**" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "**qualified purchasers**" or (2) not a "**U.S. person**" as defined in Regulation S and is acquiring the Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from registration provided by Regulation S; (E) such beneficial owner is acquiring its interest in such Notes for its own account; (F) such beneficial owner was not formed for the purpose of investing in such Notes; (G) such beneficial owner understands that the Issuer may receive a list of participants holding interests in the Notes from one or more book-entry depositories; (H) such beneficial owner will hold and transfer at least the minimum denomination of such Notes; (I) (in the case of the Subordinated Notes) such beneficial owner is a sophisticated investor and is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof, and is capable of and willing to assume

those risks; (J) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees; and (K) if it is not a U.S. person, it is not acquiring any Note as part of a plan to reduce, avoid or evade U.S. federal income tax.

- (ii) (1) Each purchaser and subsequent transferee of Class A Notes, Class B Notes or Class C Notes, or any interest therein, will be required or deemed to represent and warrant that (a) if it is, or is acting on behalf of, a Benefit Plan Investor, its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code, and (b) if it is a governmental, church, non-U.S. or other plan which is subject to any Other Plan Law, its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt violation of any such Other Plan Law; and (2) each purchaser and subsequent transferee of Class D Notes, or any interest therein, will be required or deemed to represent and warrant that (a) so long as it holds such Notes or interest therein, it will not be, and will not be acting on behalf of, a Benefit Plan Investor, and (b) if it is a governmental, church, non-U.S. or other plan, (i) for so long as it holds such Notes or interest therein it will not be subject to any Similar Law and (ii) its acquisition, holding and disposition of such Notes or interest therein will not constitute or result in a non-exempt violation of any applicable Other Plan Laws and (3) each purchaser and subsequent transferee of an interest in Regulation S Global Subordinated Notes or an interest therein will be deemed (or, in the case of a transferee of a Certificated Subordinated Note or Uncertificated Subordinated Note taking delivery in the form of an interest in a Regulation S Global Subordinated Note, required) to represent and warrant that (a) for so long as it holds such Notes or interest therein, it will not be, and will not be acting on behalf of, a Benefit Plan Investor and will not be a Controlling Person and (b) if it is a governmental, church, non-U.S. or other plan, (i) for so long as it holds such Notes or interest therein it will not be subject to any Similar Law and (ii) its acquisition, holding and disposition of such Notes will not constitute or result in a non-exempt violation of any applicable Other Plan Laws.
- (iii) Such beneficial owner understands that such Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Notes have not been and will not be registered under the Securities Act, and, if in the future such beneficial owner decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legend on such Notes. Such beneficial owner acknowledges that no representation has been made as to the availability of any exemption under the Securities Act or any state securities laws for resale of such Notes. Such beneficial owner understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act.
- (iv) Such beneficial owner is aware that, except as otherwise provided in the Indenture, any Notes being sold to it in reliance on Regulation S will be represented by one or more Regulation S Global Secured Notes or Regulation S Global Subordinated Notes, as applicable, and that in each case beneficial interests therein may be held only through DTC for the respective accounts of Euroclear or Clearstream.
- (v) Such beneficial owner will provide notice to each person to whom it proposes to transfer any interest in the Notes of the transfer restrictions and representations set forth in the Indenture.

Certificated Subordinated Notes and Uncertificated Subordinated Notes

If you are a purchaser or transferee of a Subordinated Note in certificated or uncertificated form after the Closing Date (including by way of a transfer of an interest in a Regulation S Global Subordinated Note to you as a transferee acquiring a Subordinated Note in certificated or uncertificated form), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Issuer and the Trustee with certificates substantially in the form of Annex A-1 and Annex A-2 hereto. Initial purchasers of the Subordinated Notes will be required to

provide Citigroup or the Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-1 and Annex A-2 hereto.

Additional restrictions; Information required to be provided by Noteholders

No transfer of any Note will be effective, and no such transfer will be recognized, if it may result in 25% or more of the value of the Class D Notes or the Subordinated Notes being held by Benefit Plan Investors (the "**25% Limitation**"). For purposes of this determination, the value of Notes held by Citigroup, the Trustee, the Collateral Manager and certain of their affiliates (other than those interests held by a Benefit Plan Investor) or a person (other than a Benefit Plan Investor) who is a Controlling Person is disregarded. If you are a Benefit Plan Investor, you may not acquire Class D Notes or any interest therein. See "Certain ERISA and Related Considerations".

Each purchaser and subsequent transferee of Secured Notes will be required or deemed to represent that such purchaser or subsequent transferee, as applicable, is not an Affected Bank. If you are a purchaser or transferee of Certificated Subordinated Notes or Uncertificated Subordinated Notes after the Closing Date, you will be required to provide the Issuer and the Trustee written certification by the delivery of a certificate in the form of Annex A-2 hereto as to whether you are an Affected Bank. If you purchase an interest in a Certificated Subordinated Note or Uncertificated Subordinated Note from the Issuer or Citigroup on the Closing Date, you will be required to provide the Issuer or Citigroup with a subscription agreement containing representations substantially similar to those set forth in Annex A-2 hereto as to whether you are an Affected Bank. Each purchaser and subsequent transferee of Regulation S Global Subordinated Notes will be deemed to represent that such purchaser or subsequent transferee, as applicable, is not an Affected Bank. No transfer of any Secured Note or Subordinated Note to an Affected Bank will be effective, and no such transfer will be recognized, unless such transfer is specifically authorized by the Issuer in writing; *provided*, that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the aggregate outstanding principal amount of any Class of Notes, or (y) the transferor is an Affected Bank previously approved by the Issuer. "**Affected Bank**" means a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code) nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein will: (1) be required or deemed to agree to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person as defined in Section 1473(3) of the Code ("**specified United States person**") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code ("**United States owned foreign entity**") and (ii) any additional information that the Issuer or its agent requests in connection with Sections 1471-1474 of the Code and (2) if it is a specified United States person or a United States owned foreign entity that is a holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code ("**substantial United States owner**") and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required (the foregoing agreements, the "**Noteholder Reporting Obligations**"). Each purchaser and subsequent transferee of Notes will be required or deemed to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service.

Each purchaser, beneficial owner and subsequent transferee of a Subordinated Note, by acceptance of such Note or an interest in such Note, shall be required or deemed to agree to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to comply with U.S. tax information reporting requirements relating to such purchaser's, beneficial owner's or subsequent transferee's adjusted basis in the Subordinated Notes, and (ii) any additional information that the Issuer, Trustee or their agents request in connection with any 1099 reporting requirements, and update any such information provided in clause (i) or (ii) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. Each such purchaser, beneficial owner and subsequent transferee of a Subordinated Note shall be required or deemed to acknowledge that the Issuer or Trustee may

provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service.

To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee (with a copy to the Collateral Manager), impose additional transfer restrictions on the Subordinated Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and other similar laws or regulations, including, without limitation, requiring each transferee of a Subordinated Note, as applicable, to make representations to the Issuer in connection with such compliance. See "Certain U.S. Federal Income Tax Considerations—Tax Treatment of the Issuer—Withholding Taxes".

Legends

The Secured Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A "QUALIFIED PURCHASER" (AS DEFINED FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT) THAT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (B) TO A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER TO SELL ITS INTEREST IN THE NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[EACH PURCHASER OR TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT (A) IF IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR

SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), AND (B) IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE (ANY SUCH LAW OR REGULATION, AN "**OTHER PLAN LAW**"), ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY SUCH OTHER PLAN LAW. "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A SECURED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION OR SIMILAR LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.¹

[EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT (1) THAT FOR SO LONG AS IT HOLDS THIS NOTE, IT WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, AND (2) THAT IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) FOR SO LONG AS IT HOLDS SUCH NOTE OR INTEREST THEREIN IT WILL NOT BE SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FOREGOING PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"). "**BENEFIT PLAN INVESTOR**" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION

¹ Insert only in the case of Class A Notes, Class B Notes, and Class C Notes.

4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY.

NO TRANSFER OF AN INTEREST IN A CLASS D NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER TO A PERSON THAT HAS BEEN DETERMINED BY THE ISSUER TO BE A BENEFIT PLAN INVESTOR.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS D NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE CLASS D NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.]²

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, TO THE CO-ISSUERS OR THEIR AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.]³

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO HEREIN.

PRINCIPAL OF THIS NOTE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE OUTSTANDING PRINCIPAL OF THIS NOTE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THIS NOTE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE TRUSTEE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX

² Insert only in the case of Class D Notes.

³ Insert in the case of Global Secured Notes only.

CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A **"UNITED STATES PERSON"** WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST IN THIS NOTE THAT IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A **"UNITED STATES OWNED FOREIGN ENTITY"** (AS DEFINED IN SECTION 1471(d)(3) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE ITS NAME, ADDRESS, U.S. TAXPAYER IDENTIFICATION NUMBER AND, IF IT IS A UNITED STATES OWNED FOREIGN ENTITY, THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF EACH OF ITS SUBSTANTIAL UNITED STATES OWNERS AS DEFINED IN SECTION 1473(2) OF THE CODE (**"SUBSTANTIAL UNITED STATES OWNER"**) AND ANY OTHER INFORMATION THAT THE ISSUER OR THE HOLDER REQUESTS AND (II) IT WILL UPDATE ANY SUCH INFORMATION PROVIDED IN CLAUSE (I) PROMPTLY UPON LEARNING THAT ANY SUCH INFORMATION PREVIOUSLY PROVIDED HAS BECOME OBSOLETE OR INCORRECT OR IS OTHERWISE REQUIRED. IN ADDITION, EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL MAKE, OR BY ACQUIRING THIS NOTE OR ANY INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE (X) ANY INFORMATION AS IS NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER AND THE TRUSTEE TO DETERMINE WHETHER SUCH HOLDER OR BENEFICIAL OWNER IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS IN CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE BE DEEMED TO AGREE THAT THE ISSUER MAY PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION REGARDING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT FAILS TO COMPLY WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE OR AN INTEREST IN THIS NOTE THAT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT (A) EITHER (I) IT IS NOT A BANK

EXTENDING CREDIT PURSUANT TO A LOAN AGREEMENT ENTERED INTO IN THE ORDINARY COURSE OF ITS TRADE OR BUSINESS (WITHIN THE MEANING OF SECTION 881(c)(3)(A) OF THE CODE), OR (II) IT IS A PERSON THAT IS ELIGIBLE FOR BENEFITS UNDER AN INCOME TAX TREATY WITH THE UNITED STATES THAT ELIMINATES U.S. FEDERAL INCOME TAXATION OF U.S. SOURCE INTEREST NOT ATTRIBUTABLE TO A PERMANENT ESTABLISHMENT IN THE UNITED STATES, AND (B) IT IS NOT PURCHASING THIS NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN.

EACH HOLDER AND BENEFICIAL OWNER OF THIS NOTE (A) WILL MAKE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION TO THE EFFECT THAT IT IS NOT AN AFFECTED BANK AND (B) WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO AGREE, THAT NO TRANSFER OF THIS NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY THE ISSUER IN WRITING; PROVIDED THAT THE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE [CLASS A-1]⁴ [CLASS A-2]⁵ [CLASS B]⁶ [CLASS C]⁷ [CLASS D]⁸ NOTES OR (Y) THE TRANSFEROR IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE ISSUER. AN "**AFFECTED BANK**" IS A "**BANK**" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO 0%.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS NOTE, BY ACQUIRING THIS NOTE OR ITS INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS NOTE AS DEBT OF THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

⁴ Insert in the case of a Class A-1 Note.

⁵ Insert in the case of a Class A-2 Note.

⁶ Insert in the case of a Class B Note.

⁷ Insert in the case of a Class C Note.

⁸ Insert in the case of a Class D Note.

Additionally, the Class B Notes, Class C Notes and Class D Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT ("**OID**") FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE MAY BE OBTAINED BY WRITING TO BRETT NEUBECK, CITIGROUP GLOBAL MARKETS INC., 390 GREENWICH STREET, NEW YORK, NEW YORK 10013, TELEPHONE NO. 212-723-3188.

The Subordinated Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS SUBORDINATED NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO (A) A PERSON THAT IS BOTH (1) A "QUALIFIED PURCHASER" OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS A QUALIFIED PURCHASER (AS DEFINED FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT) AND (2) EITHER (X) A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH RULE THAT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN SECURITIES OF ISSUERS THAT ARE NOT AFFILIATED PERSONS OF THE DEALER AND IS NOT A PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN OR (Y) AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A) UNDER THE SECURITIES ACT) OR (B) A PERSON THAT IS NOT A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND IS ACQUIRING THIS SUBORDINATED NOTE IN RELIANCE ON THE EXEMPTION FROM SECURITIES ACT REGISTRATION PROVIDED BY SUCH REGULATION, AND IN EACH CASE IN COMPLIANCE WITH THE CERTIFICATION AND OTHER REQUIREMENTS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY APPLICABLE JURISDICTION.

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF A CERTIFICATED OR UNCERTIFICATED SUBORDINATED NOTE (INCLUDING BY WAY OF TRANSFER OF AN INTEREST IN REGULATION S GLOBAL SUBORDINATED NOTE TO A TRANSFEREE ACQUIRING A SUBORDINATED NOTE IN CERTIFICATED OR UNCERTIFICATED FORM) WILL BE REQUIRED TO (1) REPRESENT AND WARRANT IN WRITING TO THE TRUSTEE (1) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR, (2) WHETHER OR NOT, FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN, IT IS A CONTROLLING PERSON AND (3) IF IT IS A BENEFIT PLAN INVESTOR, THAT ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH

SUBORDINATED NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN SUBORDINATED NOTES REPRESENTED BY A REGULATION S GLOBAL SUBORDINATED NOTE WILL BE DEEMED (OR, IN THE CASE OF A TRANSFEREE OF A CERTIFICATED SUBORDINATED NOTE OR UNCERTIFICATED SUBORDINATED NOTE TAKING DELIVERY IN THE FORM OF AN INTEREST IN A REGULATION S GLOBAL SUBORDINATED NOTE, REQUIRED) TO REPRESENT AND WARRANT THAT FOR SO LONG AS IT HOLDS SUCH SUBORDINATED NOTE OR AN INTEREST THEREIN, IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND IS NOT A CONTROLLING PERSON. EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN A SUBORDINATED NOTE (OR AN INTEREST THEREIN) WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT THAT, IF IT IS A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH NOTE OR AN INTEREST THEREIN IT WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER OR THE COLLATERAL MANAGER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO LAWS OR REGULATIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY OR PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE, AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH SUBORDINATED NOTE OR AN INTEREST THEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION OF ANY APPLICABLE STATE, LOCAL, OTHER FEDERAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE. "BENEFIT PLAN INVESTOR" MEANS A BENEFIT PLAN INVESTOR, AS DEFINED IN SECTION 3(42) OF ERISA AND INCLUDES (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF TITLE I OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (B) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE CODE THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY. "CONTROLLING PERSON" MEANS A PERSON (OTHER THAN A BENEFIT PLAN INVESTOR) WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR ANY PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS, OR ANY AFFILIATE OF ANY SUCH PERSON. AN "AFFILIATE" OF A PERSON INCLUDES ANY PERSON, DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, CONTROLLING, CONTROLLED BY OR UNDER COMMON CONTROL WITH THE PERSON. "CONTROL" WITH RESPECT TO A PERSON OTHER THAN AN INDIVIDUAL MEANS THE POWER TO EXERCISE A CONTROLLING INFLUENCE OVER THE MANAGEMENT OR POLICIES OF SUCH PERSON.

NO TRANSFER OF A SUBORDINATED NOTE OR ANY INTEREST THEREIN WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, IF IT WOULD CAUSE 25% OR MORE OF THE TOTAL VALUE OF

THE SUBORDINATED NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING SUBORDINATED NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS. NO TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL SUBORDINATED NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON WILL BE PERMITTED, AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER TO A PERSON THAT HAS BEEN DETERMINED BY THE ISSUER TO BE A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A SUBORDINATED NOTE WHO HAS MADE OR HAS BEEN DEEMED TO MAKE A PROHIBITED TRANSACTION, BENEFIT PLAN INVESTOR, CONTROLLING PERSON, SIMILAR LAW OR OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES A VIOLATION OF THE 25% LIMITATION TO SELL ITS INTEREST IN THE SUBORDINATED NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A SUBORDINATED NOTE THAT IS A U.S. PERSON AND IS NOT BOTH (A) A QUALIFIED PURCHASER OR A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY (OTHER THAN A TRUST) EACH SHAREHOLDER, PARTNER, MEMBER OR OTHER EQUITY OWNER OF WHICH IS A QUALIFIED PURCHASER AND (B) A QUALIFIED INSTITUTIONAL BUYER OR AN ACCREDITED INVESTOR TO SELL ITS INTEREST IN THE SUBORDINATED NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS SUBORDINATED NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN, UNLESS THIS SUBORDINATED NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC"), NEW YORK, NEW YORK, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY SUBORDINATED NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO.).

TRANSFERS OF THIS NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.]⁹

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF THE SUBORDINATED NOTES REPRESENTED HEREBY ARE SUBORDINATED TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER

⁹ Insert in the case of Regulation S Global Subordinated Notes only.

AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE.

THE FAILURE TO PROVIDE THE ISSUER, THE TRUSTEE AND ANY PAYING AGENT WITH THE PROPERLY COMPLETED AND SIGNED TAX CERTIFICATIONS (GENERALLY, IN THE CASE OF U.S. FEDERAL INCOME TAX, AN INTERNAL REVENUE SERVICE FORM W-9 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE OR THE APPROPRIATE INTERNAL REVENUE SERVICE FORM W-8 (OR APPLICABLE SUCCESSOR FORM) IN THE CASE OF A PERSON THAT IS NOT A "UNITED STATES PERSON" WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) OR THE FAILURE TO MEET ITS NOTEHOLDER REPORTING OBLIGATIONS MAY RESULT IN WITHHOLDING FROM PAYMENTS IN RESPECT OF SUCH NOTE, INCLUDING U.S. FEDERAL WITHHOLDING OR BACK-UP WITHHOLDING.

EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR AN INTEREST IN THIS SUBORDINATED NOTE THAT IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A "UNITED STATES OWNED FOREIGN ENTITY" (AS DEFINED IN SECTION 1471(d)(3) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR AN INTEREST IN THIS SUBORDINATED NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE ITS NAME, ADDRESS, U.S. TAXPAYER IDENTIFICATION NUMBER AND, IF IT IS A UNITED STATES OWNED FOREIGN ENTITY, THE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NUMBER OF EACH OF ITS SUBSTANTIAL UNITED STATES OWNERS AS DEFINED IN SECTION 1473(2) OF THE CODE ("SUBSTANTIAL UNITED STATES OWNER") AND ANY OTHER INFORMATION THAT THE ISSUER OR THE HOLDER REQUESTS AND (II) IT WILL UPDATE ANY SUCH INFORMATION PROVIDED IN CLAUSE (I) PROMPTLY UPON LEARNING THAT ANY SUCH INFORMATION PREVIOUSLY PROVIDED HAS BECOME OBSOLETE OR INCORRECT OR IS OTHERWISE REQUIRED. IN ADDITION, EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR ANY INTEREST IN THIS SUBORDINATED NOTE WILL MAKE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR ANY INTEREST IN THIS SUBORDINATED NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER AND THE TRUSTEE (X) ANY INFORMATION AS IS NECESSARY (IN THE SOLE DETERMINATION OF THE ISSUER OR THE TRUSTEE, AS APPLICABLE) FOR THE ISSUER AND THE TRUSTEE TO DETERMINE WHETHER SUCH HOLDER OR BENEFICIAL OWNER IS A "SPECIFIED UNITED STATES PERSON" (AS DEFINED IN SECTION 1473(3) OF THE CODE) OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER OR ITS AGENT REQUESTS IN CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR AN INTEREST IN THIS SUBORDINATED NOTE BE DEEMED TO AGREE THAT THE ISSUER MAY PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION REGARDING ITS INVESTMENT IN THE NOTES TO THE U.S. INTERNAL REVENUE SERVICE. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN A NOTE THAT FAILS TO COMPLY

WITH THE FOREGOING REQUIREMENTS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

EACH HOLDER AND BENEFICIAL OWNER OF THIS SUBORDINATED NOTE OR AN INTEREST IN THIS NOTE THAT IS NOT A "UNITED STATES PERSON" (AS DEFINED IN SECTION 7701(a)(30) OF THE CODE) WILL MAKE, OR BY ACQUIRING THIS SUBORDINATED NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO MAKE, A REPRESENTATION THAT IT IS NOT PURCHASING THIS NOTE IN ORDER TO REDUCE ITS U.S. FEDERAL INCOME TAX LIABILITY PURSUANT TO A TAX AVOIDANCE PLAN.

EACH HOLDER AND BENEFICIAL OWNER OF A REGULATION S GLOBAL SUBORDINATED NOTE OR AN INTEREST THEREIN WILL BE DEEMED TO MAKE A REPRESENTATION TO THE EFFECT THAT IT IS NOT AN AFFECTED BANK, AND EACH HOLDER AND BENEFICIAL OWNER OF A CERTIFICATED SUBORDINATED NOTE OR UNCERTIFICATED SUBORDINATED NOTE OR AN INTEREST THEREIN WILL MAKE A REPRESENTATION AS TO WHETHER IT IS AN AFFECTED BANK. EACH HOLDER OF THIS NOTE WILL AGREE, OR BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE WILL BE DEEMED TO AGREE, THAT NO TRANSFER OF A SUBORDINATED NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE TRUSTEE WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY THE ISSUER IN WRITING; PROVIDED THAT THE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE SUBORDINATED NOTES OR (Y) THE TRANSFEROR IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE ISSUER. AN "AFFECTED BANK" IS A "BANK" FOR PURPOSES OF SECTION 881 OF THE CODE OR AN ENTITY AFFILIATED WITH SUCH A BANK THAT IS NEITHER (X) A UNITED STATES PERSON (WITHIN THE MEANING OF SECTION 7701(a)(30) OF THE CODE) NOR (Y) ENTITLED TO THE BENEFITS OF AN INCOME TAX TREATY WITH THE UNITED STATES UNDER WHICH WITHHOLDING TAXES ON INTEREST PAYMENTS MADE BY OBLIGORS RESIDENT IN THE UNITED STATES TO SUCH BANK ARE REDUCED TO 0%.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS SUBORDINATED NOTE, BY ACQUIRING THIS NOTE OR AN INTEREST IN THIS NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, THIS SUBORDINATED NOTE AS EQUITY IN THE ISSUER FOR U.S. FEDERAL AND, TO THE EXTENT PERMITTED BY LAW, STATE AND LOCAL INCOME AND FRANCHISE TAX PURPOSES AND SHALL TAKE NO ACTION INCONSISTENT WITH SUCH TREATMENT UNLESS REQUIRED BY ANY RELEVANT TAXING AUTHORITY.

Non-Permitted Holder/Non-Permitted ERISA Holder

If (x) any U.S. person that is not a Qualified Institutional Buyer and a Qualified Purchaser or that does not have an exemption available under the Securities Act and the Investment Company Act shall become the holder or beneficial owner of an interest in any Secured Note, (y) any U.S. person that is not (i) a Qualified Institutional Buyer or an Accredited Investor and either (ii) a Qualified Purchaser (or a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is a

Qualified Purchaser) or that does not have an exemption available under the Securities Act and the Investment Company Act shall become the holder or beneficial owner of a Subordinated Note or (z) any holder of Notes shall fail to comply with the Noteholder Reporting Obligations (any such person a "**Non-Permitted Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer or upon notice from the Trustee (if the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, with a copy to the Collateral Manager, if either of them makes the discovery (who, in each case, agree to notify the Issuer, with a copy to the Collateral Manager, of such discovery, if any), send notice to such Non-Permitted Holder (with a copy to the Collateral Manager) demanding that such Non-Permitted Holder transfer its Notes or interest therein to a person that is not a Non-Permitted Holder within 30 days after the date of such notice. If such Non-Permitted Holder fails to so transfer its Notes or interest therein, the Issuer or the Collateral Manager acting for the Issuer shall have the right, without further notice to the Non-Permitted Holder, to sell such Notes or interest in such Notes to a purchaser selected by the Issuer that is not a Non-Permitted Holder on such terms as the Issuer may choose or assign to such Notes a separate CUSIP number or numbers. None of the Issuer, the Collateral Manager, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer or the Collateral Manager acting on behalf of the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and selling such Notes to the highest such bidder. However, the Issuer or the Collateral Manager may select a purchaser by any other means determined by it in its sole discretion. The holder of each Note, the Non-Permitted Holder and each other person in the chain of title from the holder to the Non-Permitted Holder, by its acceptance of an interest in the Notes agrees to cooperate with the Issuer and the Trustee to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted Holder. The terms and conditions of any sale shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager and the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

If any person shall become the beneficial owner of a Note who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose beneficial ownership otherwise causes a violation of the 25% Limitation (any such person a "**Non-Permitted ERISA Holder**"), the Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or upon notice from the Trustee (if the Trustee obtains actual knowledge) or the Co-Issuer to the Issuer, with a copy to the Collateral Manager, if either of them makes the discovery (who, in each case, agree to notify the Issuer, with a copy to the Collateral Manager, of such discovery, if any), send notice to such Non-Permitted ERISA Holder (with a copy to the Collateral Manager) demanding that such Non-Permitted ERISA Holder transfer its Notes or interest therein to a person that is not a Non-Permitted ERISA Holder (and that is otherwise eligible to hold such Notes or an interest therein) within 20 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its Notes or interest therein, the Issuer shall have the right, without further notice to the Non-Permitted ERISA Holder, to sell such Non-Permitted ERISA Holder's interest in such Notes, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder (and that is otherwise eligible to hold such Notes or an interest therein) on such terms as the Issuer may choose. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes and sell such Notes to the highest such bidder. The holder of each Note, the Non-Permitted ERISA Holder and each other person in the chain of title from the holder to the Non-Permitted ERISA Holder, by its acceptance of an interest in the Notes, agrees to cooperate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the Non-Permitted ERISA Holder. The terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager and the Trustee shall be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

Cayman Islands placement provisions

Citigroup has not made and will not make any invitation to the public in the Cayman Islands to subscribe for the Notes.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be granted or maintained. It is expected that the total expenses related to admission to trading will be approximately €14,500.
2. For the term of the Notes, copies of the Memorandum of Association and Articles of Association of the Issuer, the Certificate of Incorporation and By-laws of the Co-Issuer, the Indenture, the Collateral Management Agreement and the Collateral Administration Agreement will be available in electronic form for inspection at the principal office of the Issuer and the offices of the Trustee at 200 Clarendon Street, Boston, Massachusetts 02116, Attention: Babson CLO Ltd. 2012-II, and copies thereof may be obtained upon request.
3. Since incorporation and as of the Original Distribution Date, neither the Issuer nor the Co-Issuer has commenced trading, established any accounts or declared any dividends, except for the transactions described herein, including the entry into commitments to purchase Collateral Obligations from, among others, an affiliate of the Initial Purchaser prior to the Closing Date in contemplation of the transactions described herein.
4. Neither of the Co-Issuers is, or has since incorporation been, involved in any litigation, governmental proceedings or arbitration proceedings relating to claims in amounts which may have or have had a significant effect on the Co-Issuers nor, so far as either Co-Issuer is aware, is any such litigation, governmental proceedings or arbitration involving it pending or threatened.
5. The issuance by the Issuer of the Notes is expected to be authorized by the board of directors of the Issuer by resolutions passed on or about the Closing Date and the issuance by the Co-Issuer of the Secured Notes (other than the Class D Notes) is expected to be authorized by the board of directors of the Co-Issuer by resolutions passed on the Closing Date.
6. The Issuer is not required by Cayman Islands law, and the Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Co-Issuer is not required by Delaware law, and the Co-Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Indenture, however, requires the Issuer to provide the Trustee with written confirmation, on an annual basis, that to the best of its knowledge following review of the activities of the prior year, no Event of Default has occurred and is continuing or, if one has, specifying the same. The Co-Issuers do not intend to provide to the public post-issuance transaction information regarding the securities to be admitted to trading or the performance of the underlying collateral.
7. As of the date hereof, the Rating Agencies are not established in the European Union and are not registered in accordance with Regulation (EC) No. 1060/2009.
8. The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.
9. No website referred to in this document forms part of the document for the purposes of the listing of the Notes on the Irish Stock Exchange.
10. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Secured Notes or the Regulation S Global Subordinated Notes, as applicable,

have been accepted for clearance through Clearstream and Euroclear. The Notes sold to persons that are Qualified Institutional Buyers and Qualified Purchasers in reliance on Rule 144A under the Securities Act and represented by Rule 144A Global Secured Notes have been accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Securities Identification Numbers (ISIN), as applicable, for the Notes are as follows:

Rule 144A Global		
	CUSIP	ISIN
Class A-1 Notes	05616GAA7	US05616GAA76
Class A-2 Notes	05616GAC3	US05616GAC33
Class B Notes	05616GAE9	US05616GAE98
Class C Notes	05616GAG4	US05616GAG47
Class D Notes	05617QAA4	US05617QAA40

Rule 144A Certificated		
	CUSIP	ISIN
Subordinated Notes	05617QAC0	US05617QAC06

Regulation S			
	Common Code	CUSIP	ISIN
Class A-1 Notes	079298999	G0758QAA7	USG0758QAA79
Class A-2 Notes	079299189	G0758QAB5	USG0758QAB52
Class B Notes	079299987	G0758QAC3	USG0758QAC36
Class C Notes	079300772	G0758QAD1	USG0758QAD19
Class D Notes	079301264	G0758RAA5	USG0758RAA52
Subordinated Notes	079545082	G0758RAB3	USG0758RAB36

Accredited Investor		
	CUSIP	ISIN
Subordinated Notes	05617QAD8	US05617QAD88

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for the Co-Issuers by Freshfields Bruckhaus Deringer US LLP and for Citigroup by Freshfields Bruckhaus Deringer US LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Maples and Calder. Certain legal matters with respect to the Collateral Manager will be passed upon by its internal counsel and by Cleary Gottlieb Steen & Hamilton LLP.

GLOSSARY OF CERTAIN DEFINED TERMS

"Accountants' Report" means an agreed-upon procedures report from the accountants selected by the Issuer pursuant to the Indenture.

"Accredited Investor" has the meaning set forth in Rule 501(a) under the Securities Act.

"Adjusted Collateral Principal Amount" means, as of any date of determination:

- (a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations and Deferring Securities); *plus*
- (b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds; *plus*
- (c) the lesser of the (i) S&P Collateral Value of all Defaulted Obligations and Deferring Securities and (ii) Moody's Collateral Value of all Defaulted Obligations and Deferring Securities; provided that the Adjusted Collateral Principal Amount will be zero for any Defaulted Obligation which the Issuer has owned for more than three years after its default date; *plus*
- (d) the aggregate, for each Discount Obligation, of the purchase price (expressed as a percentage of par) multiplied by the principal balance of such Discount Obligation as of such date of determination; *minus*
- (e) the Excess CCC/Caa Adjustment Amount;

provided that, with respect to any Collateral Obligation that satisfies more than one of the definitions of Defaulted Obligation, Discount Obligation or any asset that falls into the Excess CCC/Caa Adjustment Amount, such Collateral Obligation shall, for the purposes of this definition, be treated as belonging to the category of Collateral Obligations which results in the lowest Adjusted Collateral Principal Amount on any date of determination.

"Adjusted Weighted Average Moody's Rating Factor" means, as of any date of determination, a number equal to the Weighted Average Moody's Rating Factor determined in the following manner: for purposes of determining a Moody's Default Probability Rating, Moody's Rating or Moody's Derived Rating in connection with determining the Weighted Average Moody's Rating Factor for purposes of this definition, the last paragraph of the definition of each of "Moody's Default Probability Rating", "Moody's Rating" and "Moody's Derived Rating" shall be disregarded, and instead each applicable rating on credit watch by Moody's that is on (a) positive watch will be treated as having been upgraded by one rating subcategory, (b) negative watch will be treated as having been downgraded by two rating subcategories and (c) negative outlook will be treated as having been downgraded by one rating subcategory.

"Administrative Expense Cap" means an amount equal on any Payment Date (when taken together with any Administrative Expenses paid during the period since the preceding Payment Date or in the case of the first Payment Date, the period since the Closing Date), to the sum of (a) 0.0365% per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount on the related Determination Date and (b) U.S.\$225,000 per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year consisting of twelve 30-day months); *provided* that (1) in respect of any Payment Date after the third Payment Date following the Closing Date, if the aggregate amount of Administrative Expenses paid pursuant to clause (A) under "Summary of Terms—Application of Interest Proceeds", clause (A) under "Summary of Terms—Application of Principal Proceeds" and clause (A) of the Special Priority of Payments described under

"Description of the Notes—Priority of Payments" (including any excess applied in accordance with this proviso) on the three immediately preceding Payment Dates and during the related Collection Periods is less than the stated Administrative Expense Cap (without regard to any excess applied in accordance with this proviso) in the aggregate for such three preceding Payment Dates, then the excess may be applied to the Administrative Expense Cap with respect to the then-current Payment Date; and (2) in respect of the third Payment Date following the Closing Date, such excess amount shall be calculated based on the Payment Dates preceding such Payment Date.

"**Administrative Expenses**" include fees, expenses (including indemnities) and other amounts due or accrued with respect to any Payment Date (including, with respect to any Payment Date, any such amounts that were due and not paid on any prior Payment Date) and payable in the following order by the Issuer or the Co-Issuer: *first*, to the Trustee pursuant to the Indenture, *second*, to the Collateral Administrator pursuant to the Collateral Administration Agreement, *third*, on a *pro rata* basis, the following amounts (excluding indemnities) to the following parties:

- (i) the Independent accountants, agents (other than the Collateral Manager) and counsel of the Issuer for fees and expenses;
- (ii) the Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees) in connection with any rating of the Secured Notes or in connection with the rating of (or provision of credit estimates in respect of) any Collateral Obligations;
- (iii) the Collateral Manager under the Indenture and the Collateral Management Agreement, excluding the Management Fee;
- (iv) the Administrator pursuant to the Administration Agreement and the Registered Office Agreement; and
- (v) any other person in respect of any other fees or expenses permitted under the Indenture and the documents delivered pursuant to or in connection with the Indenture (including any expenses related to any Blocker Subsidiary, the payment of facility rating fees and all legal and other fees and expenses incurred in connection with the purchase or sale of any Collateral Obligations and any other expenses incurred in connection with the Collateral Obligations) and the Notes, including but not limited to, amounts owed to the Co-Issuer pursuant to the Indenture and any amounts due in respect of the listing of the Notes on any stock exchange or trading system;

and *fourth*, on a *pro rata* basis, indemnities payable to any Person pursuant to any Transaction Document, the Purchase Agreement or the Placement Agency Agreement; *provided*, that (x) amounts due in respect of actions taken on or before the Closing Date shall not be payable as Administrative Expenses but shall be payable only from the Expense Reserve Account in accordance with the Indenture, (y) for the avoidance of doubt, amounts that are expressly payable to any person under the Priority of Payments in respect of an amount that is stated to be payable as an amount other than as Administrative Expenses (including, without limitation, interest and principal in respect of the Secured Notes and distributions on the Subordinated Notes) shall not constitute Administrative Expenses and (z) no amount shall be payable to the Collateral Manager as Administrative Expenses in reimbursement of fees or expenses of any third party unless the Collateral Manager shall have first paid the fees or expenses that are the subject of such reimbursement.

"**Affiliate**" means, with respect to a person, (a) any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person or (b) any other person who is a director, officer, employee or general partner (i) of such person, (ii) of any subsidiary or parent company of such person or (iii) of any person described in clause (a) of this sentence. For the purposes of this definition, control of a person means the power, direct or indirect, (x) to vote more than 50% of the securities having ordinary voting power for the election of directors of such person or (y) to direct or cause the direction of the management and policies of such person

whether by contract or otherwise. For purposes of this definition, (i) no entity shall be deemed an Affiliate of the Issuer or the Co-Issuer solely because the Administrator or any of its Affiliates acts as administrator or share trustee for such entity, and (ii) no entity to which the Collateral Manager provides collateral management or advisory services shall be deemed an Affiliate of the Collateral Manager solely because the Collateral Manager acts in such capacity, unless either of the foregoing clauses (a) or (b) is satisfied as between such entity and the Collateral Manager.

"Applicable Advance Rate" means, for each Collateral Obligation and for the applicable number of Business Days between the certification date for a sale or participation as described in "Description of the Notes—Optional Redemption and Tax Redemption—Redemption Procedures" and the expected date of such sale or participation, the percentage specified below:

	Same Day	1-2 days	3-5 days	6-15 days
Senior Secured Loans with a Market Value of:				
90% or more	100%	93%	92%	88%
below 90%	100%	80%	73%	60%
Other Collateral Obligations with a Moody's Rating of at least "B3" and a Market Value of 90% or more	100%	89%	85%	75%
All other Collateral Obligations	100%	75%	65%	45%

"Approved Index List" means the nationally recognized indices specified in a schedule to the Indenture as amended from time to time by the Collateral Manager with prior notice of any amendment to S&P and Moody's in respect of such amendment and a copy of any such amended Approved Index List to the Collateral Administrator.

"Asset-backed Commercial Paper" means commercial paper or other short term obligations of a program that primarily issues externally rated commercial paper backed by assets or exposures held in a bankruptcy-remote, special purpose entity.

"Available Funds" means with respect to any Payment Date, the amount of any positive balance (of cash and Eligible Investments) in the Collection Account as of the Determination Date relating to such Payment Date and, with respect to any other date, such amount as of that date.

"Blocker Subsidiary" means an entity treated as a corporation for U.S. federal income tax purposes, 100% of the equity interests in which are owned directly or indirectly by the Issuer.

"Bridge Loan" means any loan or other obligation that (x) is incurred in connection with a merger, acquisition, consolidation, or sale of all or substantially all of the assets of a person or similar transaction and (y) by its terms, is required to be repaid within one year of the incurrence thereof with proceeds from additional borrowings or other refinancings. It is understood that any such loan or debt security that has a nominal maturity date of one year or less from the incurrence thereof may have a term-out or other provision whereby (automatically or at the sole option of the obligor thereof) the maturity of the indebtedness thereunder can be extended to a later date.

"Business Day" means any day other than (i) a Saturday or a Sunday or (ii) a day on which commercial banks are authorized or required by applicable law, regulation or executive order to close in New York, New York or in the city in which the corporate trust office of the Trustee is located or, for any final payment of principal, in the relevant place of presentation.

"Caa Collateral Obligation" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Security) with a Moody's Rating of "Caa1" or lower.

"Calculation Agent" means the calculation agent appointed by the Issuer, initially the Trustee, for purposes of determining LIBOR for each Interest Accrual Period.

"CCC Collateral Obligation" means a Collateral Obligation (other than a Defaulted Obligation or a Deferring Security) with an S&P Rating of "CCC+" or lower.

"CCC/Caa Collateral Obligations" means the CCC Collateral Obligations and/or the Caa Collateral Obligations, as the context requires.

"CCC/Caa Excess" means the amount equal to the greater of:

- (i) the excess of the principal balance of all CCC Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date; and
- (ii) the excess of the principal balance of all Caa Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date;

provided that, in determining which of the CCC/Caa Collateral Obligations shall be included in the CCC/Caa Excess, the CCC/Caa Collateral Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the principal balance of such Collateral Obligations as of such Determination Date) shall be deemed to constitute such CCC/Caa Excess.

"Citigroup" means Citigroup Global Markets Inc.

"Citigroup Companies" means Citigroup and its Affiliates (including Citibank, N.A. and its Affiliates)

"Class" means, in the case of (a) the Secured Notes, all of the Secured Notes having the same Interest Rate, Stated Maturity and designation and (b) the Subordinated Notes, all of the Subordinated Notes.

"Class A Coverage Tests" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class A Notes.

"Class A Notes" means the Class A-1 Notes and the Class A-2 Notes, collectively.

"Class A-1 Notes" means the Class A-1 Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"Class A-2 Notes" means the Class A-2 Senior Secured Floating Rate Notes issued pursuant to the Indenture.

"Class B Coverage Tests" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class B Notes.

"Class B Notes" means the Class B Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"Class Break-even Default Rate" means, with respect to any Class or Classes of Secured Notes, the maximum percentage of defaults, at any time, that the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, determined through application of the applicable S&P CDO Monitor chosen by the Collateral Manager in

accordance with the definition of "S&P CDO Monitor" that is applicable to the portfolio of Collateral Obligations, which, after giving effect to S&P's assumptions on recoveries, defaults and timing and to the Priority of Payments, will result in sufficient funds remaining for the payment of such Class or Classes of Notes in full. After the Effective Date, S&P will provide the Collateral Manager with the Class Break-even Default Rates for each S&P CDO Monitor based upon the Weighted Average Floating Spread and the Weighted Average S&P Recovery Rate to be associated with such S&P CDO Monitor as selected by the Collateral Manager from Section 2 of Annex C or any other Weighted Average Floating Spread and Weighted Average S&P Recovery Rate selected by the Collateral Manager from time to time.

"Class C Coverage Tests" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class C Notes.

"Class C Notes" means the Class C Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"Class D Coverage Tests" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied with respect to the Class D Notes.

"Class D Notes" means the Class D Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"Class Default Differential" with respect to any Class of Secured Notes at any time, the rate calculated by subtracting the Class Scenario Default Rate at such time for such Class of Notes from the Class Break-even Default Rate for such Class of Notes at such time.

"Class Scenario Default Rate" means, with respect to any Class of Secured Notes, at any time, an estimate of the cumulative default rate for the Current Portfolio or the Proposed Portfolio, as applicable, consistent with S&P's initial rating of such Class of Notes, determined by application by the Collateral Manager and the Collateral Administrator of the S&P CDO Monitor at such time.

"Closing Date" means June 21, 2012.

"Code" means United States Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder.

"Co-Issuer" means Babson CLO 2012-II, LLC

"Co-Issuers" means the Issuer together with the Co-Issuer.

"Collateral Administration Agreement" means an agreement dated as of the Closing Date relating to the administration of the Assets between the Issuer and the Collateral Administrator, as amended from time to time.

"Collateral Administrator" means State Street Bank and Trust Company, in its capacity as collateral administrator under the Collateral Administration Agreement, and any successor thereto.

"Collateral Interest Amount" means, as of any date of determination, without duplication, the aggregate amount of Interest Proceeds that has been received or that is expected to be received (other than Interest Proceeds expected to be received from Defaulted Obligations and Deferring Securities, but including Interest Proceeds actually received

from Defaulted Obligations and Deferring Securities), in each case during the Collection Period in which such date of determination occurs (or after such Collection Period but on or prior to the related Payment Date if such Interest Proceeds would be treated as Interest Proceeds with respect to such Collection Period).

"Collateral Management Agreement" means an agreement to be entered into between the Issuer and the Collateral Manager relating to the management of the Collateral Obligations and the other Assets by the Collateral Manager on behalf of the Issuer.

"Collateral Manager" means Babson Capital Management LLC, a Delaware limited liability company, until a successor Person shall have become the Collateral Manager pursuant to the provisions of the Collateral Management Agreement, and thereafter **"Collateral Manager"** shall mean such successor Person.

"Collateral Manager Notes" means, as of any date of determination, (a) all Notes held on such date by (i) the Collateral Manager, (ii) any Affiliate of the Collateral Manager or (iii) any account, fund, client or portfolio managed or advised on a discretionary basis by the Collateral Manager or any of its Affiliates and (b) all Notes as to which economic exposure is held on such date (whether through any derivative financial transaction or otherwise) by any Person identified in the foregoing clause (a).

"Collateral Principal Amount" means, as of any date of determination, the sum of (a) the aggregate principal balance of the Collateral Obligations (other than Defaulted Obligations) and (b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds.

"Collection Period" means, (i) with respect to the first Payment Date, the period commencing on the Closing Date and ending at the close of business on the eighth Business Day prior to the first Payment Date; and (ii) with respect to any other Payment Date, the period commencing on the day immediately following the prior Collection Period and ending (a) in the case of the final Collection Period preceding the latest Stated Maturity of any Class of Notes, on the day preceding such Stated Maturity, (b) in the case of the final Collection Period preceding an Optional Redemption, Tax Redemption or Clean-Up Call Redemption in whole of the Notes, on the day preceding the Redemption Date and (c) in any other case, at the close of business on the eighth Business Day prior to such Payment Date.

"Companies Announcement Office" means the Companies Announcement Office of the Irish Stock Exchange.

"Controlling Class" means the Class A-1 Notes so long as any Class A-1 Notes are outstanding; then the Class A-2 Notes so long as any Class A-2 Notes are outstanding; then the Class B Notes so long as any Class B Notes are outstanding; then the Class C Notes so long as any Class C Notes are outstanding; then the Class D Notes so long as any Class D Notes are outstanding; and then the Subordinated Notes.

"Cov-Lite Loan" means a Loan the Underlying Instruments for which do not (a) contain any financial covenants or (b) require the borrower thereunder to comply with any Maintenance Covenant (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments).

"Credit Improved Criteria" means, the criteria that will be met if with respect to any Collateral Obligation, the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more positive, or less negative, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List plus 0.50 percentage points over the same period.

"Credit Improved Obligation" means any Collateral Obligation which, in the Collateral Manager's judgment exercised in accordance with the Collateral Management Agreement, has significantly improved in credit quality after it was acquired by the Issuer, which improvement may (but need not) be evidenced by one of the following: (a) such Collateral Obligation satisfies the Credit Improved Criteria, (b) such Collateral Obligation has been upgraded at least one rating sub-category by either Rating Agency or has been placed and remains on credit watch with positive implication by either Rating Agency, (c) the issuer of such Collateral Obligation has raised equity capital or other capital subordinated to the Collateral Obligation, (d) the issuer of such Collateral Obligation has, in the Collateral Manager's reasonable commercial judgment, shown improved results or possesses less credit risk, in each case since such Collateral Obligation was acquired by the Issuer or (e) such Collateral Obligation has a market price that is greater than the price warranted by its terms and credit characteristics; *provided*, that during a Restricted Trading Period, in addition to the foregoing, a Collateral Obligation will qualify as a Credit Improved Obligation only if (i) it has been upgraded by any Rating Agency at least one rating sub-category or has been placed and remains on a credit watch with positive implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Improved Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Improved Obligation.

"Credit Risk Criteria" means, the criteria that will be met if with respect to any Collateral Obligation, the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more negative, or less positive, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List less 0.50 percentage points over the same period.

"Credit Risk Obligation" means any Collateral Obligation that, in the Collateral Manager's judgment exercised in accordance with the Collateral Management Agreement, has a significant risk of declining in credit quality or price; *provided*, that during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if, in addition to the foregoing, (i) such Collateral Obligation has been downgraded by any Rating Agency at least one rating sub-category or has been placed and remains on a credit watch with negative implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Risk Obligation.

"Current Pay Obligation" means any Collateral Obligation (other than a DIP Collateral Obligation) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid (disregarding any forbearance or grace period in excess of 90 days with respect to any payment that is unpaid but would be due and payable but for such forbearance or grace period) and with respect to which the Collateral Manager has certified to the Trustee (with a copy to the Collateral Administrator) in writing that it believes, in its reasonable business judgment, that the issuer or obligor of such Collateral Obligation (a) will continue to make scheduled payments of interest (and/or fees, as applicable, in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation) thereon and will pay the principal thereof by maturity or as otherwise contractually due, (b) if the issuer or obligor is subject to a bankruptcy proceeding, it has been the subject of an order of a bankruptcy court that permits it to make the scheduled payments on such Collateral Obligation and all interest (and/or fees, as applicable, in the case of a Delayed Drawdown Collateral Obligation, Revolving Collateral Obligation or Letter of Credit Reimbursement Obligation) and principal payments due thereunder have been paid in cash when due, (c) the Collateral Obligation has a Market Value of at least 80.0% of its par value and (d) if the Class A-1 Notes are then rated by Moody's (A) has a Moody's Rating of at least "Caa1" and a Market Value of at least 80.0% of its par value or (B) has a Moody's Rating of at least "Caa2" and its Market Value is at least 85.0% of its par value (Market Value being determined, solely for the purposes of clauses (c) and (d), without taking into consideration clause (iii) of the definition of the term "Market Value").

"Current Portfolio" means, at any time, the portfolio of Collateral Obligations and Eligible Investments, representing Principal Proceeds (determined in accordance with certain assumptions included in the Indenture), then held by the Issuer.

"Defaulted Obligation" means any Collateral Obligation included in the Assets as to which:

- (a) a default as to the payment of principal and/or interest has occurred and is continuing with respect to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto);
- (b) a default as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same issuer which is senior or *pari passu* in right of payment to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto), such default is known to the Collateral Manager and the holders of such Collateral Obligation have accelerated the maturity of all or a portion of such Collateral Obligation; *provided* that (x) such Collateral Obligation shall constitute a Defaulted Obligation under this clause only until such acceleration has been rescinded and (y) both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;
- (c) the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed or such issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;
- (d) such Collateral Obligation is rated "CC" or lower or "SD" by S&P or had such rating immediately before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD";
- (e) such Collateral Obligation is *pari passu* in right of payment as to the payment of principal and/or interest to another debt obligation of the same issuer which is rated "CC" or lower or "SD" by S&P or had such rating immediately before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD"; *provided* that both the Collateral Obligation and such other debt obligation are full recourse obligations of the applicable issuer or secured by the same collateral;
- (f) a default with respect to which the Collateral Manager has received notice or has knowledge that a default has occurred under the underlying instruments and any applicable grace period has expired and the holders of such Collateral Obligation have accelerated the repayment of the Collateral Obligation (but only until such acceleration has been rescinded) in the manner provided in the Underlying Instrument;
- (g) the Collateral Manager has in its reasonable commercial judgment otherwise declared such debt obligation to be a "Defaulted Obligation";
- (h) such Collateral Obligation is a Participation Interest with respect to which the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under the Participation Interest; or

- (i) such Collateral Obligation is a Participation Interest in a loan that would, if such loan were a Collateral Obligation, constitute a "Defaulted Obligation" or with respect to which the Selling Institution has an S&P Rating of "CC" or lower or had such rating before such rating was withdrawn;

provided that (x) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (e) and (i) above if such Collateral Obligation (or, in the case of a Participation Interest other than a Letter of Credit Reimbursement Obligation, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a Current Pay Obligation (*provided* that the aggregate principal balance of Current Pay Obligations exceeding 7.5% of the Collateral Principal Amount will be treated as Defaulted Obligations) and (y) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to any of clauses (b), (c), (d), (e) and (i) if such Collateral Obligation (or, in the case of a Participation Interest other than a Letter of Credit Reimbursement Obligation, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a DIP Collateral Obligation (other than a DIP Collateral Obligation that has an S&P Rating of "CC" or lower).

Each obligation (other than Letter of Credit Reimbursement Obligations) received in connection with a Distressed Exchange that (a) would be a Collateral Obligation but for the fact that it is a Defaulted Obligation or (b) would satisfy the proviso in the definition of "Distressed Exchange" but for the fact that it exceeds the percentage limit therein, shall in each case be deemed to be a Defaulted Obligation, and each other obligation (including any Letter of Credit Reimbursement Obligation) received in connection with a Distressed Exchange shall be deemed to be an Equity Security.

"Deferrable Security" means a Collateral Obligation which by its terms permits the deferral or capitalization of payment of accrued, unpaid interest.

"Deferring Security" means a Deferrable Security that is deferring the payment of interest due thereon (other than supplemental interest in the case of a Deferrable Security that continues to pay interest in cash on a current basis in accordance with the terms of such Deferrable Security as such terms existed prior to the applicable deferral or capitalization of interest) and has been so deferring the payment of interest due thereon (i) with respect to Collateral Obligations that have a Moody's Rating of at least "Baa3", for the shorter of two consecutive accrual periods or one year, and (ii) with respect to Collateral Obligations that have a Moody's Rating of "Ba1" or below, for the shorter of one accrual period or six consecutive months, which deferred capitalized interest has not, as of the date of determination, been paid in cash.

"Delayed Drawdown Collateral Obligation" means any Collateral Obligation (other than a Revolving Collateral Obligation) that (a) requires the Issuer to make one or more future advances to the borrower under the underlying instruments relating thereto, (b) specifies a maximum amount that can be borrowed on one or more fixed borrowing dates, and (c) does not permit the re-borrowing of any amount previously repaid by the borrower thereunder; but any such Collateral Obligation will be a Delayed Drawdown Collateral Obligation only until all commitments by the Issuer to make advances to the borrower expire or are terminated or are reduced to zero.

"Determination Date" means the last day of each Collection Period.

"DIP Collateral Obligation" means a loan made to a debtor-in-possession pursuant to Section 364 of the U.S. Bankruptcy Code having the priority allowed by either Section 364(c) or 364(d) of the U.S. Bankruptcy Code and fully secured by senior liens.

"Discount Obligation" means (1) any Senior Secured Loan which was purchased (as determined without averaging prices of purchases of the same obligation on different dates) for less than (a) 80.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating of "B3" or higher, or (b) 85.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating lower than "B3"

or (2) any Collateral Obligation that is not a Senior Secured Loan which was purchased (as determined without averaging prices of purchases on different dates) for less than (a) 75.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating of "B3" or higher, or (b) 80.0% of its principal balance, if such Collateral Obligation has (at the time of the purchase) a Moody's Rating of "Caa1" or lower; *provided that*:

- (x) such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the par amount of such Collateral Obligation) determined for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90% on each such day in the case of a Senior Secured Loan or equals or exceeds 85% on each such day in the case of a Collateral Obligation that is not a Senior Secured Loan;
- (y) any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased in accordance with the Investment Criteria with the proceeds of sale of a Collateral Obligation that was not a Discount Obligation at the time of its purchase, so long as such purchased Collateral Obligation (A) is purchased or committed to be purchased within 10 Business Days of such sale, (B) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) equal to or greater than the sale price of the sold Collateral Obligation, (C) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) not less than 65.0% and (D) has a Moody's Default Probability Rating equal to or greater than the Moody's Default Probability Rating of the sold Collateral Obligation, will not be considered to be a Discount Obligation; and
- (z) clause (y) above in this proviso shall not apply to any such Collateral Obligation at any time on or after the acquisition by the Issuer of such Collateral Obligation if, as determined at the time of such acquisition, such application would result in either (A) more than 5.0% of the Collateral Principal Amount consisting of Collateral Obligations to which such clause (y) has been applied (or more than 2.5% of the Collateral Principal Amount consisting of such Collateral Obligations to which such clause (y) has been applied if the purchase price of the Collateral Obligations is less than 75.0% of the principal balance thereof) or (B) the aggregate principal balance of all Collateral Obligations to which such clause (y) has been applied since the Closing Date being more than 10.0% of the Target Initial Par Amount.

"Distressed Exchange" means, in connection with any Collateral Obligation, a distressed exchange or other debt restructuring has occurred, as reasonably determined by the Collateral Manager, pursuant to which the issuer or obligor of such Collateral Obligation has issued to the holders of such Collateral Obligation a new security or obligation or package of securities or obligations that, in the sole judgment of the Collateral Manager, amounts to a diminished financial obligation or has the purpose of helping the issuer of such Collateral Obligation avoid default; *provided*, that no Distressed Exchange shall be deemed to have occurred if the securities or obligations received by the Issuer in connection with such exchange or restructuring (i) are not a Letter of Credit Reimbursement Obligation and (ii) satisfy the definition of "Collateral Obligation" (provided that the aggregate principal balance of all securities and obligations to which this proviso applies or has applied, measured cumulatively from the Closing Date onward, may not exceed 25.0% of the Target Initial Par Amount).

"Distribution Compliance Period" means the 40-day period prescribed by Regulation S commencing on the later of (a) the date upon which Notes are first offered to Persons other than the Initial Purchaser and any other distributor (as such term is defined in Regulation S) of the Notes and (b) the Closing Date.

"Domicile" or "Domiciled" means, with respect to any issuer of, or obligor with respect to, a Collateral Obligation: (a) except as provided in clause (b) below, its country of organization; or (b) if it is organized in a Tax Jurisdiction,

each of such jurisdiction and the country in which, in the Collateral Manager's good faith estimate, a substantial portion of its operations are located or from which a substantial portion of its revenue is derived, in each case directly or through subsidiaries (which shall be any jurisdiction and country known at the time of designation by the Collateral Manager to be the source of the majority of revenues, if any, of such issuer or obligor).

"DTC" means The Depository Trust Company, its nominees and their respective successors.

"Effective Date" means the earlier to occur of (a) September 21, 2012 and (b) the first date on which the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Target Initial Par Condition has been satisfied.

"Eligible Custodian" means a custodian that satisfies, *mutatis mutandis*, the eligibility requirements in the Indenture that are applicable to an entity acting as Trustee under the Indenture.

"Eligible Investment Required Ratings" are (a) if such obligation or security (i) has both a long-term and a short-term credit rating from Moody's, such ratings are "Aa3" or better (not on credit watch for possible downgrade) and "P-1" (not on credit watch for possible downgrade), respectively, (ii) has only a long-term credit rating from Moody's, such rating is "Aaa" (not on credit watch for possible downgrade) or (iii) has only a short-term credit rating from Moody's, such rating is "P-1" (not on credit watch for possible downgrade) and (b) "A-1" or better (or, in the absence of a short-term credit rating, "AA-" or better) from S&P.

"Eligible Investments" means any United States dollar investment that, at the time it is delivered to the Trustee (directly or through an intermediary or bailee), (x) matures not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof, and (y) is one or more of the following obligations or securities:

- (i) direct Registered obligations of, and Registered obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America whose obligations are expressly backed by the full faith and credit of the United States of America;
- (ii) demand and time deposits in, certificates of deposit of, trust accounts with, bankers' acceptances issued by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States of America (including the Trustee, Affiliates of the Trustee and Affiliates of the Collateral Manager) or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days after issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings;
- (iii) unleveraged repurchase obligations (if treated as debt by the Issuer and the counterparty) with respect to (a) any security described in clause (i) above or (b) any other Registered security issued or guaranteed by an agency or instrumentality of the United States of America, in either case entered into with a depository institution or trust company (acting as principal) described in clause (ii) above or entered into with an entity (acting as principal) with, or whose parent company has (in addition to a guarantee agreement with such entity, which guarantee agreement complies with S&P's then-current criteria with respect to guarantees), the Eligible Investment Required Ratings;

- (iv) Registered debt securities bearing interest or sold at a discount issued by a corporation formed under the laws of the United States of America or any State thereof that satisfies the Eligible Investment Required Ratings at the time of such investment or contractual commitment providing for such investment;
- (v) commercial paper or other short-term obligations (other than Asset-backed Commercial Paper) with the Eligible Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance;
- (vi) a Reinvestment Agreement issued by any bank (if treated as a deposit by such bank), or a Reinvestment Agreement issued by any insurance company or other corporation or entity, in each case with the Eligible Investment Required Ratings; *provided* that such Reinvestment Agreement may be unwound at the option of the Issuer without penalty; and
- (vii) money market funds that have, at all times, credit ratings of "Aaa-mf" by Moody's and "AAAm" or "AAAm-G" by S&P, respectively;

provided that (1) Eligible Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (vii) above, as mature (or are puttable at par to the issuer thereof) no later than the Business Day prior to the next Payment Date unless such Eligible Investments are issued by the Trustee in its capacity as a banking institution, in which event such Eligible Investments may mature on such Payment Date; and (2) none of the foregoing obligations or securities shall constitute Eligible Investments if (a) such obligation or security has an "f", "r", "p", "pi", "q" or "t" subscript assigned by S&P, (b) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (c) payments with respect to such obligations or securities or proceeds of disposition are subject to withholding taxes by any jurisdiction unless the payor is required to make "gross-up" payments that cover the full amount of any such withholding tax on an after tax basis, (d) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligations or securities will cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or be subject to tax in any jurisdiction outside the Issuer's jurisdiction of incorporation, (e) such obligation or security is secured by real property, (f) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (g) such obligation or security is the subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (h) in the Collateral Manager's judgment, such obligation or security is subject to material non-credit related risks, (i) such obligation is a Structured Finance Obligation or (j) such obligation or security is represented by a certificate of interest in a grantor trust. Eligible Investments may include, without limitation, those investments for which the Trustee or an Affiliate of the Trustee or the Collateral Manager or an Affiliate of the Collateral Manager provides services and receives compensation.

"Eligible Post Reinvestment Proceeds" means any Unscheduled Principal Proceeds and any Principal Proceeds received from sales of Credit Risk Obligations received after the Reinvestment Period.

"Equity Security" means any security or debt obligation which at the time of acquisition, conversion or exchange does not satisfy the requirements of a Collateral Obligation and is not an Eligible Investment.

"Excess CCC/Caa Adjustment Amount" means, as of any date of determination, an amount equal to the excess, if any, of:

- (a) the aggregate principal balance of all Collateral Obligations included in the CCC/Caa Excess; *over*

(b) the sum of the Market Values of all Collateral Obligations included in the CCC/Caa Excess.

"Excess Participation Interests" means Participation Interests (or portions thereof) with an aggregate outstanding principal amount equal to the excess of (a) the aggregate outstanding principal amount of all Participation Interests over (b) an amount equal to 20.0% of the Collateral Principal Amount as of the current Determination Date; *provided* that the Collateral Manager shall determine which of the Participation Interests (or portions thereof) shall be included in the Excess Participation Interests.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Fee Basis Amount" means, as of any date of determination, the sum of (a) the Collateral Principal Amount, (b) the aggregate principal amount of all Defaulted Obligations and (c) the aggregate amount of all Principal Financed Accrued Interest.

"First Lien Last Out Loan": Any assignment of or Participation Interest in a Loan that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than (i) with respect to trade claims, capitalized leases or similar obligations and (ii) subordination in right of payment solely to one or more Senior Secured Loans of the obligor of the Loan that becomes effective solely upon the occurrence of a default or event of default by the obligor of the Loan); (b) is secured by a valid perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Loan that, prior to the occurrence of a default or event of default by the obligor of the Loan, is a first-priority security interest or lien; (c) the value of the collateral securing the Loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral and (d) is not secured solely or primarily by common stock or other equity interests; provided that the limitation set forth in this clause (d) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties); provided further that (i) for obligations to which, due to the operation of the foregoing proviso, the limitation set forth in this clause (d) does not apply, the S&P Recovery Rate will be determined on a case by case basis if there is no assigned S&P Recovery Rating and (ii) following a request by the Issuer to S&P for the determination of an S&P Recovery Rate for such obligation but prior to the receipt of such S&P Recovery Rate from S&P, the S&P Recovery Rate shall be as determined by the Collateral Manager in a commercially reasonable manner.

"Fixed Rate Obligation" means any Senior Secured Loan, Senior Secured Bond, Senior Unsecured Bond, Second Lien Loan or Unsecured Loan that bears a fixed rate of interest.

"Floating Rate Obligation" means any Collateral Obligation that bears a floating rate of interest.

"Group I Country" means The Netherlands, Australia, New Zealand and the United Kingdom (or such other countries as may be notified by Moody's to the Collateral Manager from time to time).

"Group II Country" means Germany, Ireland, Sweden and Switzerland (or such other countries as may be notified by Moody's to the Collateral Manager from time to time).

"Group III Country" means Austria, Belgium, Denmark, Finland, France, Iceland, Liechtenstein, Luxembourg and Norway (or such other countries as may be notified by Moody's to the Collateral Manager from time to time).

"Incentive Management Fee" refers collectively to any amounts payable to the Collateral Manager under clause (S) of "Summary of Terms—Priority of Payments—Application of Interest Proceeds", clause (S) of "Summary of Terms—Priority of Payments—Application of Principal Proceeds" and clause (S) of the Special Priority of Payments described in "Description of the Notes—Priority of Payments".

"Incurrence Covenant" means a covenant by any borrower to comply with one or more financial covenants only upon the occurrence of certain actions of the borrower, including a debt issuance, dividend payment, share purchase, merger, acquisition or divestiture.

"Indenture" means the indenture to be dated as of June 21, 2012 among the Issuer, the Co- Issuer and the Trustee.

"Independent" means, as to any person, any other person (including, in the case of an accountant or lawyer, a firm of accountants or lawyers, and any member thereof, or an investment bank and any member thereof) who (i) does not have and is not committed to acquire any material direct or any material indirect financial interest in such person or in any Affiliate of such person, and (ii) is not connected with such person as an officer, employee, promoter, underwriter, voting trustee, partner, director or person performing similar functions.

"Independent" when used with respect to any accountant may include an accountant who audits the books of such person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such person within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

Whenever any Independent person's opinion or certificate is to be furnished to the Trustee, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

Any pricing service, certified public accountant or legal counsel that is required to be Independent of another person under the Indenture must satisfy the criteria above with respect to the Issuer, the Collateral Manager and their respective Affiliates.

"Interest Accrual Period" means (i) with respect to the initial Payment Date, the period from and including the Closing Date to but excluding such Payment Date; and (ii) with respect to each succeeding Payment Date, the period from and including the immediately preceding Payment Date to but excluding the following Payment Date or, if earlier, the date on which the principal of the Secured Notes is paid or made available for payment; *provided* that any interest-bearing notes issued after the Closing Date in accordance with the terms of the Indenture shall accrue interest during the Interest Accrual Period in which such additional notes are issued from and including the applicable date of issuance of such additional notes to but excluding the last day of such Interest Accrual Period at the applicable Interest Rate.

"Interest Coverage Ratio" means, for any designated Class or Classes of Secured Notes, as of any date of determination, the percentage derived from the following equation: $(A - B) / C$, where:

A = The Collateral Interest Amount as of such date of determination;

B = Amounts payable (or expected as of the date of determination to be payable) on the following Payment Date as set forth in clauses (A) and (B) under "Summary of Terms—Priority of Payments—Application of Interest Proceeds"; and

C = Interest due and payable on the Secured Notes of such Class or Classes and each Class of Secured Notes that rank senior to or *pari passu* with such Class or Classes (excluding Secured Note Deferred Interest, but including any interest on Secured Note Deferred Interest with respect to the Class B Notes, Class C Notes and Class D Notes) on such Payment Date.

"Interest Determination Date" means the second London Banking Day preceding the first day of each Interest Accrual Period.

"Interest Only Security" means any obligation or security that does not provide in the related Underlying Instruments for the payment or repayment of a stated principal amount in one or more installments on or prior to its stated maturity.

"Interest Proceeds" means, with respect to any Collection Period or Determination Date, without duplication, the sum of:

- (i) all payments of interest and delayed compensation (representing compensation for delayed settlement) received in cash by the Issuer during the related Collection Period on the Collateral Obligations and Eligible Investments, including the accrued interest received in connection with a sale thereof during the related Collection Period, less any such amount that represents Principal Financed Accrued Interest;
- (ii) all principal and interest payments received by the Issuer during the related Collection Period on Eligible Investments purchased with Interest Proceeds;
- (iii) all amendment and waiver fees, late payment fees and other fees received by the Issuer during the related Collection Period, except for those in connection with (a) the lengthening of the maturity of the related Collateral Obligation or (b) the reduction of the par of the related Collateral Obligation, as determined by the Collateral Manager with notice to the Trustee and the Collateral Administrator;
- (iv) commitment fees and other similar fees received by the Issuer during such Collection Period in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations;
- (v) any amounts deposited in the Collection Account from the Expense Reserve Account that are designated as Interest Proceeds in the sole discretion of the Collateral Manager pursuant to the Indenture in respect of the related Determination Date; and
- (vi) any funds withdrawn from the LC Reserve Account during the related Collection Period in accordance with the procedures described under "Security for the Secured Notes—The LC Reserve Account" for application as Interest Proceeds;

provided that (1) any amounts received in respect of any Defaulted Obligation will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Defaulted Obligation since it became a Defaulted Obligation equals the outstanding principal balance of such Collateral Obligation at the time it became a Defaulted Obligation and (2) (x) any amounts received in respect of any Equity Security that was received in exchange for a Defaulted Obligation and is held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Equity Security equals the outstanding principal balance of the Collateral Obligation, at the time it became a Defaulted Obligation, for which such Equity Security was received in exchange and (y) any amounts received in respect of any other asset held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds).

"Interest Rate" means, with respect to each Class of Secured Notes, the per annum stated interest rate payable on such Class with respect to each Interest Accrual Period as indicated under "Summary of Terms—Principal Terms of the Notes".

"Investment Advisers Act" means the United States Investment Advisers Act of 1940, as amended.

"Investment Company Act" means the United States Investment Company Act of 1940, as amended.

"Irish Listing Agent" means Maples and Calder.

"Issuer" means Babson CLO Ltd. 2012-II.

"Junior Class" means, respect to a particular Class of Notes, each Class of Notes that is subordinated to such Class, as indicated in "Summary of Terms—Principal Terms of the Notes".

"LC Commitment Amount" means, with respect to any Letter of Credit Reimbursement Obligation, the amount which the Issuer could be required to pay to the LOC Agent Bank in respect thereof (including, for the avoidance of doubt, any portion thereof which the Issuer has collateralized or deposited into a trust or with the LOC Agent Bank for the purpose of making such payments).

"Letter of Credit Reimbursement Obligation" means a facility whereby (i) a fronting bank that, at the time of acquisition of such Letter of Credit Reimbursement Obligation by the Issuer or the Issuer's commitment to acquire the same, has at least a short-term rating of "A-1" (or if no short-term rating exists, a long-term rating of "A+") by S&P ("**LOC Agent Bank**") issues or will issue a letter of credit for or on behalf of a borrower pursuant to an Underlying Instrument, (ii) in the event that such letter of credit is drawn upon, and the borrower does not reimburse the LOC Agent Bank, the lender/participant is obligated to fund its portion of the facility, (iii) the LOC Agent Bank passes on (in whole or in part) the fees and any other amounts it receives for providing such letter of credit to the lender/participant and (iv)(a) the related Underlying Instruments require the Issuer to fully collateralize the Issuer's obligations to the related LOC Agent Bank or obligate the Issuer to make a deposit into a trust in an aggregate amount equal to the related LC Commitment Amount, (b) the collateral posted by the Issuer is held by, or the Issuer's deposit is made in, a depository institution meeting the requirement set forth in "Security for the Secured Notes—Account Requirements" and (c) the collateral posted by the Issuer is invested in Eligible Investments.

"LIBOR" with respect to the Secured Notes, for any Interest Accrual Period will equal (a) the rate appearing on the Reuters Screen for deposits with a term of three months; *provided* that LIBOR for the first Interest Accrual Period will equal the rate determined by interpolating linearly between the rate appearing on the Reuters Screen for deposits with a term of four months and the rate appearing on the Reuters Screen for deposits with a term of five months or (b) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Calculation Agent after consultation with the Collateral Manager (the "**Reference Banks**") at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the aggregate outstanding principal amount of the Secured Notes. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100,000). If fewer than two quotations are provided as requested, LIBOR with respect to such Interest Accrual Period will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Calculation Agent after consultation with the Collateral Manager at approximately 11:00 a.m., New York time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Secured Notes. If the Calculation

Agent is required but is unable to determine a rate in accordance with at least one of the procedures described above, LIBOR will be LIBOR as determined on the previous Interest Determination Date. "LIBOR", when used with respect to a Collateral Obligation, means the "LIBOR" rate determined in accordance with the terms of such Collateral Obligation.

"Loan" means any obligation for the payment or repayment of borrowed money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

"LOC Agent Bank" has the meaning specified in the definition of the term Letter of Credit Reimbursement Obligation.

"London Banking Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London, England.

"Maintenance Covenant" means a covenant by any borrower to comply with one or more financial covenants during each reporting period (but not more frequently than quarterly), whether or not such borrower has taken any specified action.

"Majority" means (a) with respect to any Class or Classes of Secured Notes, the holders of more than 50% of the aggregate outstanding principal amount of the Secured Notes of such Class or Classes and (b) with respect to the Subordinated Notes, the holders of more than 50% of the aggregate outstanding principal amount of the Subordinated Notes.

"Margin Stock" means "Margin Stock" as defined under Regulation U issued by the Board of Governors of the Federal Reserve System, including any debt security which is by its terms convertible into "Margin Stock".

"Market Value" means, with respect to any loans or other Assets, the amount (determined by the Collateral Manager) equal to the product of the principal amount thereof and the price determined in the following manner:

- (i) the bid price determined by the Loan Pricing Corporation, Markit Group Limited, Loan X Mark-It Partners, FT Interactive, Bridge Information Systems, KDP, IDC, Bank of America High Yield Index, Interactive Data Pricing and Reference Data, Inc., Pricing Direct Inc., S&P Security Evaluations Service, Thompson Reuters Pricing Service, TradeWeb Markets LLC or any other nationally recognized loan or bond pricing service selected by the Collateral Manager; or
- (ii) if a price described in clause (i) is not available,
 - (A) the average of the bid prices determined by three broker-dealers (or other buy-side market participants) active in the trading of such asset that are Independent from each other and the Issuer and the Collateral Manager;
 - (B) if only two such bids can be obtained, the lower of the bid prices of such two bids; or
 - (C) if only one such bid can be obtained, and such bid was obtained from a Qualified Broker/Dealer, the bid price of such bid; or
- (iii) if a price described in clause (i) or (ii) is not available, then the Market Value of an asset will be the lower of (x) the higher of (A) such asset's S&P Recovery Rate and (B) 70% of the notional amount of such asset, (y) the price at which the Collateral Manager reasonably believes such asset could be sold in the market within 30 days, as certified by the Collateral Manager to the Trustee; *provided* that such price shall be determined by the Collateral Manager consistent with the manner in which it would determine the market

value of such asset for purposes of other funds or accounts managed by it, and if a market value of such asset is actually determined for other managed funds or accounts managed by it, such price shall be equal to the market value of such asset actually determined by the Collateral Manager for purposes of such other funds or accounts; and (z) solely if such asset either was purchased within the three preceding months or was previously assigned a Market Value within the three preceding months, either (A) if such asset was purchased within the three preceding months, its purchase price or (B) otherwise, the last Market Value that was assigned to it other than pursuant to this clause (iii)(z); *provided* that if the Collateral Manager is not a Registered Investment Adviser, the Market Value of any such asset may not be determined in accordance with this clause (iii) for more than 30 days; or

- (iv) if the Market Value of an asset is not determined in accordance with clause (i), (ii) or (iii) above, then such Market Value shall be deemed to be zero until such determination is made in accordance with clause (i), (ii) or (iii) above.

"Maturity Amendment" means, with respect to any Collateral Obligation, any waiver, modification, amendment or variance that would extend the stated maturity date of such Collateral Obligation. For the avoidance of doubt, a waiver, modification, amendment or variance that would extend the stated maturity date of the credit facility of which a Collateral Obligation is part, but would not extend the stated maturity date of the Collateral Obligation held by the Issuer, does not constitute a Maturity Amendment.

"Measurement Date" means (i) any day on which a purchase of a Collateral Obligation occurs, (ii) any Determination Date, (iii) the date as of which the information in any monthly report prepared under the Indenture is calculated, (iv) with five Business Days' prior written notice to the Issuer and Trustee (with a copy to the Collateral Manager), any Business Day requested by either Rating Agency and (v) the Effective Date.

"Middle Market Loan" means any loan made pursuant to Underlying Instruments governing the issuance of indebtedness having an aggregate principal amount (whether drawn or undrawn) of less than U.S.\$150,000,000.

"Minimum Denominations" means U.S.\$500,000 and integral multiples of U.S.\$1.00 in excess thereof.

"Moody's" means Moody's Investors Service, Inc and any successor thereto.

"Moody's Collateral Value" means, on any date of determination, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the Moody's Recovery Amount of such Defaulted Obligation or Deferring Security as of such date and (ii) the Market Value of such Defaulted Obligation or Deferring Security as of such date.

"**Moody's Counterparty Criteria**" are, with respect to any Participation Interest or Letter of Credit Reimbursement Obligation proposed to be acquired by the Issuer, criteria that will be met if immediately after giving effect to such acquisition, (x) the percentage of the Collateral Principal Amount that consists in the aggregate of Participation Interests or Letter of Credit Reimbursement Obligations with Selling Institutions or LOC Agent Banks, as the case may be, that have the same or a lower Moody's credit rating does not exceed the "Aggregate Percentage Limit" set forth below for such Moody's credit rating and (y) the percentage of the Collateral Principal Amount that consists in the aggregate of Participation Interests or Letter of Credit Reimbursement Obligations with any single Selling Institution or LOC Agent Bank, as the case may be, that has the Moody's credit rating set forth below or a lower credit rating does not exceed the "Individual Percentage Limit" set forth below for such Moody's credit rating:

Moody's credit rating of Selling Institution or LOC Agent Bank (at or below)	Aggregate Percentage Limit	Individual Percentage Limit
Aaa	20%	20%
Aa1	20%	10%
Aa2	20%	10%
Aa3	15%	10%
A1	10%	5%
A2 and P-1 (both)	5%	5%
A3 or below	0%	0%

"**Moody's Non-Senior Secured Loan**" means any assignment of or Participation Interest in or other interest in a loan that is not a Moody's Senior Secured Loan.

"**Moody's Rating Condition**" means a condition that is satisfied if:

- (i) with respect to the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date," Moody's provides written confirmation (which may take the form of a press release or other written communication) of its initial rating of the Class A-1 Notes; or
- (ii) with respect to any other event or circumstance, so long as any Class A-1 Notes then rated by Moody's are outstanding, Moody's provides written confirmation (which may take the form of a press release or other written communication) that the occurrence of that event or circumstance will not cause Moody's to downgrade or withdraw its rating assigned to the Class A-1 Notes.

See also "Ratings of the Secured Notes—Inapplicability of the Moody's Rating Condition".

"**Moody's Recovery Amount**" means, with respect to any Collateral Obligation that is a Defaulted Obligation or a Deferring Security, an amount equal to:

- (a) the applicable Moody's Recovery Rate; *multiplied by*
- (b) the principal balance of such Collateral Obligation.

"**Moody's Senior Secured Floating Rate Note**" means a Senior Secured Floating Rate Note (x) that has a Moody's facility rating, (y) the obligor of which has a Moody's corporate family rating and (z) with respect to which such Moody's facility rating is not lower than such Moody's corporate family rating.

"Moody's Senior Secured Loan" means:

- (a) a loan that:
 - (i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan;
 - (ii) (x) is secured by a valid first priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the loan and (y) such specified collateral does not consist entirely of equity securities or common stock; *provided* that any loan that would be considered a Moody's Senior Secured Loan but for clause (y) above shall be considered a Moody's Senior Secured Loan if it is a loan made to a parent entity and as to which the Collateral Manager determines in good faith that the value of the common stock of the subsidiary (or other equity interests in the subsidiary) securing such loan at or about the time of acquisition of such loan by the Issuer has a value that is at least equal to the outstanding principal balance of such loan and the outstanding principal balances of any other obligations of such parent entity that are *pari passu* with such loan, which value may include, among other things, the enterprise value of such subsidiary of such parent entity; and
 - (iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal seniority secured by a first lien or security interest in the same collateral); or
- (b) a loan that:
 - (i) is not (and cannot by its terms become) subordinate in right of payment to any other debt obligation of the obligor of the loan, except that such loan can be subordinate with respect to the liquidation of such obligor or the collateral for such loan;
 - (ii) with respect to such liquidation, is secured by a valid perfected security interest or lien that is not a first priority in, to or on specified collateral securing the obligor's obligations under the loan;
 - (iii) the value of the collateral securing the loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the loan in accordance with its terms and to repay all other loans of equal or higher seniority secured in the same collateral); and
 - (iv) (x) has a Moody's facility rating and the obligor of such loan has a Moody's corporate family rating and (y) such Moody's facility rating is not lower than such Moody's corporate family rating; and
- (c) the loan is not:
 - (i) a DIP Collateral Obligation; or

- (ii) a loan for which the security interest or lien (or the validity or effectiveness thereof) in substantially all of its collateral attaches, becomes effective, or otherwise "springs" into existence after the origination thereof.

"Non-Emerging Market Obligor" means an obligor that is Domiciled in any country that has a country ceiling for foreign currency bonds of at least "Aa2" by Moody's and a foreign currency issuer credit rating of at least "AA" by S&P.

"Note Interest Amount" means, with respect to any Class of Secured Notes and any Payment Date, the amount of interest for the related Interest Accrual Period payable in respect of each U.S.\$100,000 outstanding principal amount of such Class of Secured Notes.

"Notes" means the Secured Notes and the Subordinated Notes.

"Offering Documents" means the indicative term sheet for the Notes; this Offering Circular and certain specified drafts thereof; the preliminary offering circular for the Notes; and all amendments or supplements thereto, or revisions thereof, and any accompanying exhibits.

"Overcollateralization Ratio" means, with respect to any specified Class or Classes of Secured Notes as of any date of determination, the percentage derived from:

- (a) the Adjusted Collateral Principal Amount on such date; *divided by*
- (b) the aggregate outstanding principal amount on such date of the Secured Notes of such Class or Classes, each class of Secured Notes senior to such Class or Classes and each *pari passu* Class or Classes of Secured Notes.

"Participation Interest" means a Letter of Credit Reimbursement Obligation or a participation interest in a loan that, at the time of acquisition or the Issuer's commitment to acquire the same, is represented by a contractual obligation of a Selling Institution that has at the time of such acquisition or the Issuer's commitment to acquire the same at least a short-term rating of "A-1" (or if no short-term rating exists, a long-term rating of "A+") by S&P.

"Paying Agent" means any paying agent appointed under the Indenture in order to receive the Redemption Price.

"Payment Date" means the 15th day of February, May, August and November of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in November 2012.

"Person" means an individual, corporation (including a business trust), partnership, limited liability company, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"Placement Agency Agreement" means the agreement to be entered into among the Issuer and Citigroup, as placement agent of the Subordinated Notes, as amended from time to time.

"Principal Financed Accrued Interest" means, with respect to any Collateral Obligation, the amount of Principal Proceeds, if any, applied towards the purchase of accrued interest on such Collateral Obligation.

"Principal Proceeds" means, with respect to any Collection Period or Determination Date, all amounts received by the Issuer during the related Collection Period that do not constitute Interest Proceeds and any amounts that have been designated as Principal Proceeds pursuant to the terms of the Indenture.

"Priority Category" means, with respect to any Collateral Obligation, the applicable category listed in the table under the heading "Priority Category" in Section 1(b) of Annex C.

"Priority Class" means, with respect to any specified Class of Notes, each Class of Notes that ranks senior to such Class, as indicated in "Summary of Terms—Principal Terms of the Notes".

"Proposed Portfolio" means the portfolio of Collateral Obligations and Eligible Investments resulting from the proposed purchase, sale, maturity or other disposition of a Collateral Obligation or a proposed reinvestment in an additional Collateral Obligation, as the case may be.

"Purchase Agreement" means the agreement to be entered into among the Co-Issuers and Citigroup, as initial purchaser of the Secured Notes, as amended from time to time.

"Qualified Broker/Dealer" means any of Bank of America, NA, The Bank of Montreal, The Bank of New York Mellon, The Royal Bank of Scotland plc, Barclays Bank plc, BNP Paribas, Broadpoint Securities Inc, Calyon, Canadian Imperial Bank of Commerce, Cantor Fitzgerald, Citadel Securities, Citibank, N.A., Credit Agricole S.A., Credit Suisse, Deutsche Bank AG, FBR Capital Markets, GE Capital Markets, Gleacher & Company Securities, Inc., Goldman Sachs & Co., HSBC Bank, Jefferies & Co., JPMorgan Chase Bank, N.A., Knight/Libertas, Lazard Ltd., Macquarie Bank, Madison Capital, Mizuho Bank, Ltd., Morgan Stanley & Co., Natixis, NewStar Financial, Nomura Securities Inc., Northern Trust Company, Oppenheimer & Co. Inc., Royal Bank of Canada, Scotia Bank, Societe Generale, Sun Trust Bank, The Toronto-Dominion Bank, U.S. Bank, National Association, UBS AG or Wells Fargo Bank, National Association, or a banking or securities Affiliate of any of the foregoing, and any other financial institution so designated by the Collateral Manager with notice to the Rating Agencies.

"Qualified Institutional Buyer" has the meaning set forth in Rule 144A.

"Qualified Purchaser" has the meaning set forth in the Investment Company Act.

"Rating Agency" means each of Moody's and S&P.

"Record Date" means, with respect to the Global Secured Notes and the Regulation S Global Subordinated Notes, the date one day prior to the applicable Payment Date and, with respect to the Certificated Secured Notes, Certificated Subordinated Notes and Uncertificated Subordinated Notes, the date 15 days prior to the applicable Payment Date.

"Redemption Date" means any Business Day specified for a redemption of Notes pursuant to the Indenture.

"Redemption Price" means, (a) for each Secured Note to be redeemed (x) 100% of the aggregate outstanding principal amount of such Secured Note, *plus* (y) accrued and unpaid interest thereon (including interest on any accrued and unpaid Secured Note Deferred Interest, in the case of the Class B Notes, Class C Notes and Class D Notes) to the Redemption Date and (b) for each Subordinated Note, its proportional share (based on the aggregate outstanding principal amount of the Subordinated Notes) of the portion of the proceeds of the remaining Assets (after giving effect to the Optional Redemption, Clean-Up Call Redemption or Tax Redemption of the Secured Notes in whole or after all of the Secured Notes have been repaid in full and payment in full of (and/or creation of a

reserve for) all expenses (including all Management Fees, Administrative Expenses and Dissolution Expenses) of the Co-Issuers) that is distributable to the Subordinated Notes; *provided* that, in connection with any Tax Redemption, holders of 100% of the aggregate outstanding principal amount of any Class of Secured Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Secured Notes.

"Refinancing Proceeds" means the cash proceeds from a Refinancing.

"Registered" means, in registered form for U.S. federal income tax purposes and issued after July 18, 1984, provided that a certificate of interest in a grantor trust shall not be treated as Registered unless each of the obligations or securities held by the trust was issued after that date.

"Registered Investment Adviser" means a Person duly registered as an investment advisor in accordance with the Investment Advisers Act.

"Regulation S" means Regulation S under the Securities Act.

"Reinvestment Agreement" means a guaranteed reinvestment agreement from a bank, insurance company or other corporation or entity having an Eligible Investment Required Rating; *provided* that such agreement provides that it is terminable by the purchaser, without penalty, in the event that the rating assigned to such agreement by either Rating Agency is at any time lower than such agreement's Eligible Investment Required Rating.

"Reinvestment Target Par Balance" means, as of any date of determination, the Target Initial Par Amount minus (i) the amount of any reduction in the aggregate outstanding principal amount of the Notes through the payment of Principal Proceeds *plus* (ii) the aggregate amount of Principal Proceeds that result from the issuance of any additional notes under and in accordance with the Indenture (after giving effect to such issuance of any additional notes).

"Related Obligation" means an obligation issued by the Collateral Manager, any of its Affiliates that are collateralized debt obligation funds or any other person that is a collateralized debt obligation fund whose investments are primarily managed by the Collateral Manager or any of its Affiliates.

"Restricted Trading Period" means the period while any Class A-1 Notes are outstanding during which the Moody's rating of the Class A-1 Notes is one or more sub-categories below its rating on the Closing Date or has been withdrawn and not reinstated; *provided* that (1) such period will not be a Restricted Trading Period (so long as the Moody's rating of the Class A-1 Notes has not been further downgraded, withdrawn or put on watch for potential downgrade) upon the direction of the Issuer (with a copy to the Collateral Manager) with the consent of a Majority of the Class A-1 Notes, which direction shall remain in effect until the earlier of (i) a further downgrade or withdrawal of the Moody's rating of the Class A-1 Notes that, disregarding such direction, would cause the conditions set forth above to be true and (ii) a subsequent direction to the Issuer (with a copy to the Trustee, the Collateral Manager and the Collateral Administrator) by a Majority of the Class A-1 Notes declaring the beginning of a Restricted Trading Period and (2) no Restricted Trading Period shall restrict any sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period is not in effect, regardless of whether such sale has settled.

"Reuters Screen" means Reuters Page LIBOR01 (or such other page that may replace that page on such service for the purpose of displaying comparable rates) as reported by Bloomberg Financial Markets Commodities News as of 11:00 a.m., London time, on the Interest Determination Date.

"Revolving Collateral Obligation" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, including funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that by its terms may require one or more future advances to be made to the borrower by the Issuer; provided, that any such Collateral Obligation will be a Revolving Collateral Obligation only until all commitments to make advances to the borrower expire or are terminated or irrevocably reduced to zero.

"Rule 144A" has the meaning set forth under the Securities Act.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor or successors thereto.

"S&P CDO Monitor" means, each dynamic, analytical computer model developed by S&P used to calculate the default frequency in terms of the amount of debt assumed to default as a percentage of the original principal amount of the Collateral Obligations consistent with a specified benchmark rating level based upon certain assumptions (including the applicable Weighted Average S&P Recovery Rate) and S&P's proprietary corporate default studies, as may be amended by S&P from time to time upon notice to the Issuer, the Collateral Manager, the Collateral Administrator and the Trustee. Each S&P CDO Monitor shall be chosen by the Collateral Manager and associated with either (x) a Weighted Average S&P Recovery Rate and a Weighted Average Floating Spread from Section 2 of Annex C or (y) a Weighted Average S&P Recovery Rate and a Weighted Average Floating Spread confirmed by S&P, *provided* that as of any date of determination the Weighted Average S&P Recovery Rate for each Class of Secured Notes outstanding equals or exceeds the Weighted Average S&P Recovery Rate for such Class chosen by the Collateral Manager and the Weighted Average Floating Spread equals or exceeds the Weighted Average Floating Spread chosen by the Collateral Manager.

"S&P Collateral Value" means, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation or Deferring Security, respectively, as of the relevant Measurement Date and (ii) the Market Value of such Defaulted Obligation or Deferring Security, respectively, as of the relevant Measurement Date.

"S&P Rating" has the meaning specified in Annex C hereto.

"S&P Recovery Amount" means with respect to any Collateral Obligation, an amount equal to:

- (a) the applicable S&P Recovery Rate; *multiplied by*
- (b) the principal balance of such Collateral Obligation.

"S&P Recovery Rate" means, with respect to a Collateral Obligation, the recovery rate set forth in Section 1 of Annex C using the initial rating of the most senior Class of Secured Notes outstanding at the time of determination.

"**S&P Recovery Rating**" means, with respect to a Collateral Obligation for which an S&P Recovery Rate is being determined, the "**Recovery Rating**" assigned by S&P to such Collateral Obligation based upon the following table:

Recovery Rating	Description of Recovery	Recovery Range (%)
1+	High expectation, full recovery	75-95
1	Very high recovery	65-95
2	Substantial recovery	50-85
3	Meaningful recovery	30-65
4	Average recovery	20-45
5	Modest recovery	5-25
6	Negligible recovery	2-10

"**Sale Proceeds**" are all proceeds (excluding accrued interest, if any) received with respect to Assets as a result of sales or other dispositions of such Assets in accordance with the provisions of the Indenture described in "Security for the Secured Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria" (or "Description of the Notes—The Indenture—Disposition of Illiquid Assets" or "Description of the Notes—The Indenture—Events of Default", as applicable), *less* any reasonable expenses incurred by the Collateral Manager, the Collateral Administrator or the Trustee (other than amounts payable as Administrative Expenses) in connection with such sales or other dispositions.

"**Second Lien Loan**" means any assignment of or Participation Interest in a Loan that is a First Lien Last Out Loan or that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than with respect to trade claims, capitalized leases or similar obligations) but which is subordinated (with respect to liquidation preferences with respect to pledged collateral) to a Senior Secured Loan of the obligor; (b) is secured by a valid second-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Second Lien Loan the value of which is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal or higher seniority secured by a lien or security interest in the same collateral and (c) is not secured solely or primarily by common stock or other equity interests.

"**Secured Note Deferred Interest**" means: (i) with respect to the Class B Notes, any payment of interest due on the Class B Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; (ii) with respect to the Class C Notes, any payment of interest due on the Class C Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date; and (iii) with respect to the Class D Notes, any payment of interest due on the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date.

"**Secured Notes**" means the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

"**Secured Parties**" means collectively the holders of the Secured Notes, the Collateral Manager, the Administrator, the Collateral Administrator and the Trustee.

"**Securities Account Control Agreement**" means the Securities Account Control Agreement dated as of the Closing Date among the Issuer, the Trustee and State Street Bank and Trust Company, as custodian.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"Securities Intermediary" is as defined in Section 8-102(a)(14) of the UCC.

"Selling Institution" means the entity obligated to make payments to the Issuer under the terms of a Participation Interest.

"Senior Secured Bond" means any obligation that: (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences a Loan or Participation Interest), (c) is not secured solely by common stock or other equity interests, (d) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations and (e) is secured by a valid perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"Senior Secured Floating Rate Note" means any obligation that: (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note (other than any note evidencing a Loan), certificated debt security or other debt security, (c) is expressly stated to bear interest based upon a London interbank offered rate for Dollar deposits in Europe or a relevant reference bank's published base rate or prime rate for Dollar-denominated obligations in the United States or the United Kingdom, (d) does not constitute, and is not secured by, Margin Stock, (e) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations and (f) is secured by a valid perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under such obligation.

"Senior Secured Loan" means any assignment of or Participation Interest in a Loan (other than a First Lien Last Out Loan) that: (a) is not (and cannot by its terms become) subordinate in right of payment to any other obligation of the obligor of the Loan (other than with respect to trade claims, capitalized leases or similar obligations); (b) is secured by a valid first-priority perfected security interest or lien in, to or on specified collateral securing the obligor's obligations under the Loan; (c) the value of the collateral securing the Loan together with other attributes of the obligor (including, without limitation, its general financial condition, ability to generate cash flow available for debt service and other demands for that cash flow) is adequate (in the commercially reasonable judgment of the Collateral Manager) to repay the Loan in accordance with its terms and to repay all other Loans of equal seniority secured by a first lien or security interest in the same collateral and (d) is not secured solely or primarily by common stock or other equity interests; *provided* that the limitation set forth in this clause (d) shall not apply with respect to a Loan made to a parent entity that is secured solely or primarily by the stock of one or more of the subsidiaries of such parent entity to the extent that the granting by any such subsidiary of a lien on its own property would violate law or regulations applicable to such subsidiary (whether the obligation secured is such Loan or any other similar type of indebtedness owing to third parties); *provided further* that (i) for obligations to which, due to the operation of the foregoing proviso, the limitation set forth in this clause (d) does not apply, the S&P Recovery Rate will be determined on a case by case basis if there is no assigned S&P Recovery Rating and (ii) following a request by the Issuer to S&P for the determination of an S&P Recovery Rate for such obligation but prior to the receipt of such S&P Recovery Rate from S&P, the S&P Recovery Rate shall be as determined by the Collateral Manager in a commercially reasonable manner.

"Senior Unsecured Bond" means any unsecured obligation that: (a) constitutes borrowed money, (b) is in the form of, or represented by, a bond, note, certificated debt security or other debt security (other than any of the foregoing that evidences a Loan or Participation Interest) and (c) if it is subordinated by its terms, is subordinated only to indebtedness for borrowed money, trade claims, capitalized leases or other similar obligations.

"Stated Maturity" means the Payment Date in May 2023.

"Step-Down Obligation" means an obligation or security which by the terms of the related Underlying Instruments provides for a decrease in the per annum interest rate on such obligation or security (other than by reason of any change in the applicable index or benchmark rate used to determine such interest rate) or in the spread over the

applicable index or benchmark rate, solely as a function of the passage of time; *provided* that, an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Down Obligation.

"Step-Up Obligation" means an obligation or security which by the terms of the related Underlying Instruments provides for an increase in the per annum interest rate on such obligation or security, or in the spread over the applicable index or benchmark rate, solely as a function of the passage of time; *provided* that, an obligation or security providing for payment of a constant rate of interest at all times after the date of acquisition by the Issuer shall not constitute a Step-Up Obligation.

"Structured Finance Obligation" means any obligation secured directly by, referenced to, or representing ownership of, a pool of receivables or other financial assets of any obligor, including collateralized debt obligations and mortgage-backed securities.

"Subordinated Notes" means the Subordinated Notes issued pursuant to the Indenture.

"Subordinated Notes Internal Rate of Return" means an annualized internal rate of return (computed using the "XIRR" function in Microsoft® Excel 2002 or an equivalent function in another software package), stated on a per annum basis, for the following cash flows, assuming all Subordinated Notes were purchased on the Closing Date for an aggregate purchase price equal to 100% of the initial principal amount thereof:

- (i) each distribution of Interest Proceeds made to the holders of the Subordinated Notes on any prior Payment Date and, to the extent necessary to reach the applicable Subordinated Notes Internal Rate of Return, the current Payment Date; and
- (ii) each distribution of Principal Proceeds made to the holders of the Subordinated Notes on any prior Payment Date and, to the extent necessary to reach the applicable Subordinated Notes Internal Rate of Return, the current Payment Date.

"Substitute Obligation" means a Collateral Obligation acquired with Eligible Post Reinvestment Proceeds after the Reinvestment Period.

"Supermajority" means (a) with respect to any Class of Secured Notes, the holders of at least 66-2/3% of the aggregate outstanding principal amount of the Secured Notes of such Class and (b) with respect to the Subordinated Notes, the holders of at least 60% of the aggregate outstanding principal amount of the Subordinated Notes.

"Synthetic Security" means a security or swap transaction, other than a Participation Interest, that has payments associated with either payments of interest on and/or principal of a reference obligation or the credit performance of a reference obligation.

"Target Initial Par Amount" equals U.S.\$400,000,000.

"Target Initial Par Condition" means a condition satisfied as of the Effective Date if the aggregate principal balance of Collateral Obligations that are held by the Issuer and that the Issuer has committed to purchase on such date, together with the amount of any proceeds of prepayments, maturities or redemptions of Collateral Obligations purchased by the Issuer prior to such date (other than any such proceeds that have been reinvested in Collateral Obligations held by the Issuer on the Effective Date), will equal or exceed the Target Initial Par Amount; *provided*

that for purposes of this definition, any Collateral Obligation that becomes a Defaulted Obligation prior to the Effective Date shall be treated as having a principal balance equal to its Moody's Collateral Value.

"Tax" means any tax, levy, impost, duty, charge or assessment of any nature (including interest, penalties and additions thereto) imposed by any governmental taxing authority.

"Tax Event" means an event that occurs if (i) any obligor under any Collateral Obligation is required to deduct or withhold from any payment under such Collateral Obligation to the Issuer for or on account of any Tax for whatever reason (other than (x) withholding tax on (1) fees received with respect to a Letter of Credit Reimbursement Obligation, (2) amendment, waiver, consent and extension fees and (3) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and (y) withholding tax imposed as a result of the failure by any holder of Notes to comply with its Noteholder Reporting Obligations, so long as the Issuer, within 60 days after the imposition of such withholding tax, exercises its right to demand that such Non-Permitted Holder transfer its interest to a Person that is not a Non-Permitted Holder and, if such Non-Permitted Holder fails to so transfer its Notes, the Issuer exercises its right to sell such Notes or interest therein to a person that is not a Non-Permitted Holder) and such obligor is not required to pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Taxes, whether assessed against such obligor or the Issuer) will equal the full amount that the Issuer would have received had no such deduction or withholding occurred or (ii) any jurisdiction imposes net income, profits or similar Tax on the Issuer.

"Tax Jurisdiction" means the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands or the Netherlands Antilles and any other tax advantaged jurisdiction as may be identified as such in published criteria by Moody's from time to time.

"Third Party Credit Exposure" means, as of any date of determination, the principal balance of each Collateral Obligation that consists of a Participation Interest.

"Third Party Credit Exposure Limits" means limits that shall be satisfied if the Third Party Credit Exposure with counterparties having the ratings below from S&P do not exceed the percentage of the Collateral Principal Amount specified below:

S&P's credit rating of Selling Institution	Aggregate Percentage Limit	Individual Percentage Limit
AAA	20%	20%
AA+	10%	10%
AA	10%	10%
AA-	10%	10%
A+	5%	5%
A	5%	5%

provided that a Selling Institution having an S&P credit rating of "A" must also have a short-term S&P rating of "A-1" otherwise its Aggregate Percentage Limit and Individual Percentage Limit shall be 0%.

"Transaction Documents" means the Indenture, the Collateral Management Agreement, the Collateral Administration Agreement, the Securities Account Control Agreement, the Administration Agreement and the Registered Office Agreement.

"Transfer Agent" means the Person or Persons, which may be the Issuer, authorized by the Issuer to exchange or register the transfer of Notes.

"Trustee" means State Street Bank and Trust Company, in its capacity as Trustee under the Indenture, and any successor thereto.

"Underlying Instrument" means the indenture or other agreement pursuant to which an Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Asset or of which the holders of such Asset are the beneficiaries.

"Unscheduled Principal Payments" means all Principal Proceeds received in respect of Collateral Obligations from optional or nonscheduled mandatory redemptions or amortizations, exchange offers, tender offers or other payments made at the option of the issuer thereof or that are otherwise not scheduled to be made.

"Unsecured Loan" means a senior unsecured Loan which is not (and by its terms is not permitted to become) subordinate in right of payment to any other debt for borrowed money incurred by the obligor under such Loan.

"Zero Coupon Bond" means any debt security that by its terms (a) does not bear interest for all or part of the remaining period that it is outstanding, (b) provides for periodic payments of interest in cash less frequently than semi-annually or (c) pays interest only at its stated maturity.

INDEX OF DEFINED TERMS

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**FORM OF PURCHASER REPRESENTATION LETTER FOR
CERTIFICATED OR UNCERTIFICATED SUBORDINATED NOTES**

[DATE]

State Street Bank and Trust Company, as Trustee
200 Clarendon Street
Boston, Massachusetts 02116
Attention: Babson CLO Ltd. 2012-II

Re: Babson CLO Ltd. 2012-II (the "**Issuer**"); Subordinated Notes

Reference is hereby made to the Indenture, dated as of June 21, 2012, among the Issuer, Babson CLO 2012-II, LLC, as Co-Issuer, and State Street Bank and Trust Company, as Trustee (the "**Indenture**"). Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

This letter relates to U.S.\$_____ aggregate outstanding principal amount of Subordinated Notes (the "**Subordinated Notes**") in the form of [one or more certificated] [uncertificated] [a beneficial interest in a Regulation S Global] Subordinated Note[s] to effect the transfer of the Subordinated Notes to _____ (the "**Transferee**").

The Transferee hereby represents, warrants and covenants for the benefit of the Issuer and its counsel that we are:

(a) **(PLEASE CHECK ONLY ONE)**

_____ a "**qualified institutional buyer**" as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers and is acquiring the Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder;

_____ an "**accredited investor**" as defined in Rule 501(a) under the Securities Act who is also a Qualified Purchaser or an entity owned exclusively by Qualified Purchasers; or

_____ a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and are acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from Securities Act registration provided by Regulation S; and

(b) acquiring the Subordinated Notes for our own account (and not for the account of any other person) in a minimum denomination of U.S.\$500,000 and in integral multiples of U.S.\$1.00 in excess thereof.

The Transferee further represents, warrants and agrees as follows:

1. It understands that the Subordinated Notes have not been and will not be registered under the Securities Act, and, if in the future it decides to offer, resell, pledge or otherwise transfer the Subordinated Notes, such Subordinated Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Subordinated Notes, including the requirement for written certifications. In particular, it understands that the Subordinated Notes may be transferred only (I) to a person that is either (a) a **"qualified purchaser"** (as defined in the Investment Company Act of 1940, as amended (the **"Investment Company Act"**)) or (b) a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is a Qualified Purchaser and in the case of (a) and (b) above that is either (i) a **"qualified institutional buyer"** as defined in Rule 144A under the Securities Act who purchases such Subordinated Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (ii) an **"accredited investor"** as defined in Rule 501(a) under the Securities Act or (II) to a person that is not a **"U.S. person"** as defined in Regulation S under the Securities Act, and is acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder. It acknowledges that no representation is made as to the availability of any exemption under the Securities Act or any state securities laws for resale of the Subordinated Notes. It understands that neither of the Co-Issuers has been registered under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Subordinated Notes that fails to comply with the foregoing requirements to sell its interest in such Subordinated Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Subordinated Notes: (i) none of the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates is acting as a fiduciary or financial or investment adviser for it; (ii) it is not relying (for purposes of making any investment decision or otherwise) upon any written or oral advice, counsel or representations of the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates other than any statements in the final offering circular for such Subordinated Notes; (iii) it has read and understands the final offering circular for such Subordinated Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Subordinated Notes are being issued and the risks to purchasers of the Subordinated Notes); (iv) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Co-Issuers, Citigroup, the Collateral Manager, the Trustee, the Collateral Administrator or any of their respective affiliates; (v) it will hold and transfer at least the minimum denomination of such Subordinated Notes; (vi) it was not formed for the purpose of investing in the Subordinated Notes; and (vii) it is a sophisticated investor and is purchasing the Subordinated Notes with a full understanding of all of the terms, conditions and risks thereof, and it is capable of assuming and willing to assume those risks.

3. (i) It is either (x) a Person that is (A) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or (B) a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is a Qualified Purchaser and in the case of (A) and (B) above that is either (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Preferred Securities in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (2) an "accredited investor" as defined in Rule 501(a) under the Securities Act or (y) not a "U.S. person" as defined in Regulation S under the Securities Act and is acquiring the Subordinated Notes in an offshore transaction (as defined in Regulation S thereunder) in reliance on the exemption from registration provided by Regulation S thereunder; (ii) it is acquiring the Subordinated Notes as principal solely for its own account for investment and not with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; (iii) it is not a (A) partnership, (B) common trust fund, or (C) special trust, pension, profit sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants may designate the particular investments to be made; (iv) it agrees that it shall not hold any Subordinated Notes for the benefit of any other

person, that it shall at all times be the sole beneficial owner thereof for purposes of the Investment Company Act and all other purposes and that it shall not sell participation interests in the Subordinated Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Subordinated Notes; (v) it is acquiring its interest in the Subordinated Notes for its own account; and (vi) it will hold and transfer at least the minimum denomination of the Subordinated Notes and provide notice of the relevant transfer restrictions to subsequent transferees.

4. It acknowledges and agrees that all of the assurances given by it in certifications required by the Indenture as to its status under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or as to its status as an Affected Bank are correct and are for the benefit of the Issuer, the Trustee, Citigroup, and the Collateral Manager. It agrees and acknowledges that none of Issuer or the Trustee will recognize any transfer of the Subordinated Notes if such transfer may result in 25% or more of the value of the Subordinated Notes being held by Benefit Plan Investors, as defined in Section 3(42) of ERISA. It further agrees and acknowledges that no transfer of a Regulation S Global Subordinated Note to a Benefit Plan Investor or a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Issuer or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person (any such person, a "Controlling Person") will be permitted. For this purpose, an "affiliate" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "control" with respect to a person other than an individual means the power to exercise a controlling influence over the management or policies of such person and will be effective and the Trustee will not recognize any such transfer. It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of a Subordinated Note who has made or has been deemed to make a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is subsequently shown to be false or misleading or whose ownership otherwise causes a violation of the 25% Limitation to sell its interest in the Subordinated Note, or may sell such interest on behalf of such owner. It further agrees and acknowledges that no transfer of a Subordinated Note to an Affected Bank will be effective and the Trustee will not recognize any such transfer, unless such transfer is specifically authorized by the Issuer in writing; *provided*, that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the aggregate outstanding principal amount of the Subordinated Notes or (y) the transferor is an Affected Bank previously approved by the Issuer.

5. It will treat its Subordinated Notes as equity in the Issuer for United States federal and, to the extent permitted by law, state and local income and franchise tax purposes unless otherwise required by any relevant taxing authority.

6. It is _____ (check if applicable) a "**United States person**" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed Internal Revenue Service Form W-9 (or applicable successor form) is attached hereto; or _____ (check if applicable) not a "United States person" within the meaning of Section 7701(a)(30) of the Code, and a properly completed and signed applicable Internal Revenue Service Form W-8 (or applicable successor form) is attached hereto. It understands and acknowledges that failure to provide the Issuer or the Trustee with the applicable tax certifications or the failure to meet its Noteholder Reporting Obligations may result in withholding or back-up withholding from payments to it in respect of the Subordinated Notes.

7. If it is not a "United States person" (as defined in Section 7701(a)(30) of the Code), it hereby represents that it is not purchasing Subordinated Notes in order to reduce its U.S. federal income tax liability pursuant to a tax avoidance plan.

8. It hereby agrees to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether it is a specified United States person as defined in Section 1473(3) of the Code (a "specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code (a "United States owned foreign entity") and (ii) any additional information that the Issuer or its agent requests in connection with Sections

1471-1474 of the Code. If it is a specified United States person or a United States owned foreign entity, it also hereby agrees to (x) provide the Issuer and Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its "substantial United States owners" (as defined in Section 1473(2) of the Code) and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer may provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service. It understands and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Subordinated Notes that fails to comply with the foregoing requirements to sell its interest in such Subordinated Notes, or may sell such interest on behalf of such owner.

9. It agrees not to seek to commence in respect of the Issuer, the Co-Issuer or any Blocker Subsidiary, or cause the Issuer, the Co-Issuer or any Blocker Subsidiary to commence, a bankruptcy proceeding before a year and a day has elapsed since the payment in full to the holders of the Notes (and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer) issued pursuant to the Indenture or, if longer, the applicable preference period then in effect.

10. To the extent required by the Issuer, as determined by the Issuer or the Collateral Manager on behalf of the Issuer, the Issuer may, upon notice to the Trustee, impose additional transfer restrictions on the Subordinated Notes to comply with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA Patriot Act**") and other similar laws or regulations, including, without limitation, requiring each transferee of a Subordinated Note to make representations to the Issuer in connection with such compliance.

11. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Subordinated Notes, the Subordinated Notes will constitute Collateral Manager Notes; or _____ (check if applicable) upon acquisition by it of the Subordinated Notes, the Subordinated Notes will not constitute Collateral Manager Notes.

12. It agrees to provide the Issuer and Trustee (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to comply with U.S. tax information reporting requirements relating to its adjusted basis in the Subordinated Notes, and (ii) any additional information that the Issuer, Trustee or their agents request in connection with any 1099 reporting requirements, and update any such information provided in clause (i) or (ii) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer or Trustee may provide such information and any other information concerning its investment in the Subordinated Notes to the U.S. Internal Revenue Service.

13. It represents and warrants that it is not a member of the public in the Cayman Islands.

14. It understands that the Issuer, the Trustee, Citigroup and the Collateral Manager will rely upon the accuracy and truth of the foregoing representations, and it hereby consents to such reliance.

[The remainder of this page has been intentionally left blank.]

Name of Purchaser:
Dated:

By:
Name:
Title:

Outstanding principal amount of Subordinated Notes: U.S.\$_____

Taxpayer identification number:

Address for notices:

Wire transfer information for payments:

Bank:

Address:

Bank ABA#:

Account #:

Telephone:

FAO:

Facsimile:

Attention:

Attention:

Denominations of certificates (if applicable and if more than one):

Registered name:

cc: Babson CLO Ltd. 2012-II
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman, KY1-1102, Cayman Islands

FORM OF ERISA AND AFFECTED BANK CERTIFICATE

The purpose of this Certificate (this "**Certificate**") is, among other things, to (i) endeavor to ensure that less than 25% of the value of the Subordinated Notes issued by Babson CLO Ltd. 2012-II (the "**Issuer**") is held by "**Benefit Plan Investors**" as contemplated and defined under Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") and the U.S. Department of Labor's regulations set forth at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA (the "**Plan Asset Regulations**") so that the Issuer will not be subject to the U.S. federal employee benefits provisions contained in ERISA and Section 4975 of the Internal Revenue Code of 1986 (the "**Code**"), (ii) endeavor to ensure that no Affected Bank, directly or in conjunction with its affiliates, owns more than 33-1/3% of the Subordinated Notes or any Class of Secured Notes, (iii) obtain from you certain representations and agreements and (iv) provide you with certain related information with respect to your acquisition, holding or disposition of Subordinated Notes. **By signing this Certificate, you agree to be bound by its terms.**

Please be aware that the information contained in this Certificate is not intended to constitute advice and the examples given below are not intended to be, and are not, comprehensive. You should contact your own counsel if you have any questions in completing this Certificate. Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Issuer or the Indenture.

Please review the information in this Certificate and check ANY of the following boxes 1, 2, 3, 4, 7 and 10 that apply to you in the spaces provided.

If any of boxes 1, 2, 3, 4, 7 and 10 is not checked, you are agreeing that the applicable Section does not, and will not, apply to you. If you intend to purchase interests in Regulation S Global Subordinated Notes, you must check Box 4 and you must not check Box 1, 2, 3 or 7; otherwise you will not be permitted to purchase such interests. The items with no spaces provided apply to all investors.

1. ☐ **Employee Benefit Plans Subject to ERISA or the Code.** We, or the entity on whose behalf we are acting, are an "employee benefit plan" within the meaning of Section 3(3) of ERISA that is subject to Part 4 of Title I of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code.

Examples: (i) tax qualified retirement plans such as pension, profit sharing and section 401(k) plans, (ii) welfare benefit plans such as accident, life and medical plans, (iii) individual retirement accounts or "IRAs" and "Keogh" plans and (iv) certain tax-qualified educational and savings trusts.

2. ☐ **Entity Holding Plan Assets by Reason of Plan Asset Regulations.** We, or the entity on whose behalf we are acting, are an entity or fund whose underlying assets include "plan assets" for purposes of the Plan Asset Regulations by reason of a Benefit Plan Investor's investment in such entity.

Examples: (i) an insurance company separate account, (ii) a bank collective trust fund and (iii) a hedge fund or other private investment vehicle where 25% or more of the value of any class of its equity is held by Benefit Plan Investors, as determined in accordance with the Plan Asset Regulations.

If you check Box 2, please indicate the maximum percentage of the entity or fund that will constitute "plan assets" for purposes of the Plan Asset Regulations: ____%.

An entity or fund that cannot provide the foregoing percentage hereby acknowledges that for purposes of determining whether Benefit Plan Investors own less than 25% of the value of the Subordinated Notes issued by the Issuer, 100% of the assets of the entity or fund will be treated as "plan assets".

ERISA and the regulations promulgated thereunder are technical. Accordingly, if you have any question regarding whether you may be an entity described in this Section 2, you should consult with your counsel.

3. ☐ **Insurance Company General Account.** We, or the entity on whose behalf we are acting, are an insurance company purchasing Subordinated Notes with funds from our or their general account (i.e., the insurance company's corporate investment portfolio), whose assets, in whole or in part, constitute "plan assets" for purposes of the Plan Asset Regulations.

If you check Box 3, please indicate the maximum percentage of the insurance company general account that will constitute "plan assets" for purposes of the Plan Asset Regulations: ____%. IF YOU DO NOT INCLUDE ANY PERCENTAGE IN THE BLANK SPACE, YOU WILL BE COUNTED AS IF YOU FILLED IN 100% IN THE BLANK SPACE.

4. ☐ **None of Sections (1) Through (3) Above Apply.** We, or the entity on whose behalf we are acting, are a person that does not fall into any of the categories described in Sections 1 through 3 above.

5. **No Prohibited Transaction.** If we checked any of the boxes in Sections 1 through 3 above, we represent, warrant and agree that our acquisition, holding and disposition of Subordinated Notes do not and will not constitute or give rise to a non-exempt prohibited transaction under ERISA or Section 4975 of the Code.

6. **Not Subject to Similar Law and No Violation of Other Plan Law.** If we are a governmental, church, non-U.S. or other plan, we represent, warrant and agree that (a) we are not subject to any federal, state, local, non-U.S. or other law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer and the Collateral Manager (or other persons responsible for the investment and operation of the Issuer's assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code, and (b) our acquisition, holding and disposition of the Subordinated Notes do not and will not constitute or result in a non-exempt violation of any law or regulation that is substantially similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code.

7. ☐ **Controlling Person.** We are, or we are acting on behalf of any of: (i) the Trustee, (ii) the Collateral Manager, (iii) any person that has discretionary authority or control with respect to the assets of the Issuer, (iv) any person who provides investment advice for a fee (direct or indirect) with respect to such assets or (v) any "affiliate" of any of the above persons. "Affiliate" shall have the meaning set forth in the Plan Asset Regulations. Any of the persons described in the first sentence of this Section 7 is referred to in this Certificate as a "Controlling Person".

Note: We understand that, for purposes of determining whether Benefit Plan Investors hold less than 25% of the value of the Subordinated Notes, the value of any Subordinated Notes held by Controlling Persons (other than Benefit Plan Investors) are required to be disregarded.

8. **Compelled Disposition.** We acknowledge and agree that:

(i) if any representation that we made hereunder is subsequently shown to be false or misleading or our beneficial ownership otherwise causes a violation of the 25% Limitation, the Issuer shall, promptly after such discovery (or upon notice to the Issuer from the Trustee if the Trustee makes the discovery (who, in each case, agrees to notify the Issuer of such discovery, if any)), send notice to us demanding that we transfer our interest to a person that is not a Non-Permitted ERISA Holder within 20 days after the date of such notice;

(ii) if we fail to transfer our Subordinated Notes that are causing a violation of the 25% Limitation, the Issuer shall have the right, without further notice to us, to sell such Subordinated Notes or our interest in such Subordinated Notes, to a purchaser selected by the Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer may choose;

(iii) the Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to the Subordinated Notes and selling such securities to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole discretion;

(iv) by our acceptance of an interest in Subordinated Notes, we agree to cooperate with the Issuer to effect such transfers;

(v) the proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to us; and

(vi) the terms and conditions of any sale under this sub-section shall be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager and the Trustee shall be liable to us as a result of any such sale or the exercise of such discretion.

9. **Required Notification and Agreement.** We hereby agree that we (a) will inform the Trustee of any proposed transfer by us of all or a specified portion of Subordinated Notes and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent in writing that such transfer would cause the 25% Limitation to be exceeded. We hereby agree and acknowledge that after the Trustee effects any permitted transfer of Subordinated Notes owned by us to a Benefit Plan Investor or a Controlling Person or receives notice of any such permitted change of status, the Trustee shall include such Subordinated Notes in future calculations of the 25% Limitation unless subsequently notified that such Subordinated Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons.

10. ☐ **Affected Bank.** We, or the entity on whose behalf we are acting, are a "bank" for purposes of Section 881 of the Code or an entity affiliated with such a bank that is neither (x) a United States person (within the meaning of Section 7701(a)(30) of the Code) nor (y) entitled to the benefits of an income tax treaty with the United States under which withholding taxes on interest payments made by obligors resident in the United States to such bank are reduced to 0%.

Note: We understand that, if we checked the box in Section 8, the Trustee will not register the transfer of Subordinated Notes to us unless such transfer is specifically authorized by the Issuer in writing; provided that the Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to own more than 33-1/3% of the Subordinated Notes or any Class of Secured Notes or (y) the transferor of the Subordinated Notes to it is an Affected Bank previously approved by the Issuer.

11. **Continuing Representation; Reliance.** We acknowledge and agree that the representations contained in this Certificate shall be deemed made on each day from the date we make such representations through and including the date on which we dispose of our interests in the Subordinated Notes. We understand and agree that the information supplied in this Certificate will be used and relied upon by the Issuer and the Trustee to determine that (i) Benefit Plan Investors own or hold less than 25% of the value of the Subordinated Notes upon any subsequent transfer of Subordinated Notes in accordance with the Indenture and (ii) no Affected Bank, directly or in conjunction with its affiliates, owns or holds more than 33-1/3% of the Subordinated Notes or any Class of Secured Notes at any time.

12. **Further Acknowledgement and Agreement.** We acknowledge and agree that (i) all of the assurances contained in this Certificate are for the benefit of the Issuer, the Trustee, Citigroup and the Collateral Manager as third party beneficiaries hereof, (ii) copies of this Certificate and any information contained herein may be provided to the Issuer, the Trustee, Citigroup, the Collateral Manager, affiliates of any of the foregoing parties and to each of the foregoing parties' respective counsel for purposes of making the determinations described above and (iii) any acquisition or transfer of Subordinated Notes by us that is not in accordance with the provisions of this Certificate shall be null and void from the beginning, and of no legal effect.

[The remainder of this page has been intentionally left blank.]

13. **Future Transfer Requirements.**

Transferee Letter and its Delivery. We acknowledge and agree that we may not transfer any Certificated Subordinated Notes or Uncertificated Subordinated Notes to any person unless the Trustee has received a certificate substantially in the form of this Certificate. Any attempt to transfer in violation of this section will be null and void from the beginning, and of no legal effect.

Note: Unless you are notified otherwise, the name and address of the Trustee is as follows:

State Street Bank and Trust Company, as Trustee
200 Clarendon Street
Boston, Massachusetts 02116
Attention: Babson CLO Ltd. 2012-II

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Certificate.

_____ [Insert Purchaser's Name]

By:
Name:
Title:
Dated:

This Certificate relates to U.S.\$_____ of Subordinated Notes

MOODY'S RATING DEFINITIONS

"Moody's Default Probability Rating" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) With respect to a Collateral Obligation that is a Moody's Senior Secured Loan or Participation Interest in a Moody's Senior Secured Loan, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then such corporate family rating; and (solely for purposes of determining the Adjusted Weighted Average Moody's Rating Factor) with respect to a Collateral Obligation that is a Current Pay Obligation, one subcategory below the facility rating (whether public or private) of such Current Pay Obligation (or the facility rating of such Current Pay Obligation immediately before such rating was withdrawn) rated by Moody's;

(ii) With respect to a Collateral Obligation that is a Moody's Senior Secured Loan or Participation Interest in a Moody's Senior Secured Loan, if not determined pursuant to clause (i) above, if such Collateral Obligation (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or the corporate family rating estimate, as applicable;

(iii) With respect to a Collateral Obligation, if not determined pursuant to clause (i) or (ii) above, (A) if the obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation (or, if such Collateral Obligation is a Moody's Senior Secured Loan, the Moody's rating that is one subcategory higher than the Moody's public rating on any such senior unsecured obligation) as selected by the Collateral Manager in its sole discretion or, if no such rating is available, (B) if such Collateral Obligation is publicly rated by Moody's, such public rating or, if no such rating is available, (C) if a rating or rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation or (D) if such Collateral Obligation is a DIP Collateral Obligation, the Moody's Derived Rating set forth in clause (i) in the definition thereof; and

(iv) With respect to a Collateral Obligation, if not determined pursuant to clause (i), (ii) or (iii) above, the Moody's Derived Rating.

For purposes of calculating a Moody's Default Probability Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"Moody's Derived Rating" means, with respect to a Collateral Obligation whose Moody's Rating or Moody's Default Probability Rating cannot be determined pursuant to clause (i), (ii) or (iii) of the respective definitions thereof, the Moody's Derived Rating for purposes of clause (iv) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) shall be determined as set forth below:

(i) With respect to any DIP Collateral Obligation, one subcategory below the facility rating (whether public or private) of such DIP Collateral Obligation rated by Moody's.

(ii) If not determined pursuant to clause (i) above, if the obligor of such Collateral Obligation has a long-term issuer rating by Moody's, then such long-term issuer rating.

(iii) If not determined pursuant to clause (i) or (ii) above, if another obligation of the obligor is rated by Moody's, then by adjusting the rating of the related Moody's rated obligations of the related obligor by the number of rating subcategories according to the table below:

Obligation Category of Rated Obligation	Rating of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(iv) If not determined pursuant to clause (i), (ii) or (iii) above, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then one subcategory below such corporate family rating;

(v) If not determined pursuant to clause (i), (ii), (iii) or (iv) above, then by using any one of the methods provided below:

(A) (1) pursuant to the table below:

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	\geq BBB-	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	\leq BB+	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(2) if such Collateral Obligation is not rated by S&P but another security or obligation of the obligor has a public and monitored rating by S&P (a "**parallel security**"), then the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in subclause (v)(A)(1) above, and the Moody's Derived Rating for purposes of clause (iv) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will be determined in accordance with the methodology set forth in clause (iii) above (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (v)(A)(2)); or

(3) if such Collateral Obligation is a DIP Collateral Obligation, no Moody's Derived Rating may be determined based on a rating by S&P or any other rating agency; or

(B) if such Collateral Obligation is not rated by Moody's or S&P and no other security or obligation of the issuer of such Collateral Obligation is rated by Moody's or S&P, and if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign a rating or rating estimate with respect to such Collateral Obligation but such rating or rating estimate has not been received, pending receipt of such estimate,

the Moody's Derived Rating for purposes of clause (iv) of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation shall be (x) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate will be at least "B3" and if the aggregate principal balance of Collateral Obligations determined pursuant to this clause (B) does not exceed 5% of the Collateral Principal Amount of all Collateral Obligations or (y) otherwise, "Caa1".

For purposes of calculating a Moody's Derived Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

"Moody's Rating" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(i) With respect to a Collateral Obligation that (A) is publicly rated by Moody's, such public rating, or (B) is not publicly rated by Moody's but for which a rating or rating estimate has been assigned by Moody's upon the request of the Issuer or the Collateral Manager, such rating or, in the case of a rating estimate, the applicable rating estimate for such obligation;

(ii) With respect to a Collateral Obligation that is a Moody's Senior Secured Loan or Participation Interest in a Moody's Senior Secured Loan, if not determined pursuant to clause (i) above, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then such corporate family rating;

(iii) With respect to a Collateral Obligation, if not determined pursuant to clause (i) or (ii) above, if the obligor of such Collateral Obligation has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's public rating on any such obligation (or, if such Collateral Obligation is a Moody's Senior Secured Loan, the Moody's rating that is one subcategory higher than the Moody's public rating on any such senior unsecured obligation) as selected by the Collateral Manager in its sole discretion; and

(iv) With respect to a Collateral Obligation, if not determined pursuant to clause (i), (ii) or (iii) above, the Moody's Derived Rating.

For purposes of calculating a Moody's Rating, each applicable rating on credit watch by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

S&P RATING DEFINITION AND RECOVERY RATE TABLES

"Information" means S&P's "Credit Estimate Information Requirements" dated June 2007 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"S&P Rating" means, with respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

- (i) (a) if there is an issuer credit rating of the issuer of such Collateral Obligation by S&P as published by S&P, or the guarantor which unconditionally and irrevocably guarantees such Collateral Obligation pursuant to a form of guaranty approved by S&P for use in connection with this transaction, then the S&P Rating shall be such rating (regardless of whether there is a published rating by S&P on the Collateral Obligations of such issuer held by the Issuer, *provided* that private ratings (that is, ratings provided at the request of the obligor) may be used for purposes of this definition if the related obligor has consented to the disclosure thereof and a copy of such consent has been provided to S&P) or (b) if there is no issuer credit rating of the issuer by S&P but (1) there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category below such rating; (2) if clause (1) above does not apply, but there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation shall equal such rating; and (3) if neither clause (1) nor clause (2) above applies, but there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation shall be one sub-category above such rating if such rating is higher than "BB+", and shall be two sub-categories above such rating if such rating is "BB+" or lower;
- (ii) with respect to any Collateral Obligation that is a DIP Collateral Obligation, the S&P Rating thereof shall be the credit rating assigned to such issue by S&P;
- (iii) if there is not a rating by S&P on the issuer or on an obligation of the issuer, then the S&P Rating may be determined pursuant to clauses (a) through (c) below:
 - (a) if an obligation of the issuer is not a DIP Collateral Obligation and is publicly rated by Moody's, then the S&P Rating will be determined in accordance with the methodologies for establishing the Moody's Rating set forth above except that the S&P Rating of such obligation will be (1) one sub-category below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Baa3" or higher and (2) two sub-categories below the S&P equivalent of the Moody's Rating if such Moody's Rating is "Ba1" or lower;
 - (b) the S&P Rating may be based on a credit estimate *provided* by S&P, and in connection therewith, the Issuer, the Collateral Manager on behalf of the Issuer or the issuer of such Collateral Obligation shall, prior to or within 30 days after the acquisition of such Collateral Obligation, apply (and concurrently submit all available Information in respect of such application) to S&P for a credit estimate which shall be its S&P Rating; *provided* that, if such Information is submitted within such 30-day period, then, pending receipt from S&P of such estimate, such Collateral Obligation shall have an S&P Rating as determined by the Collateral Manager in its sole discretion if the Collateral Manager certifies to the Trustee and the Collateral Administrator that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and that the credit estimate provided by S&P will be at least equal to such rating; *provided further*, that if such Information is not submitted within such 30-day period, then, pending receipt from

S&P of such estimate, the Collateral Obligation shall have (1) the S&P Rating as determined by the Collateral Manager for a period of up to 90 days after the acquisition of such Collateral Obligation and (2) an S&P Rating of "CCC-" following such 90-day period; unless, during such 90-day period, the Collateral Manager has requested the extension of such period and S&P, in its sole discretion, has granted such request; *provided further*, that if such 90-day period (or other extended period) elapses pending S&P's decision with respect to such application, the S&P Rating of such Collateral Obligation shall be "CCC-"; *provided further*, that if the Collateral Obligation has had a public rating by S&P that S&P has withdrawn or suspended within six months prior to the date of such application for a credit estimate in respect of such Collateral Obligation, the S&P Rating in respect thereof shall be "CCC-" pending receipt from S&P of such estimate, and S&P may elect not to provide such estimate until a period of six months have elapsed after the withdrawal or suspension of the public rating; *provided further* that the S&P Rating may not be determined pursuant to this clause (b) if the Collateral Obligation is a DIP Collateral Obligation; *provided further* that such credit estimate shall expire 12 months after the receipt thereof, following which such Collateral Obligation shall have an S&P Rating of "CCC-" unless, during such 12-month period following the receipt of such credit estimate, the Issuer applies for renewal thereof in accordance with the Indenture, in which case such credit estimate shall continue to be the S&P Rating of such Collateral Obligation until S&P has confirmed or revised such credit estimate, upon which such confirmed or revised credit estimate shall be the S&P Rating of such Collateral Obligation; *provided further* that such confirmed or revised credit estimate shall expire on the next succeeding 12-month anniversary of the date of the receipt thereof and (when renewed annually in accordance with the Indenture) on each 12-month anniversary thereafter;

- (c) with respect to a Collateral Obligation that is not a Defaulted Obligation, the S&P Rating of such Collateral Obligation will at the election of the Issuer (at the direction of the Collateral Manager) be "CCC-" provided (i) neither the issuer of such Collateral Obligation nor any of its Affiliates are subject to any bankruptcy or reorganization proceedings and (ii) the issuer has not defaulted on any payment obligation in respect of any debt security or other obligation of the issuer at any time within the two-year period ending on such date of determination, all such debt securities and other obligations of the issuer that are *pari passu* with or senior to the Collateral Obligation are current and the Collateral Manager reasonably expects them to remain current; or
- (iv) with respect to a DIP Collateral Obligation that has no issue rating by S&P or a Current Pay Obligation that is rated "D" or "SD" by S&P, the S&P Rating of such DIP Collateral Obligation or Current Pay Obligation, as applicable, will be, at the election of the Issuer (at the direction of the Collateral Manager), "CCC-" or the S&P Rating determined pursuant to clause (iii)(b) above;

provided, that for purposes of the determination of the S&P Rating, (x) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch positive" by S&P, such rating will be treated as being one sub-category above such assigned rating and (y) if the applicable rating assigned by S&P to an obligor or its obligations is on "credit watch negative" by S&P, such rating will be treated as being one sub-category below such assigned rating.

Section 1.

(a)(i) If a Collateral Obligation has an S&P Recovery Rating, or is *pari passu* with another obligation of the same obligor that has an S&P Recovery Rating and is secured by the same collateral as such other obligation, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of a Collateral Obligation	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	75%	85%	88%	90%	92%	95%
1	65%	75%	80%	85%	90%	95%
2	50%	60%	66%	73%	79%	85%
3	30%	40%	46%	53%	59%	65%
4	20%	26%	33%	39%	43%	45%
5	5%	10%	15%	20%	23%	25%
6	2%	4%	6%	8%	10%	10%
	Recovery rate					

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a senior unsecured loan, second lien loan or senior unsecured bond and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Loan, senior secured note or senior secured bond (a "**Senior Secured Debt Instrument**") that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	16%	18%	21%	24%	27%	29%
1	16%	18%	21%	24%	27%	29%
2	16%	18%	21%	24%	27%	29%
3	10%	13%	15%	18%	19%	20%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

(iii) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a subordinated loan or subordinated bond and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such Collateral Obligation that is a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Groups A, B and C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

(b) If a recovery rate cannot be determined using clause (a), the recovery rate shall be determined as follows.¹⁰

Recovery rates for obligors Domiciled in Group A, B, C or D:

Priority Category	Initial Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and "CCC"
Senior Secured Loans						
Group A	50%	55%	59%	63%	75%	79%
Group B	45%	49%	53%	58%	70%	74%
Group C	39%	42%	46%	49%	60%	63%
Group D	17%	19%	27%	29%	31%	34%

¹⁰ Senior Secured Bonds without an S&P Recovery Rating shall use the "Cov-Lite Loans" Priority Category for the purpose of determining their S&P Recovery Rate.

Senior Secured Loans (Cov-Lite Loans)						
Group A	41%	46%	49%	53%	63%	67%
Group B	37%	41%	44%	49%	59%	62%
Group C	32%	35%	39%	41%	50%	53%
Group D	17%	19%	27%	29%	31%	34%
Senior unsecured loans and second lien loans and Second Lien Loans ¹¹						
Group A	18%	20%	23%	26%	29%	31%
Group B	16%	18%	21%	24%	27%	29%
Group C	13%	16%	18%	21%	23%	25%
Group D	10%	12%	14%	16%	18%	20%
Subordinated loans and Unsecured Bonds						
Group A	8%	8%	8%	8%	8%	8%
Group B	10%	10%	10%	10%	10%	10%
Group C	9%	9%	9%	9%	9%	9%
Group D	5%	5%	5%	5%	5%	5%
Recovery rate						
<i>Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, U.K.</i>						
<i>Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.</i>						
<i>Group C: Argentina, Brazil, Chile, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.</i>						
<i>Group D: Kazakhstan, Russia, Ukraine, others</i>						

Section 2. S&P CDO Monitor

Liability Rating	"AAA"	"AA"	"A"	"BBB"	"BB"
Weighted Average S&P Recovery Rate	40.00%	47.20%	53.20%	58.80%	64.00%
	40.50%	47.79%	53.87%	59.54%	64.80%
	41.00%	48.38%	54.53%	60.27%	65.60%
	41.50%	48.97%	55.20%	61.01%	66.40%
	42.00%	49.56%	55.86%	61.74%	67.20%
	42.50%	50.15%	56.53%	62.48%	68.00%
	43.00%	50.74%	57.19%	63.21%	68.80%
	43.50%	51.33%	57.86%	63.95%	69.60%
	44.00%	51.92%	58.52%	64.68%	70.40%
	44.50%	52.51%	59.19%	65.42%	71.20%
	45.00%	53.10%	59.85%	66.15%	72.00%
	45.50%	54.00%	60.75%	67.25%	73.00%
	46.00%	54.28%	61.18%	67.62%	73.60%
	46.50%	54.87%	61.85%	68.36%	74.40%
	47.00%	55.46%	62.51%	69.09%	75.20%
	47.50%	56.05%	63.18%	69.83%	76.00%
	48.00%	56.64%	63.84%	70.56%	76.80%
	48.50%	57.23%	64.51%	71.30%	77.60%
	49.00%	57.82%	65.17%	72.03%	78.40%
	49.50%	58.41%	65.84%	72.77%	79.20%
	50.00%	59.00%	66.50%	73.50%	80.00%

¹¹ Second Lien Loans with an aggregate principal balance in excess of 15% of the Collateral Principal Amount shall use the "Subordinated loans" Priority Category for the purpose of determining their S&P Recovery Rate.

Weighted Average Spread

2.45%
2.55%
2.65%
2.75%
2.85%
2.95%
3.05%
3.15%
3.25%
3.35%
3.45%
3.55%
3.65%
3.75%
3.85%
3.95%
4.05%
4.15%
4.25%
4.35%
4.45%
4.55%
4.65%
4.75%
4.85%

Unless the Collateral Manager otherwise notifies S&P in writing on or prior to the Effective Date, as of the Effective Date the Collateral Manager will elect the following Weighted Average S&P Recovery Rates:

Liability Rating	"AAA"	"AA"	"A"	"BBB"	"BB"
Weighted Average S&P Recovery Rate	45.50%	54.00%	60.75%	67.25%	73.00%

Unless the Collateral Manager otherwise notifies S&P in writing on or prior to the Effective Date, as of the Effective Date the Collateral Manager will elect the following Weighted Average Floating Spread:

4.05%

PART 2A OF FORM ADV OF BABSON CAPITAL MANAGEMENT LLC

PRINCIPAL OFFICE OF ISSUER

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c/o MaplesFS Limited
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PRINCIPAL OFFICE OF CO-ISSUER

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TRUSTEE AND PAYING AGENT

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Attention: Babson CLO Ltd. 2012-II

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ANNEX B

SUPPLEMENTAL INDENTURE NO. 1

BABSON CLO LTD. 2012-II

Issuer

BABSON CLO 2012-II, LLC

Co-Issuer

STATE STREET BANK AND TRUST COMPANY

Trustee

SUPPLEMENTAL INDENTURE

NO. 1

Dated as of June 9, 2015, amending the Indenture dated as of June 21, 2012

SUPPLEMENTAL INDENTURE NO. 1, dated as of June 9, 2015 (this *Supplemental Indenture*), between Babson CLO Ltd. 2012-II, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the *Issuer*), Babson CLO 2012-II, LLC, a Delaware limited liability company (the *Co-Issuer* and, together with the Issuer, the *Co-Issuers*) and State Street Bank and Trust Company, as trustee (the *Trustee*), is entered into pursuant to the terms of the Indenture, dated as of June 21, 2012, between the Co-Issuers and the Trustee (the *Indenture*). Capitalized terms used in this Supplemental Indenture that are not otherwise defined herein have the meanings assigned thereto in the Indenture.

PRELIMINARY STATEMENT

WHEREAS, pursuant to Section 9.2(g) of the Indenture, if a Refinancing is obtained meeting the requirements specified in the Indenture as certified by the Collateral Manager, the Issuer and, at the direction of the Collateral Manager, the Trustee shall amend the Indenture to the extent necessary to reflect the terms of the Refinancing and no further consent for such amendments shall be required from the Holders of Notes other than Holders of the Subordinated Notes directing the redemption;

WHEREAS, the Co-Issuers desire to enter into this Supplemental Indenture to make changes necessary to issue replacement securities in connection with a Refinancing of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes through issuance of the Class A-1R Notes, the Class A-2R Notes, the Class B-R Notes, the Class C-R Notes and the Class D-R Notes occurring on the date of this Supplemental Indenture;

WHEREAS, the Subordinated Notes shall remain outstanding following the Refinancing;

WHEREAS, pursuant to Section 9.2(a) and 9.4(a), a Supermajority of the Subordinated Notes has provided direction for the Refinancing to occur and pursuant to Section 9.2(g) of the Indenture, the Collateral Manager has certified that a Refinancing has been obtained meeting the requirements specified in the Indenture;

WHEREAS, the conditions set forth in the Indenture for entry into a supplemental indenture pursuant to Section 9.2(g) of the Indenture have been satisfied; and

WHEREAS, pursuant to the terms of this Supplemental Indenture, with respect to each purchaser of a Refinancing Note, such purchaser's payment for such Refinancing Note will confirm such purchaser's agreement to the amendments to the Indenture set forth in the Supplemental Indenture and to the execution of this Supplemental Indenture by the Co-Issuers and the Trustee.

NOW THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, the Co-Issuers and the Trustee hereby agree as follows:

SECTION 1. Terms of the Refinancing Notes and Amendments to the Indenture

(a) The Applicable Issuers shall issue additional Notes (referred to herein collectively as the ***Refinancing Notes***) the proceeds of which shall be used to redeem the corresponding Class of Notes set forth below (such Notes, collectively, the ***Refinanced Notes***) which shall be divided into the Classes, having the designations, initial principal amounts and other characteristics as follows:

Refinancing Notes

Designation	Class A-1R Notes	Class A-2R Notes	Class B-R Notes	Class C-R Notes	Class D-R Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer
Corresponding Class Being Refinanced	A-1	A-2	B	C	D
Initial Principal Amount (U.S.\$)	\$255,000,000	\$42,000,000	\$32,000,000	\$22,000,000	\$18,000,000
Expected S&P Initial Rating	"AAA (sf)"	"AA (sf)"	"A (sf)"	"BBB (sf)"	"BB (sf)"
Expected Moody's Initial Rating*	"Aaa (sf)"	N/A	N/A	N/A	N/A
Index Maturity	3 month	3 month	3 month	3 month	3 month
Interest Rate	LIBOR + 1.24%	LIBOR + 1.76%	LIBOR + 2.55%	LIBOR + 3.60%	LIBOR + 5.55%
Interest Deferrable	No	No	Yes	Yes	Yes
Stated Maturity	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023	May 15, 2023
Minimum Denominations (U.S.\$) (Integral Multiples)	\$500,000 (\$1.00)	\$500,000 (\$1.00)	\$500,000 (\$1.00)	\$500,000 (\$1.00)	\$500,000 (\$1.00)
Ranking:					
Priority Class(es)	None	A-1R	A-1R, A-2R	A-1R, A-2R, B-R	A-1R, A-2R, B-R, C-R
Pari Passu Class(es)	None	None	None	None	None
Junior Classes	A-2R, B-R, C-R, D-R, Subordinated Notes	B-R, C-R, D-R, Subordinated Notes	C-R, D-R, Subordinated Notes	D-R, Subordinated Notes	Subordinated Notes
Listed Notes	Yes	Yes	Yes	Yes	Yes

* The Issuer will obtain initial ratings for the Class A-1R Notes from Moody's and will obtain initial ratings for all of the Refinancing Notes from S&P.

(b) The issuance date of the Refinancing Notes shall be June 9, 2015 (the ***Refinancing Date***) and the Redemption Date of the Refinanced Notes shall also be the Refinancing Date.

(c) Payments on the Refinancing Notes issued on the Refinancing Date will be made on each Payment Date, commencing on the Payment Date in August 2015.

(d) Any Class of Refinancing Notes may not be further refinanced.

(e) The Class A-1R Notes and the Class A-2R Notes shall be referred to collectively as the ***Class A-R Notes***.

(f) New exhibits in the form attached hereto as Exhibit A are inserted into Exhibit A to the Indenture and the Table of Contents in the Indenture is amended accordingly.

SECTION 2. Issuance and Authentication of Refinancing Notes; Cancellation of Refinanced Notes

(a) The Applicable Issuers hereby direct the Trustee to (i) deposit in the Collection Account and transfer to the Payment Account the proceeds of the Refinancing Notes received on the Refinancing Date to pay the Redemption Prices of the Refinanced Notes in accordance with Section 9.2 of the Indenture and (ii) (A) reserve (by deposit to the Expense Reserve Account) on the Refinancing Date from available Interest Proceeds an amount (the ***Refinancing Date Expense Reserve Amount***) that, together with the Accrued and Unpaid Interest Amount, is sufficient to pay all unpaid Administrative Expenses accrued to the Refinancing Date, including the reasonable fees, costs, charges and expenses incurred by the Co-Issuers, the Trustee, the Collateral Manager and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with the Refinancing, and (B) on the next Payment Date, apply the amount reserved for such purpose, together with Interest Proceeds accrued to the Refinancing Date that were received by the Issuer after the Refinancing Date, to the payment of all such accrued and unpaid Administrative Expenses without regard to the Priority of Payments. ***Accrued and Unpaid Interest Amount*** means the aggregate amount of unpaid Interest Proceeds accrued to the Refinancing Date that constitute Scheduled Distributions with Due Dates occurring prior to the first Payment Date after the Refinancing Date.

(b) The Refinancing Notes shall be issued as Rule 144A Global Notes and Regulation S Global Notes and shall be executed by the Applicable Issuers and delivered to the Trustee for authentication and thereupon the same shall be authenticated and delivered to the Issuer by the Trustee upon Issuer Order and upon receipt by the Trustee of the following:

(i) **Officer's Certificate of the Co-Issuers Regarding Corporate Matters.** An Officer's certificate of each of the Co-Issuers (1) evidencing the authorization by Board Resolution of the execution and delivery of this Supplemental Indenture and the Refinancing Purchase Agreement and the issuance and delivery of the Refinancing Notes and the execution and authentication of the Refinancing Notes applied for by it and specifying the Stated Maturity, principal amount and Interest Rate of each such Refinancing Note applied for by it and (2) certifying that (a) the attached copy of such Board Resolution is a true and complete copy thereof, (b) such resolutions have not been rescinded and are in full force and effect on and as of the Refinancing Date and (c) the Officers authorized to execute and deliver such documents hold the offices and have the signatures indicated thereon.

(ii) **Governmental Approvals.** Either (A) an Officer's certificate of each of the Co-Issuers or other official document evidencing the due authorization, approval or consent of any governmental body or bodies, at the time having jurisdiction in the premises, together with an Opinion of Counsel that the Trustee is entitled to rely upon that no other authorization, approval or consent of any governmental body is required for the valid issuance of the Refinancing Notes applied for by it or (B) an Opinion of Counsel that no such authorization, approval or consent of any governmental body is required for the valid issuance of such Refinancing Notes except as may have been given.

(iii) **Opinions.** Opinions of (a) Freshfields Bruckhaus Deringer US LLP, special U.S. counsel to each of the Co-Issuers, including an opinion stating that the execution of this Supplemental Indenture is authorized and permitted by the Indenture and that all conditions precedent thereto have been complied with, (b) Maples and Calder, Cayman Islands counsel to the Issuer and (c) Nixon Peabody LLP, counsel to the Trustee, in each case, dated the Refinancing Date.

(iv) **Officers' Certificates of Co-Issuers Regarding Indenture.** An Officer's certificate of each of the Co-Issuers stating that it is not in Default under the Indenture and that the issuance of the Refinancing Notes will not result in a breach of any of the terms, conditions or provisions of, or constitute a Default under, its Memorandum and Articles or its limited liability company agreement, as applicable, any indenture or other agreement or instrument to which it is a party or by which it is bound, or any order of any court or administrative agency entered in any Proceeding to which it is a party or by which it may be bound or to which it may be subject; that all conditions precedent provided in the Indenture relating to the authentication and delivery of the Refinancing Notes applied for by it have been complied with; and that (A) the sum of the Refinancing Date Expense Reserve Amount plus the Accrued and Unpaid Interest Amount exceeds the sum of the aggregate of the amount of unpaid interest on each Class of Secured Notes accrued to but excluding the Refinancing Date plus the sum of all unpaid Administrative Expenses accrued to the Refinancing Date, including the reasonable fees, costs, charges and expenses incurred by the Co-Issuers, the Trustee, the Collateral Manager and the Collateral Administrator (including reasonable attorneys' fees and expenses) in connection with the Refinancing and (B) all such Administrative Expenses will be paid on the next Payment Date without regard to the Priority of Payments from amounts on deposit in the Expense Reserve Account and Interest Proceeds accrued to the Refinancing Date that were received by the Issuer after the Refinancing Date.

(v) **Rating Letters.** A letter signed by each Rating Agency confirming that such Rating Agency's rating of the Refinancing Notes is as set forth in Section 1(a) of this Supplemental Indenture.

(c) On the Refinancing Date, the Trustee, as custodian of the Global Notes, shall cause all Global Notes representing the Refinanced Notes to be surrendered and shall cause the Refinanced Notes to be cancelled in accordance with Section 2.9 of the Indenture and shall instruct DTC to reduce the principal amount of each Global Note representing a Refinanced Note to zero.

SECTION 3. Additional Amendments to the Indenture

(a) Section 1.1 of the Indenture (or, in the case of the amendments to "Moody's Default Probability Rating", "Moody's Rating", "Moody's Senior Secured Loan" and "Moody's Senior Secured Floating Rate Note", Schedule 5 of the Indenture) is hereby amended as follows:

(i) **Insertions of new defined terms.** The following definitions of "Assigned Moody's Rating", "Bond", "CFR", "Loan", "Refinancing Date", "Refinancing Purchase Agreement", "Section 13 Banking Entity", "Section 13 Banking Entity Notes" and "Volcker Rule" shall be inserted in the appropriate alphabetical order:

Assigned Moody's Rating: The monitored publicly available rating expressly assigned to a debt obligation (or facility) by Moody's that addresses the full amount of the principal and interest promised.

Bond: A debt security (that is not a Loan).

CFR: With respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, such corporate family rating; *provided*, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

Refinancing Date: June 9, 2015.

Refinancing Purchase Agreement: A purchase agreement, dated as of June 9, 2015, between the Co-Issuers and Citigroup Global Markets Inc., in its capacity as initial purchaser of the Refinancing Notes.

Section 13 Banking Entity: An entity that (i) is a "banking entity" as defined under Section 13 of the Bank Holding Company Act of 1956, as amended, and (ii) in connection with a supplemental indenture, no later than the deadline for providing consent specified in the notice for such supplemental indenture, provides written certification to the Issuer and the Trustee that it meets the definition under the foregoing clause (i) and identifies the Class or Classes of Notes held by such entity and the Aggregate Outstanding Amount thereof. Any Holder that does not provide such certification in connection with a supplemental indenture will be deemed for purposes of such supplemental indenture not to be a Section 13 Banking Entity.

Section 13 Banking Entity Notes: Notes the Holders of which are Section 13 Banking Entities.

Supplemental Indenture: The Supplemental Indenture between the Issuer, the Co-Issuer and the Trustee dated as of June 9, 2015.

Volcker Rule: Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

(ii) **Amendments of existing defined terms.** The definitions of "Accounts", "Administrative Expenses", "Class Break-even Default Rate", "Class Default Differential", "Class Scenario Default Rate", "Collateral Obligation", "Concentration Limitations", "Current Pay Obligation", "Defaulted Obligation", "Deliver", "Distressed Exchange", "Interest Proceeds", "Minimum Weighted Average S&P Recovery Rate Test", "Market Value", "Moody's Counterparty Criteria", "Obligor", "Revolving Collateral Obligation", "S&P CDO Monitor", "S&P CDO Monitor Test", "Supermajority", "Tax Event", "Weighted Average Coupon" and "Weighted Average Floating Spread" shall each be amended as follows:

(A) the definition of *Accounts* shall be amended by deleting the comma, and inserting "and", after "Distribution Reserve Account" and deleting "and (viii) the LC Reserve Account";

(B) the definition of *Administrative Expenses* shall be amended by inserting ", the Refinancing Purchase Agreement" after "the Purchase Agreement";

(C) the definition of *Class Break-even Default Rate* shall be amended by deleting "any Class or Classes of Secured Notes" in the first line thereof and "such Class or Classes of Notes" in the eighth line thereof and replacing the deleted text in each case with "the Controlling Class";

(D) the definition of *Class Default Differential* shall be amended by deleting "any Class of Secured Notes" in the first line thereof and replacing it with "the Controlling Class";

(E) the definition of *Class Scenario Default Rate* shall be amended by deleting "any Class of Secured Notes" in the first line thereof and replacing it with "the Controlling Class";

(F) the definition of *Collateral Obligation* shall be amended by:

(r) deleting "Senior Secured Bond, Senior Unsecured Bond", "Senior Secured Floating Rate Note", and "or a Letter of Credit Reimbursement Obligation," in the first five lines thereof;

(s) deleting "or Letter of Credit Reimbursement Obligation" from clause (v),

(t) deleting "(x) fees received with respect to a Letter of Credit Reimbursement Obligation," from clause (vii),

(u) replacing "and" after the phrase "imposition of any withholding tax" in clause (vii) with a comma and inserting immediately prior to the semicolon at the end of such clause "and (C) withholding taxes in respect of FATCA";

(v) inserting "or attached with a warrant to purchase Equity Securities" at the end of clause (xiv);

(w) replacing clause (xxiii) in its entirety with "[Reserved]";

(x) deleting "unless it is a Letter of Credit Reimbursement Obligation," from clause (xxiv);

(y) deleting "unless all of the assets of such trust meet the standards set forth herein for Collateral Obligations (other than clause (xix))" from clause (xxv); and

(z) deleting "and" from the end of clause (xxvii), inserting "; and" and deleting the period at the end of clause (xxviii), and inserting as a new clause (xxix) "is not a Bond."

(G) the definition of **Concentration Limitations** shall be amended by (x) deleting each occurrence therein of "Senior Secured Bond", "Senior Unsecured Bond" and "Senior Secured Floating Rate Note", (y) replacing clause (xix) in its entirety with "[Reserved]" and (z) replacing "40.0%" in clause (xxi) with "60.0%";

(H) the definition of **Current Pay Obligation** shall be amended by deleting both occurrences of "or Letter of Credit Reimbursement Obligation";

(I) the definition of **Defaulted Obligation** shall be amended by (x) deleting each occurrence of "other than a Letter of Credit Reimbursement Obligation" in the proviso thereto and (y) deleting each occurrence of "(including any Letter of Credit Reimbursement Obligation)" in the second paragraph of such definition;

(J) the definition of **Deliver** shall be amended by inserting the words "in the State of New York" immediately preceding the semicolon at the end of clause (i)(c);

(K) the definition of **Distressed Exchange** shall be amended by deleting "(i) are not a Letter of Credit Reimbursement Obligation and (ii)";

(L) the definition of **Interest Proceeds** shall be amended by (x) inserting "and" in clause (iv) following "Delayed Drawdown Collateral Obligations;", (y) deleting "and" at the end of clause (v) and (z) deleting clause (vi);

(M) the definition of **Market Value** shall be amended by deleting "or bond";

(N) the definition of **Minimum Weighted Average S&P Recovery Rate Test** shall be amended by deleting "each Class of Secured Notes Outstanding" and replacing it with "the Controlling Class";

(O) the definition of **Moody's Counterparty Criteria** shall be amended by (x) deleting each occurrence of "or Letter of Credit Reimbursement Obligation", "or Letter of Credit Reimbursement Obligations" and "or LOC Agent Bank, as the case may be," and (y) deleting "or LOC Agent Bank" from the first column of the table included in such definition;

(P) the definition of **Obligor** shall be amended by deleting ", Bond";

(Q) the definition of **Revolving Collateral Obligation** shall be amended by deleting "and letter of credit facilities";

(R) the definition of **S&P CDO Monitor Test** shall be amended by (x) replacing both occurrences of "each Class Default Differential" with "the Class Default Differential" and (y) inserting the following sentence at the end thereof:

"If so elected by the Collateral Manager by written notice to the Issuer, the Collateral Administrator, the Trustee and S&P, the S&P CDO Monitor Test and definitions applicable thereto, shall instead be as set forth in Schedule 8 hereto henceforth. Such an election shall be irrevocable.";

(S) the definition of **Supermajority** shall be amended by (x) replacing the "and" preceding clause (b) with a comma and (y) adding to the end thereof "and (c) with respect to the Section 13 Banking Entity Notes, the Section 13 Banking Entities that are the Holders of at least 66-2/3% of the Aggregate Outstanding Amount of such Section 13 Banking Entity Notes (voting as a single class)";

(T) the definition of **Tax Event** shall be amended by deleting "fees received with respect to a Letter of Credit Reimbursement Obligation, (2)" and replacing "(3)" with "(2)";

(U) the definition of **Weighted Average Coupon** shall be amended by deleting "minus any amount required to be deposited in the LC Reserve Account in accordance with Section 10.5 in respect of any Fixed Rate Obligation" from clause (a); and

(V) the definition of **Weighted Average Floating Spread** shall be amended by deleting "minus any amount required to be deposited in the LC Reserve Account in accordance with Section 10.5 in respect of any Floating Rate Obligation" from clause (a)(iii).

(iii) **Amendment and restatements of existing defined terms.** The definitions of "Corporate Trust Office", "Cov-Lite Loan", "Eligible Investments", "FATCA", "Initial Purchaser", "Moody's Default Probability Rating", "Moody's Rating", "Moody's Recovery Rate" and "Participation Interest" shall each be amended and restated in their entirety as follows:

Corporate Trust Office: The principal corporate trust office of the Trustee, currently located at (a) for Note transfer purposes and presentment of the Notes

for final payment thereon, State Street Bank and Trust Company, 1 Iron Street, Boston, Massachusetts 02210, Attention: Babson CLO Ltd. 2012-II, telecopy no.: (617) 937-4358 and (b) for all other purposes, State Street Bank and Trust Company, 1 Iron Street, Boston, Massachusetts 02210, Attention: Babson CLO Ltd. 2012-II, telecopy no.: (617) 937-4358, or such other address as the Trustee may designate from time to time by notice to the Holders, the Collateral Manager and the Issuer or the principal corporate trust office of any successor Trustee.

Cov-Lite Loan: A Loan the Underlying Instruments for which do not (i) contain any financial covenants or (ii) require the borrower thereunder to comply with any Maintenance Covenants (regardless of whether compliance with one or more Incurrence Covenants is otherwise required by such Underlying Instruments); *provided* that, a Loan described in clause (i) or (ii) above that either contains a cross-default provision to, or is *pari passu* with or senior to, another Loan of the underlying obligor that requires the underlying obligor to comply with a Maintenance Covenant shall be deemed not to be a Cov-Lite Loan.

Eligible Investments: (1) Cash or (2) any Dollar investment that, at the time it is Delivered (directly or through an intermediary or bailee), (x) matures not later than the earlier of (A) the date that is 60 days after the date of Delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of Delivery thereof, and (y) is one or more of the following obligations or securities:

- (a) direct Registered obligations of, and Registered obligations the timely payment of principal of and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America and such obligation has the Eligible Investment Required Ratings;
- (b) demand and time deposits in, certificates of deposit of, trust accounts with or bankers' acceptances issued by, or federal funds sold by, any depository institution or trust company incorporated under the laws of the United States of America (including the Trustee, Affiliates of the Trustee and Affiliates of the Collateral Manager) or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days after issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings;
- (c) commercial paper or other short-term obligations (other than Asset-backed Commercial Paper) with the Eligible Investment Required Ratings and that either bear interest or are sold at a discount from the face amount thereof and have a maturity of not more than 183 days from their date of issuance; and

(d) shares or other securities of non-United States money market funds which funds have, at all times, credit ratings of "Aaa-mf" by Moody's and "AAAm" by S&P, respectively;

provided that (A) Eligible Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include only such obligations or securities, other than those referred to in clause (d) above, as mature (or are putable at par to the issuer thereof) no later than the Business Day prior to the next Payment Date unless such Eligible Investments are issued by the Trustee in its capacity as a banking institution, in which event such Eligible Investments may mature on such Payment Date; and (B) none of the foregoing obligations or securities shall constitute Eligible Investments if (1) such obligation or security has an "f", "r", "p", "pi", "q" or "t" subscript assigned by S&P, (2) all, or substantially all, of the remaining amounts payable thereunder consist of interest and not principal payments, (3) payments with respect to such obligations or securities or proceeds of disposition are subject to withholding taxes (other than withholding taxes in respect of FATCA) by any jurisdiction unless the payor is required to make "gross-up" payments that cover the full amount of any such withholding tax on an after-tax basis, (4) the acquisition (including the manner of acquisition), ownership, enforcement and disposition of such obligations or securities will cause the Issuer to be engaged in a trade or business within the United States for U.S. federal income tax purposes or be subject to tax in any jurisdiction outside the Issuer's jurisdiction of incorporation, (5) such obligation or security is secured by real property, (6) such obligation or security is purchased at a price greater than 100% of the principal or face amount thereof, (7) such obligation or security is the subject of a tender offer, voluntary redemption, exchange offer, conversion or other similar action, (8) in the Collateral Manager's judgment, such obligation or security is subject to material non-credit related risks, (9) such obligation is a Structured Finance Obligation or (10) such obligation or security is represented by a certificate of interest in a grantor trust. Eligible Investments may include, without limitation, those investments for which the Trustee or an Affiliate of the Trustee or the Collateral Manager or an Affiliate of the Collateral Manager provides services and receives compensation.

FATCA: Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any U.S. or non-U.S. legislation, rules, regulations, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code or analogous provisions of non-U.S. law.

Initial Purchaser: (a) With respect to the Secured Notes issued on the Closing Date, Citigroup Global Markets Inc., in its capacity as initial purchaser under the Purchase Agreement relating to such Secured Notes and (b) with respect to the Refinancing Notes issued on the Refinancing Date, Citigroup Global Markets

Inc., in its capacity as the initial purchaser under the Refinancing Purchase Agreement relating to such Refinancing Notes.

Moody's Default Probability Rating: (a) With respect to a Collateral Obligation, if the obligor of such Collateral Obligation has a CFR, then such CFR;

(b) with respect to a Collateral Obligation if not determined pursuant to clause (a) above, if the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(c) with respect to a Collateral Obligation if not determined pursuant to clauses (a) or (b) above, if the obligor of such Collateral Obligation has one or more senior secured obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory lower than the Assigned Moody's Rating on any such senior secured obligation as selected by the Collateral Manager in its sole discretion;

(d) with respect to a Collateral Obligation if not determined pursuant to clauses (a), (b) or (c) above, if a rating estimate has been assigned to such Collateral Obligation by Moody's upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, then the Moody's Default Probability Rating is such rating estimate as long as such rating estimate or a renewal for such rating estimate was issued or provided by Moody's in each case within the 15-month period preceding the date on which the Moody's Default Probability Rating is being determined; *provided*, that if such rating estimate was issued or provided by Moody's (x) longer than 13 months prior to the date on which the Moody's Default Probability Rating is being determined but not longer than 15 months prior to such date, the Moody's Default Probability Rating will be one subcategory lower than such rating estimate, and (y) longer than 15 months prior to the date on which the Moody's Default Probability Rating is being determined, the Moody's Default Probability Rating will be "Caa3"; *provided, however*, that a Moody's Default Probability Rating shall not be determined by reference to a rating estimate if there has been a material modification to the related Collateral Obligation and an update or confirmation by Moody's that accounts for such modification has not been received by the Collateral Manager within 30 days of such modification;

(e) With respect to any DIP Collateral Obligation, the Moody's Default Probability Rating of such Collateral Obligation shall be the rating which is one subcategory below the Assigned Moody's Rating of such DIP Collateral Obligation (or, with respect to a DIP Collateral Obligation already owned by the Issuer whose facility rating from Moody's is withdrawn, one subcategory below the last outstanding facility rating before such withdrawal);

(f) With respect to a Collateral Obligation if not determined pursuant to any of clauses (a) through (e) above and at the election of the Collateral Manager, the Moody's Derived Rating; and

(g) With respect to a Collateral Obligation if not determined pursuant to any of clauses (a) through (f) above, "Caa3".

For purposes of calculating a Moody's Default Probability Rating, each applicable rating under review by Moody's with positive or negative implication at the time of calculation will be treated as having been upgraded or downgraded by one rating subcategory, as the case may be.

Moody's Rating: (a) With respect to a Collateral Obligation that is a Senior Secured Loan:

(A) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(B) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory higher than such CFR;

(C) if such Collateral Obligation is a DIP Collateral Obligation and has a facility rating (whether public or private) by Moody's, then the Moody's rating that is one subcategory below such facility rating (or, with respect to a DIP Collateral Obligation already owned by the Issuer whose facility rating from Moody's is withdrawn, one subcategory below the last outstanding facility rating before such withdrawal);

(D) if none of clauses (A) through (C) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior unsecured obligations with an Assigned Moody's Rating, then the Moody's rating that is two subcategories higher than the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(E) if none of clauses (A) through (D) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(F) if none of clauses (A) through (E) above apply, "Caa3"; and

(b) With respect to a Collateral Obligation other than a Senior Secured Loan:

(A) if such Collateral Obligation has an Assigned Moody's Rating, such Assigned Moody's Rating;

(B) if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more senior

unsecured obligations with an Assigned Moody's Rating, then the Assigned Moody's Rating on any such obligation as selected by the Collateral Manager in its sole discretion;

(C) if neither clause (A) nor (B) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has a CFR, then the Moody's rating that is one subcategory lower than such CFR;

(D) if none of clauses (A), (B) or (C) above apply, if such Collateral Obligation does not have an Assigned Moody's Rating but the obligor of such Collateral Obligation has one or more subordinated debt obligations with an Assigned Moody's Rating, then the Moody's rating that is one subcategory higher than the Assigned Moody's Rating of any such obligation as selected by the Collateral Manager in its sole discretion;

(E) if none of clauses (A) through (D) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; and

(F) if none of clauses (A) through (E) above apply, "Caa3".

Moody's Recovery Rate: With respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(i) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;

(ii) if the preceding clause does not apply to the Collateral Obligation, and the Collateral Obligation is a Senior Secured Loan, Second Lien Loan or Senior Unsecured Loan (in each case other than a DIP Collateral Obligation), the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	Senior Secured Loans	Second Lien Loans *	Senior Unsecured Loans
+2 or more	60%	55%	45%
+1	50%	45%	35%
0	45%	35%	30%
-1	40%	25%	25%
-2	30%	15%	15%
-3 or less	20%	5%	5%

* Unless otherwise covered in (i) above, if such Collateral Obligation does not have both a CFR and an Assigned Moody's Rating, such Collateral Obligation will be deemed to be a Senior Unsecured Loan for purposes of this table.

(iii) if the Collateral Obligation is a DIP Collateral Obligation (other than a DIP Collateral Obligation which has been specifically assigned a recovery rate by Moody's), 50%.

Participation Interest: A 100% undivided participation interest in a Loan that, at the time of acquisition, or the Issuer's commitment to acquire the same, satisfies each of the following criteria:

- (i) if acquired directly by the Issuer, it would qualify as a Collateral Obligation;
- (ii) the Selling Institution is a lender on the Loan;
- (iii) the aggregate participation in the loan granted by such Selling Institution to any one or more participants does not exceed the principal amount or commitment with respect to which the Selling Institution is a lender under such Loan;
- (iv) does not grant, in the aggregate, to the participant in such Participation Interest a greater interest than the Selling Institution holds in the Loan or commitment that is the subject of the Participation Interest;
- (v) the entire purchase price has been paid in full (without the benefit of financing from the Selling Institution or its affiliates) at the time of its acquisition (or, in the case of a Participation Interest in a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, has been or will be, as the case may be, paid in full (without the benefit of financing from the Selling Institution or its affiliates) at the time of the funding of such Loan);

(vi) provides the participant all of the economic benefit and risk of the whole or part of the Loan or commitment that is the subject of such Participation Interest; and

(vii) is documented under a Loan Syndication and Trading Association, Loan Market Association or similar agreement standard for loan participation transactions among institutional market participants;

provided that, for the avoidance of doubt, a Participation Interest shall not include a sub-participation interest in any Loan.

(iv) **Deletions of defined terms.** The definitions of "LC Commitment Amount", "LC Reserve Account", "Letter of Credit Reimbursement Obligation", "LOC Agent Bank", "Moody's Non-Senior Secured Loan", "Moody's Senior Secured Floating Rate Note", "Moody's Senior Secured Loan", "Senior Secured Bond", "Senior Secured Floating Rate Note" and "Senior Unsecured Bond" set forth in Section 1.1 of the Indenture (and in Schedule 5 to the Indenture, in the case of the definitions of "Moody's Senior Secured Floating Rate Note" and "Moody's Senior Secured Loan") shall be deleted in their entirety.

(b) Section 1.2(p) of the Indenture is hereby amended by deleting "(x) the fees associated with any Letter of Credit Reimbursement Obligation,".

(c) The table in Section 2.3 the Indenture is hereby amended by (i) replacing the columns labeled "Class A-1 Notes", "Class A-2 Notes", "Class B Notes", "Class C Notes" and "Class D Notes" with the columns of the table contained in Section 1(a) of this Supplemental Indenture labeled "Class A-1R Notes", "Class A-2R Notes", "Class B-R Notes", "Class C-R Notes" and "Class D-R Notes", respectively, excluding in each case the row labeled "Corresponding Class Being Refinanced" and (ii) replacing the contents of the cell located at the intersection of the row labeled "Priority Class(es)" and the column labeled "Subordinated Notes" with "A-1R, A-2R, B-R, C-R, D-R".

(d) Section 2.7(j) shall be renumbered as Section 2.7(k) and the following shall be inserted as a new Section 2.7(j):

"(j) Each Class of Secured Notes issued on the Refinancing Date will bear stated interest from (and including) the Refinancing Date; *provided* that upon payment by the Issuer of the Redemption Price with respect to a class of Secured Notes (as defined herein prior to giving effect to the amendment of this Indenture on the Refinancing Date) redeemed on the Refinancing Date, the amount by which the Refinancing Proceeds received by the Issuer in respect of the corresponding Class of Secured Notes issued on the Refinancing Date exceeds the initial principal amount of such Class of Secured Notes issued on the Refinancing Date shall, for all purposes hereunder, be deemed to constitute accrued interest on the related Class of Secured Notes issued on the Refinancing Date. For these purposes, the Class A-1R Notes correspond to the Class A-1 Notes, the Class A-2R Notes correspond to the Class A-2 Notes, the Class B-R Notes correspond to the Class B Notes, the Class C-R Notes correspond to the Class C Notes and the Class D-R Notes correspond to the Class D Notes, and "Class A-1 Notes", "Class A-2 Notes",

"Class B Notes", "Class C Notes" and "Class D Notes" are each as defined herein prior to giving effect to the amendment of this Indenture on the Refinancing Date."

(e) Section 2.12(d) of the Indenture is hereby replaced in its entirety with the following:

"(d) Each purchaser, beneficial owner and subsequent transferee of a Note or interest therein, by acceptance of such Note or an interest in such Note, shall (1) be deemed to have agreed to provide the Issuer and the Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether such purchaser, beneficial owner or transferee is a specified United States person as defined in Section 1473(3) of the Code (*specified United States person*) or a United States owned foreign entity (as defined in Section 1471(d)(3) of the Code) (*United States owned foreign entity*), (ii) any additional information that the Issuer, the Trustee or their agent or delegates requests in connection with Sections 1471-1474 of the Code and (iii) any additional information that the Issuer, the Trustee or their agent or delegates requests in connection with the intergovernmental agreement signed on November 29, 2013 between the United States and the Cayman Islands Government and the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law or that is necessary to provide to the Cayman Islands Tax Information Authority pursuant to The Tax Information Authority (International Tax Compliance) (United Kingdom) Regulations, 2014 (as amended from time to time) and (2) if it is a specified United States person or a United States owned foreign entity that is a Holder or beneficial owner of Notes or an interest therein, be required to (x) provide the Issuer and the Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its substantial United States owners as defined in Section 1473(2) of the Code (*substantial United States owner*) and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. Each purchaser and subsequent transferee of an interest in a Note will be required or deemed to acknowledge that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service. Each purchaser and subsequent transferee of an interest in a Note will be required or deemed to understand and acknowledge that the Issuer has the right, hereunder, to compel any beneficial owner of an interest in a Note that fails to comply with the foregoing requirements to sell its interest in such Note, or may sell such interest on behalf of such owner."

(f) Section 7.12 of the Indenture is hereby amended by adding ", the Refinancing Purchase Agreement" after each occurrence of "the Purchase Agreement".

(g) Section 7.17 shall be amended by inserting the following after clause (g) thereof:

(h) Notwithstanding any provision herein to the contrary, the Issuer shall take, and shall cause any Blocker Subsidiary to take, any and all actions that may be

necessary or appropriate to ensure that the Issuer or such Blocker Subsidiary satisfies any and all withholding and tax payment obligations under Code Sections 1441, 1445, 1471, 1472, or any other provision of the Code or other applicable law. Without limiting the generality of the foregoing, each of the Issuer and any Blocker Subsidiary may withhold any amount that it or any advisor retained by the Issuer or the Collateral Manager on its behalf determines is required to be withheld from any amounts otherwise distributable to any Person. In addition, the Issuer shall, and shall cause each Blocker Subsidiary to, cause to be delivered any properly completed and executed documentation, agreements, and certifications to each issuer, counterparty, paying agent, and/or any applicable taxing authority, and enter into any agreements with a taxing authority or other governmental authority, as necessary to avoid or reduce the withholding, deduction, or imposition of U.S. income or withholding tax.

(i) The Issuer shall use reasonable best efforts to comply with the legislation implemented under the Model 1 intergovernmental agreement signed on November 29, 2013 between the United States and the Cayman Islands Government (the ***Cayman IGA***) and to comply with the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law (the ***Cayman FATCA Legislation***) that gives effect to the Cayman IGA. In the event that the Issuer is unable to comply with the Cayman IGA and Cayman FATCA Legislation (or such compliance will not preclude FATCA withholding on payments made to it) it will use reasonable best efforts to enter into an agreement with the Internal Revenue Service described in Section 1471(b)(1) of the Code. In addition, the Issuer shall obtain a Global Intermediary Identification Number from the IRS and shall use reasonable best efforts to comply with any requirements necessary to establish and maintain its status as a "Reporting Model 1 FFI" within the meaning of Treasury Regulations Section 1.1471-1(b)(114).

(j) The Issuer (or an agent acting on its behalf) will take such reasonable actions, including hiring agents or advisors, consistent with law and its obligations under this Indenture, as are necessary to comply with FATCA, including appointing any agent or representative to perform due diligence, withholding or reporting obligations of the Issuer pursuant to FATCA, and any other action that the Issuer would be permitted to take under this Indenture in furtherance of complying with FATCA. The Issuer shall provide any certification or documentation (including the applicable IRS Form W-8 or any successor form) to any payor (as defined in FATCA) from time to time as provided by law to minimize U.S. withholding tax or backup withholding tax.

(k) Upon written request at any time, the Trustee and the Registrar shall provide to the Issuer, the Collateral Manager, the Initial Purchaser or any agent thereof any information specified by such parties regarding the Holders of the Notes and payments on the Notes that is reasonably available to the Trustee or the Registrar, as the case may be, and may be necessary for compliance with FATCA.

(h) Section 8.1(a) of the Indenture is hereby amended as follows:

(x) by replacing "clause (iii), (vi), (x) or (xi) below" in the second line with "clause (iii), (vi), (x), (xi) or (xv) below" and by replacing "clause (iii), (vi) or (xi) below" in the sixth line with "clause (iii), (vi), (xi) or (xv) below"; and

(y) by removing the "or" following clause (xiii), replacing the period at the end of clause "(xiv)" with "; or" and inserting the following clause (xv) at the end of Section 8.1(a):

"(xv) subject to the consent of both the Collateral Manager and a Supermajority of the Section 13 Banking Entity Notes, to make any modification or amendment determined by the Issuer or the Collateral Manager (in consultation with legal counsel of national reputation experienced in such matters) as necessary or advisable (A) for any Class of Secured Notes to not be considered an "ownership interest" as defined for purposes of the Volcker Rule or (B) for the Issuer to not otherwise be considered a "covered fund" as defined for purposes of the Volcker Rule; *provided* that, if the Holders of any Class of Notes would be materially and adversely affected by such supplemental indenture entered into pursuant to this clause (xv), the consent to such supplemental indenture has been obtained from a Majority of each such Class."

(i) The fifth sentence of Section 8.3(d) of the Indenture is deleted in its entirety and replaced by the following:

"The Co-Issuers and the Trustee shall not enter into any supplemental indenture that permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction (each a ***hedge agreement***) without the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes, in addition to any other consents required, or other conditions required to be satisfied, pursuant to this Article 8; *provided* that before entering into any such hedge agreement, the following conditions must be satisfied: (i) the Issuer must obtain an Opinion of Counsel to the effect that (A) the Issuer entering into such hedge agreement would fall within the scope of the exclusion from commodity pool regulation set forth in CFTC Letter No. 12-45 (Interpretation and No-Action) dated December 7, 2012 issued by the Division of Swap Dealer and Intermediary Oversight of the Commodity Futures Trading Commission, (B) the Issuer entering into such hedge agreement would otherwise not cause the Issuer to be considered a "commodity pool" as defined in Section 1a(10) of the Commodity Exchange Act, as amended, or (C) if the Issuer would be a commodity pool, that (x) the Collateral Manager and no other party would be the commodity pool operator and commodity trading adviser thereof, and (y) with respect to the Issuer as a commodity pool, the Collateral Manager is eligible for an exemption from registration as a commodity pool operator and commodity trading adviser and all conditions precedent to obtaining such an exemption have been satisfied; (ii) the Collateral Manager must agree in writing that for so long as the Issuer is a commodity pool, the Collateral Manager shall take (or cause to be taken) all actions necessary to ensure ongoing compliance with the applicable exemption from registration as a commodity pool

operator and commodity trading adviser with respect to the Issuer, and shall take (or cause to be taken) any other actions required as a commodity pool operator and commodity trading adviser with respect to the Issuer; (iii) the Issuer must receive an Opinion of Counsel to the effect that the Issuer entering into such hedge agreement shall not, in and of itself, cause the Issuer to become a "covered fund" under the Volcker Rule; (iv) the Moody's Rating Condition must have been satisfied (or deemed inapplicable in accordance with the proviso to the definition thereof); (v) the applicable S&P counterparty criteria then in effect must be satisfied with respect to the counterparty under such hedge agreement; and (vi) each of S&P and Moody's must receive notice of such hedge agreement and a copy of such hedge agreement must be sent to each of S&P and Moody's promptly after execution thereof."

(j) Section 9.2 of the Indenture is hereby amended by adding the following clause (h) at the end thereof:

"(h) Notwithstanding anything in this Indenture to the contrary, no Secured Notes issued on the Refinancing Date may be redeemed in accordance with this Section 9.2 pursuant to a Refinancing."

(k) Section 10.2(a) of the Indenture is hereby amended by deleting each occurrence of "or the LC Reserve Account" and "or LC Reserve Account".

(l) Section 10.3(d) of the Indenture is hereby amended by inserting the following as a new sentence at the end of such Section:

"The Issuer (or the Collateral Manager on behalf of the Issuer) shall direct the Trustee to deposit to the Expense Reserve Account on the Refinancing Date the Refinancing Date Expense Reserve Amount (as defined in the Supplemental Indenture). On the first Payment Date following the Refinancing Date, the Trustee shall apply funds from the Expense Reserve Account, as directed by the Collateral Manager, to the payment of the Administrative Expenses specified in Section 2(a)(ii)(B) of the Supplemental Indenture without regard to the Priority of Payments, and any remaining funds in the Expense Reserve Account will be deposited in the Collection Account as Interest Proceeds."

(m) Section 10.5 of the Indenture shall be deleted in its entirety and replaced by "10.5 [Reserved]".

(n) Section 10.6(a) of the Indenture is hereby amended by deleting "the LC Reserve Account," from the fifth line thereof.

(o) Section 10.7(a)(iv)(N) of the Indenture is hereby amended by deleting clauses (3), (4), (5) and (8) and renumbering the remaining clauses accordingly.

(p) Section 10.7(a)(iv)(S) of the Indenture is hereby amended by deleting each instance of "or bond".

(q) Section 10.7(a)(xix) is hereby amended by removing the period and inserting the following at the end thereof:

"; *provided*, that if the Collateral Manager has elected to use the S&P CDO Monitor Test and the related definitions set forth in Schedule 8 hereto in lieu of the S&P CDO Monitor Test and definitions in the body of the Indenture then each Monthly Report shall contain, (A) the S&P CDO Monitor Adjusted BDR, (B) the S&P CDO Monitor BDR, (C) the S&P CDO Monitor SDR, (D) the S&P Default Rate Dispersion, (E) the S&P Expected Portfolio Default Rate, (F) the S&P Industry Diversity Measure, (G) the S&P Obligor Diversity Measure, (H) the S&P Regional Diversity Measure and (I) the S&P Weighted Average Life, in each case based on the definitions set forth in Schedule 8."

(r) Section 12.2 is hereby amended by deleting clause (vii) of the proviso to the first sentence of Section 12.2 and replacing it with the following:

"(vii) the Class Scenario Default Rate with respect to the Controlling Class is maintained or improved."

(s) The Indenture is hereby amended by adding the following as a new Section 12.4:

"12.4 Volcker Rule

For the avoidance of doubt, nothing herein shall prohibit, limit or otherwise affect the ability of the Issuer to receive (but not purchase) Equity Securities (which may include debt obligations or securities or warrants or options to acquire equity securities of the related obligor and the equity securities received by the Issuer upon exercising such warrants or options) in lieu of a Collateral Obligation or a portion thereof in connection with an insolvency, bankruptcy, reorganization, debt restructuring or workout of the obligor thereof, *provided* that, for purposes of the Volcker Rule, each such Equity Security constitutes a security received in lieu of debts previously contracted with respect to loans included in the Collateral Obligations."

(t) Section 14.3(a) of the Indenture is hereby amended by replacing clause (iii) thereof in its entirety with the following:

"(iii) the Collateral Manager shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, hand delivered, sent by overnight courier service or by facsimile in legible form, to the Collateral Manager addressed to it at Babson Capital Management LLC, 550 South Tryon Street, Suite 3300, Charlotte, North Carolina 28202, Attention: Kevin Stephens, facsimile no. (413) 226-2854, or at any other address previously furnished in writing to the parties hereto;"

(u) Section 14.3(a) of the Indenture is hereby amended by replacing clause (v) thereof in its entirety with the following:

"(v) the Collateral Administrator shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, hand delivered, sent by overnight courier service or by facsimile in legible form, to the Collateral

Administrator at State Street Bank and Trust Company, 1 Iron Street, Boston, Massachusetts 02210, Attention: Babson CLO Ltd. 2012-II, facsimile no. (617) 937-4358, or at any other address previously furnished in writing to the parties hereto;"

(v) Schedule 6 of the Indenture is hereby amended as follows:

(w) the table in clause (a)(i) of Section 1 of Schedule 6 is deleted and replaced by the following:

S&P Recovery Rating of a Collateral Obligation	Recovery range from published reports *	Initial Liability Rating					
		"AAA"	"AA"	"A"	"BBB"	"BB"	"B" and below
1+	100%	75%	85%	88%	90%	92%	95%
1	90-100%	65%	75%	80%	85%	90%	95%
2	80-90%	60%	70%	75%	81%	86%	90%
2	70-80%	50%	60%	66%	73%	79%	80%
3	60-70%	40%	50%	56%	63%	67%	70%
3	50-60%	30%	40%	46%	53%	59%	60%
4	40-50%	27%	35%	42%	46%	48%	50%
4	30-40%	20%	26%	33%	39%	40%	40%
5	20-30%	15%	20%	24%	26%	28%	30%
5	10-20%	5%	10%	15%	20%	20%	20%
6	0-10%	2%	4%	6%	8%	10%	10%
		Recovery rate					

* From S&P's published reports. If a recovery range is not available for a Collateral Obligation with an S&P Recovery Rating of "2" through "5", the lower range for the applicable S&P Recovery Rating should be assumed.

(x) the words "senior unsecured loan, second lien loan or senior unsecured bond" in clause (a)(ii)(x) of Section 1 of Schedule 6 are deleted and replaced by "senior unsecured loan or second lien loan";

(y) the words "or subordinated bond" are deleted in clause (a)(ii)(A)(x) of Section 1 of Schedule 6; and

(z) in clause (b) of Section 1 of Schedule 6,

(1) footnote 2 is deleted;

(2) the following is inserted as a new footnote 2 to the words "Senior Secured Loans (Cov-Lite Loans)" in the table:

"2 Solely for purposes of determining the S&P Recovery Rate of such Loan, a Senior Secured Loan that would be a Cov-Lite Loan but for the operation of the proviso to the definition of the term "Cov-Lite Loan" shall be deemed to be a Cov-Lite Loan."

(2) the words "and Unsecured Bonds" is deleted in the table; and

(3) "Argentina" and "Chile" are deleted from the list of Group C countries at the bottom of the table.

(w) The Indenture is hereby amended by the addition of Schedule 8 – S&P Non-Model Version CDO Monitor Definitions attached hereto.

(x) Each of paragraph 7 of Exhibit B-2 to the Indenture, paragraph 8 of Exhibit B-4 to the Indenture, paragraph 9 of Exhibit B-6 to the Indenture, paragraph 10 of Exhibit B-7 to the Indenture and paragraph 10 of Exhibit B-8 to the Indenture is hereby replaced in its entirety with the following:

"It hereby agrees to provide the Issuer and the Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer and the Trustee to determine whether it is a specified United States person as defined in Section 1473(3) of the Code (a "specified United States person") or a United States owned foreign entity as defined in Section 1471(d)(3) of the Code (a "United States owned foreign entity"), (ii) any additional information that the Issuer, the Trustee or their agent or delegates requests in connection with Sections 1471-1474 of the Code and (iii) any additional information that the Issuer, the Trustee or their agent or delegates requests in connection with the intergovernmental agreement signed on November 29, 2013 between the United States and the Cayman Islands Government and the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law or that is necessary to provide to the Cayman Islands Tax Information Authority pursuant to The Tax Information Authority (International Tax Compliance) (United Kingdom) Regulations, 2014 (as amended from time to time). If it is a specified United States person or a United States owned foreign entity, it also hereby agrees to (x) provide the Issuer and the Trustee its name, address, U.S. taxpayer identification number and, if it is a United States owned foreign entity, the name, address and taxpayer identification number of each of its "substantial United States owners" (as defined in Section 1473(2) of the Code) and any other information requested by the Issuer or its agent upon request and (y) update any such information provided in clause (x) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It understands and acknowledges that the Issuer may provide such information and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service. It understands and acknowledges

that the Issuer has the right, under the Indenture, to compel any beneficial owner of an interest in the Notes that fails to comply with the foregoing requirements to sell its interest in such Notes, or may sell such interest on behalf of such owner."

SECTION 4. Consent of the Holders of the Refinancing Notes

With respect to each Holder or beneficial owner of a Refinancing Note, such Holder's or beneficial owner's acquisition thereof on the Refinancing Date shall confirm such Holder's or beneficial owner's agreement to the amendments to the Indenture set forth in this Supplemental Indenture and to the execution of this Supplemental Indenture by the Co-Issuers and the Trustee.

SECTION 5. Indenture to Remain in Effect

Except as expressly modified herein, the Indenture shall continue in full force and effect in accordance with its terms. Upon issuance and authentication of the Refinancing Notes and redemption in full of the Refinanced Notes, all references in the Indenture to Class A-1 Notes shall apply *mutatis mutandis* to the Class A-1R Notes, all references in the Indenture to the Class A-2 Notes shall apply *mutatis mutandis* to the Class A-2R Notes, all references in the Indenture to Class A Notes shall apply *mutatis mutandis* to the Class A-R Notes, all references in the Indenture to the Class B Notes shall apply *mutatis mutandis* to the Class B-R Notes, all references in the Indenture to the Class C Notes shall apply *mutatis mutandis* to the Class C-R Notes and all references in the Indenture to the Class D Notes shall apply *mutatis mutandis* to the Class D-R Notes. The Trustee shall be entitled to all rights, protections, immunities and indemnities set forth in the Indenture as fully as if set forth in this Supplemental Indenture.

SECTION 6. Miscellaneous

(a) This Supplemental Indenture and the Notes shall be construed in accordance with, and this Supplemental Indenture and the Notes and any matters arising out of or relating in any way whatsoever to this Supplemental Indenture or the Notes (whether in contract, tort or otherwise) shall be governed by, the law of the State of New York.

(b) This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Supplemental Indenture by electronic means (including email or telecopy) will be effective as delivery of a manually executed counterpart of this Supplemental Indenture.

(c) Notwithstanding any other provision of the Indenture as amended by this Supplemental Indenture, the obligations of the Applicable Issuers under the Secured Notes and the Indenture as amended by this Supplemental Indenture are limited recourse obligations of the Applicable Issuers and the obligations of the Issuer under the Subordinated Notes are non-recourse obligations of the Issuer, payable solely from proceeds of the Collateral Obligations and the other Assets and following realization of the Assets, and application of the proceeds thereof in accordance with the Indenture as amended by this Supplemental Indenture, all obligations of and any claims against the Co-Issuers thereunder or in connection therewith after such realization shall be extinguished and shall not thereafter revive. No recourse shall be had against any Officer, director, employee, shareholder or incorporator of the Co-Issuers, the Collateral

Manager or their respective Affiliates, successors or assigns for any amounts payable under the Notes or the Indenture as amended by this Supplemental Indenture. It is understood that the foregoing provisions of this paragraph (c) shall not (i) prevent recourse to the Assets for the sums due or to become due under any security, instrument or agreement which is part of the Assets or (ii) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Notes or secured by the Indenture as amended by this Supplemental Indenture until such Assets have been realized. It is further understood that the foregoing provisions of this paragraph (c) shall not limit the right of any Person to name the Issuer or the Co-Issuer as a party defendant in any Proceeding or in the exercise of any other remedy under the Notes or the Indenture as amended by this Supplemental Indenture, so long as no judgment in the nature of a deficiency judgment or seeking personal liability shall be asked for or (if obtained) enforced against any such Person or entity. The Subordinated Notes are not secured under the Indenture as amended by this Supplemental Indenture, and the Holders of the Subordinated Notes are not Secured Parties.

(d) Notwithstanding any other provision of the Indenture as amended by this Supplemental Indenture, none of the Trustee, the Secured Parties or the Holders and beneficial owners of any Notes may (and the Holders and beneficial owners of each Class of Notes agree, for the benefit of all Holders of each Class of Notes, that they shall not), prior to the date which is one year and one day (or if longer, any applicable preference period *plus* one day) after the payment in full of all Notes and any other debt obligations of the Issuer that have been rated upon issuance by any rating agency at the request of the Issuer, institute against, or join any other Person in instituting against, the Issuer, the Co-Issuer or any Blocker Subsidiary any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation Proceedings, or other Proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws of any jurisdiction. Nothing in this paragraph shall preclude, or be deemed to estop, the Trustee, any Secured Party or any Noteholder (i) from taking any action prior to the expiration of the aforementioned period in (A) any case or Proceeding voluntarily filed or commenced by the Issuer, the Co-Issuer or any Blocker Subsidiary or (B) any involuntary insolvency Proceeding filed or commenced by a Person other than the Trustee, such Secured Party or such Noteholder, respectively, or (ii) from commencing against the Issuer, the Co-Issuer or any Blocker Subsidiary or any of their respective properties any legal action which is not a bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation Proceeding.

(e) The Trustee assumes no responsibility for the correctness of the recitals contained herein, which shall be taken as the statements of each of the Co-Issuers, and the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Supplemental Indenture and makes no representation with respect thereto.

(f) Upon its execution, this Supplemental Indenture shall become effective on the Refinancing Date immediately following the consummation of the Refinancing contemplated by Section 1 of this Supplemental Indenture on such date without any further action by any Person.

(g) The Co-Issuers represent and warrant to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by each of the Co-Issuers and

constitutes their respective legal, valid and binding obligation, enforceable against each of the Co-Issuers in accordance with its terms.

(h) This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(i) The Issuer hereby represents and agrees that, as of the date hereof, none of the Assets is a Bond (as defined in the Indenture after giving effect to the amendments effected by this Supplemental Indenture), a Senior Secured Floating Rate Note (as defined in the Indenture prior to giving effect to the amendments effected by this Supplemental Indenture) or a Letter of Credit Reimbursement Obligation (as defined in the Indenture prior to giving effect to the amendments effected by this Supplemental Indenture), and each of the Assets is a Collateral Obligation or an Eligible Investment (each as defined in the Indenture after giving effect to the amendments effected by this Supplemental Indenture), except for any Equity Security that constitutes a security received in lieu of debts previously contracted with respect to loans included in the Collateral Obligations.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Supplemental Indenture as of the date first written above.

BABSON CLO LTD. 2012-II, as Issuer

By: _____
Name:
Title:

BABSON CLO 2012-II, LLC,
as Co-Issuer

By: _____
Name:
Title:

**STATE STREET BANK AND TRUST
COMPANY**, as Trustee

By: _____
Name:
Title:

AGREED AND CONSENTED TO:

BABSON CAPITAL MANAGEMENT LLC, as Collateral Manager

By: _____

Name:

Title:

AGREED AND CONSENTED TO:

STATE STREET BANK AND TRUST COMPANY, as Collateral Administrator

By: _____

Name:

Title:

Schedule 8

S&P Non-Model Version CDO Monitor Definitions

If so elected by the Collateral Manager by written notice to the Issuer, the Collateral Administrator, the Trustee and S&P, the S&P CDO Monitor Test shall be defined as follows:

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date and during the Reinvestment Period following receipt by the Collateral Manager or the Collateral Administrator from S&P of the S&P CDO Monitor Input File to the S&P CDO Monitor if, after giving effect to the purchase of any additional Collateral Obligation, the S&P CDO Monitor Adjusted BDR is equal to or greater than the S&P CDO Monitor SDR. The S&P CDO Monitor Test shall only be applicable to the Controlling Class.

As used for purposes of the S&P CDO Monitor Test, the following terms shall have the meanings set forth below:

"**S&P CDO Monitor Adjusted BDR**" means the threshold value for the S&P CDO Monitor Test, calculated as a percentage by adjusting the S&P CDO Monitor BDR for changes in the Principal Balance of the Collateral Obligations relative to the Target Initial Par Amount as follows:

$$\text{S\&P CDO Monitor BDR} * (\text{OP} / \text{NP}) + (\text{NP} - \text{OP}) / [\text{NP} * (1 - [\text{Weighted Average S\&P Recovery Rate}])]$$
, where OP = Effective Date Target Par Amount; and NP = the sum of the Aggregate Principal Balances of the Collateral Obligations with an S&P Rating of "CCC-" or higher, Principal Proceeds, and the sum of the lower of S&P Recovery Amount or the Market Value of each obligation with an S&P Rating below "CCC-".

"**S&P CDO Monitor BDR**" means the value calculated using the formula provided in the S&P CDO Monitor Input File.

"**S&P CDO Monitor Input File**" means a file containing the formula relating to the Issuer's portfolio used to calculate the S&P CDO Monitor BDR, which formula is: $\text{S\&P CDO Monitor BDR} = \text{C0} + (\text{C1} * \text{Weighted Average Spread}) + (\text{C2} * [\text{Weighted Average S\&P Recovery Rate}])$. C0, C1 and C2 will not change.

"**S&P CDO Monitor SDR**" means the percentage derived from the following equation: $0.329915 + (1.210322 * \text{EPDR}) - (0.586627 * \text{DRD}) + (2.538684 / \text{ODM}) + (0.216729 / \text{IDM}) + (0.0575539 / \text{RDM}) - (0.0136662 * \text{WAL})$, where EPDR is the S&P Expected Portfolio Default Rate; DRD is the S&P Default Rate Dispersion; ODM is the S&P Obligor Diversity Measure; IDM is the S&P Industry Diversity Measure; RDM is the S&P Regional Diversity Measure; and WAL is the S&P Weighted Average Life.

"**S&P Default Rate**" means, with respect to all Collateral Obligations with an S&P Rating of "CCC-" or higher, the default rate determined in accordance with Table 1 below using such Collateral Obligation's S&P Rating and the number of years to maturity (determined using linear interpolation if the number of years to maturity is not an integer).

"**S&P Default Rate Dispersion**" means, with respect to all Collateral Obligations with an S&P Rating of "CCC-" or higher, (A) the sum of the product of (i) the Principal Balance of each such Collateral Obligation and (ii) the absolute value of (x) the S&P Default Rate *minus* (y) the S&P Expected Portfolio Default Rate *divided by* (B) the Aggregate Principal Balance for all such Collateral Obligations.

"**S&P Expected Portfolio Default Rate**" means, with respect to all Collateral Obligations with an S&P Rating of "CCC-" or higher, (i) the sum of the product of (x) the Principal Balance of each such Collateral Obligation and (y) the S&P Default Rate *divided by* (ii) the Aggregate Principal Balance for all such Collateral Obligations.

"S&P Industry Diversity Measure" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Obligations (with an S&P Rating of "CCC-" or higher) within each S&P Industry Classification in the portfolio, then dividing each of these amounts by the Aggregate Principal Balance of the Collateral Obligations (with an S&P Rating of "CCC-" or higher) from all the S&P Industry Classifications in the portfolio, squaring the result for each industry, then taking the reciprocal of the sum of these squares.

"S&P Obligor Diversity Measure" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Obligations (with an S&P Rating of "CCC-" or higher) from each obligor and its affiliates, then dividing each such Aggregate Principal Balance by the Aggregate Principal Balance of Collateral Obligations (with an S&P Rating of "CCC-" or higher) from all the obligors in the portfolio, then squaring the result for each obligor, then taking the reciprocal of the sum of these squares.

"S&P Regional Diversity Measure" means a measure calculated by determining the Aggregate Principal Balance of the Collateral Obligations (with an S&P Rating of "CCC-" or higher) within each S&P region set forth in Table 2 below, then dividing each of these amounts by the Aggregate Principal Balance of the Collateral Obligations (with an S&P Rating of "CCC-" or higher) from all S&P regions in the portfolio, squaring the result for each region, then taking the reciprocal of the sum of these squares.

"S&P Weighted Average Life" means, on any date of determination, a number calculated by determining the number of years between the current date and the maturity date of each Collateral Obligation (with an S&P Rating of "CCC-" or higher), multiplying each Collateral Obligation's Principal Balance by its number of years, summing the results of all Collateral Obligations in the portfolio, and dividing such amount by the Aggregate Principal Balance of all Collateral Obligations (with an S&P Rating of "CCC-" or higher).

Table 1

Tenor	Rating									
	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
0	0	0	0	0	0	0	0	0	0	0
1	0.003249	0.008324	0.017659	0.049443	0.100435	0.198336	0.305284	0.403669	0.461619	0.524294
2	0.015699	0.036996	0.073622	0.139938	0.257400	0.452472	0.667329	0.892889	1.091719	1.445989
3	0.041484	0.091325	0.172278	0.276841	0.474538	0.770505	1.100045	1.484175	1.895696	2.702054
4	0.084784	0.176281	0.317753	0.464897	0.755269	1.158808	1.613532	2.186032	2.867799	4.229668
5	0.149746	0.296441	0.513749	0.708173	1.102407	1.621846	2.213969	3.000396	3.994693	5.969443
6	0.240402	0.455938	0.763415	1.009969	1.517930	2.162163	2.903924	3.924151	5.258484	7.867654
7	0.360599	0.658408	1.069266	1.372767	2.002861	2.780489	3.682872	4.950544	6.639097	9.877442
8	0.513925	0.906953	1.433135	1.798206	2.557255	3.475934	4.547804	6.070420	8.116014	11.959164
9	0.703660	1.204112	1.856168	2.287090	3.180245	4.246223	5.493831	7.273226	9.669463	14.080160
10	0.932722	1.551859	2.338835	2.839430	3.870134	5.087962	6.514747	8.547804	11.281152	16.214169
11	1.203636	1.951593	2.880967	3.454496	4.624506	5.996889	7.603506	9.882975	12.934676	18.340556
12	1.518511	2.404163	3.481806	4.130896	5.440351	6.968119	8.752625	11.267955	14.615674	20.443492
13	1.879017	2.909885	4.140061	4.866660	6.314188	7.996356	9.954495	12.692626	16.311827	22.511146
14	2.286393	3.468577	4.853976	5.659322	7.242183	9.076083	11.201627	14.147698	18.012750	24.534955
15	2.741441	4.079595	5.621395	6.506018	8.220258	10.201710	12.486816	15.624793	19.709826	26.508977
16	3.244545	4.741882	6.439830	7.403564	9.244188	11.367700	13.803266	17.116461	21.396011	28.429339
17	3.795687	5.454010	7.306523	8.348542	10.309683	12.568668	15.144662	18.616162	23.065636	30.293780
18	4.394473	6.214227	8.218512	9.337373	11.412464	13.799448	16.505206	20.118217	24.714212	32.101269
19	5.040161	7.020506	9.172684	10.366381	12.548315	15.055145	17.879633	21.617740	26.338248	33.851709

Tenor	Rating									
	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
20	5.731690	7.870595	10.165829	11.431855	13.713133	16.331168	19.263208	23.110574	27.935091	35.545692
21	6.467720	8.762054	11.194685	12.530097	14.902967	17.623250	20.651699	24.593206	29.502784	37.184306
22	7.246658	9.692304	12.255978	13.657463	16.114039	18.927451	22.041357	26.062700	31.039941	38.768990
23	8.066698	10.658664	13.346459	14.810401	17.342769	20.240163	23.428880	27.516624	32.545643	40.301420
24	8.925853	11.658386	14.462930	15.985473	18.585784	21.558096	24.811375	28.952986	34.019346	41.783417
25	9.821992	12.688687	15.602275	17.179384	19.839925	22.878270	26.186325	30.370173	35.460813	43.216885
26	10.752863	13.746781	16.761474	18.388990	21.102252	24.197998	27.551553	31.766900	36.870044	44.603759
27	11.716131	14.829898	17.937621	19.611314	22.370042	25.514868	28.905184	33.142161	38.247233	45.945970
28	12.709401	15.935312	19.127936	20.843553	23.640779	26.826725	30.245615	34.495190	39.592717	47.245417
29	13.730244	17.060358	20.329775	22.083077	24.912158	28.131652	31.571487	35.825422	40.906950	48.503948
30	14.776220	18.202443	21.540635	23.327436	26.182066	29.427952	32.881653	37.132462	42.190470	49.723352

Tenor	Rating								
	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
0	0	0	0	0	0	0	0	0	0
1	1.051627	2.109451	2.600238	3.221175	7.848052	10.882127	15.688600	20.494984	25.301275
2	2.499656	4.644348	5.872070	7.597534	14.781994	20.010198	28.039819	34.622676	40.104827
3	4.296729	7.475880	9.536299	12.379110	20.934989	27.616832	37.429809	44.486183	49.823181
4	6.375706	10.488373	13.369967	17.163869	26.396576	33.956728	44.585491	51.602827	56.644894
5	8.664544	13.586821	17.214556	21.748448	31.246336	39.272130	50.135335	56.922985	61.661407
6	11.095356	16.697807	20.966483	26.041061	35.559617	43.770645	54.540771	61.035699	65.491579
7	13.609032	19.767400	24.563596	30.011114	39.406428	47.620000	58.122986	64.312999	68.512300
8	16.156890	22.757944	27.972842	33.660308	42.849805	50.951513	61.102369	66.995611	70.963159
9	18.700581	25.644678	31.180555	37.006268	45.945037	53.866495	63.630626	69.243071	73.001159
10	21.211084	28.412675	34.185384	40.073439	48.739741	56.442784	65.813448	71.163565	74.731801
11	23.667314	31.054264	36.993388	42.888153	51.274446	58.740339	67.725700	72.832114	76.227640
12	26.054666	33.566968	39.614764	45.476090	53.583431	60.805678	69.421440	74.301912	77.539705
13	28.363660	35.951906	42.061729	47.861084	55.695612	62.675243	70.940493	75.611515	78.704697
14	30.588762	38.212600	44.347194	50.064659	57.635391	64.377918	72.312813	76.789485	79.749592
15	32.727407	40.354091	46.483968	52.105958	59.423407	65.936872	73.561381	77.857439	80.694661
16	34.779204	42.382307	48.484306	54.001869	61.077177	67.370926	74.704179	78.832075	81.555449
17	36.745314	44.303617	50.359673	55.767228	62.611640	68.695550	75.755528	79.726540	82.344119
18	38.627975	46.124519	52.120647	57.415059	64.039598	69.923606	76.727026	80.551376	83.070367
19	40.430133	47.851440	53.776900	58.956797	65.372082	71.065901	77.628212	81.315171	83.742047
20	42.155172	49.490597	55.337225	60.402500	66.618643	72.131608	78.467035	82.025027	84.365628
21	43.806716	51.047918	56.809591	61.761037	67.787598	73.128577	79.250199	82.686894	84.946502
22	45.388482	52.528995	58.201208	63.040250	68.886224	74.063579	79.983418	83.305814	85.489225
23	46.904180	53.939064	59.518589	64.247092	69.920916	74.942503	80.671609	83.886103	85.997683
24	48.357444	55.282998	60.767623	65.387746	70.897320	75.770492	81.319036	84.431487	86.475223
25	49.751780	56.565320	61.953636	66.467726	71.820441	76.552075	81.929422	84.945209	86.924750
26	51.090543	57.790210	63.081447	67.491964	72.694731	77.291249	82.506039	85.430110	87.348805
27	52.376916	58.961526	64.155419	68.464885	73.524165	77.991566	83.051779	85.888693	87.749621

Tenor	Rating								
	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-
28	53.613901	60.082826	65.179512	69.390464	74.312302	78.656191	83.569207	86.323175	88.129173
29	54.804319	61.157385	66.157321	70.272285	75.062339	79.287952	84.060611	86.735528	88.489217
30	55.950815	62.188218	67.092112	71.113583	75.777155	79.889391	84.528038	87.127511	88.831318

Table 2

Region Code	Region Name	Country Code	Country Name
17	Africa: Eastern	253	Djibouti
17	Africa: Eastern	291	Eritrea
17	Africa: Eastern	251	Ethiopia
17	Africa: Eastern	254	Kenya
17	Africa: Eastern	252	Somalia
17	Africa: Eastern	249	Sudan
12	Africa: Southern	247	Ascension
12	Africa: Southern	267	Botswana
12	Africa: Southern	266	Lesotho
12	Africa: Southern	230	Mauritius
12	Africa: Southern	264	Namibia
12	Africa: Southern	248	Seychelles
12	Africa: Southern	27	South Africa
12	Africa: Southern	290	St. Helena
12	Africa: Southern	268	Swaziland
13	Africa: Sub-Saharan	244	Angola
13	Africa: Sub-Saharan	226	Burkina Faso
13	Africa: Sub-Saharan	257	Burundi
13	Africa: Sub-Saharan	225	Cote d'Ivoire
13	Africa: Sub-Saharan	240	Equatorial Guinea
13	Africa: Sub-Saharan	241	Gabonese Republic
13	Africa: Sub-Saharan	220	Gambia
13	Africa: Sub-Saharan	233	Ghana
13	Africa: Sub-Saharan	224	Guinea
13	Africa: Sub-Saharan	245	Guinea-Bissau
13	Africa: Sub-Saharan	231	Liberia
13	Africa: Sub-Saharan	261	Madagascar
13	Africa: Sub-Saharan	265	Malawi
13	Africa: Sub-Saharan	223	Mali
13	Africa: Sub-Saharan	222	Mauritania
13	Africa: Sub-Saharan	258	Mozambique
13	Africa: Sub-Saharan	227	Niger
13	Africa: Sub-Saharan	234	Nigeria
13	Africa: Sub-Saharan	250	Rwanda
13	Africa: Sub-Saharan	239	Sao Tome & Principe

Region Code	Region Name	Country Code	Country Name
13	Africa: Sub-Saharan	221	Senegal
13	Africa: Sub-Saharan	232	Sierra Leone
13	Africa: Sub-Saharan	255	Tanzania/Zanzibar
13	Africa: Sub-Saharan	228	Togo
13	Africa: Sub-Saharan	256	Uganda
13	Africa: Sub-Saharan	260	Zambia
13	Africa: Sub-Saharan	263	Zimbabwe
13	Africa: Sub-Saharan	229	Benin
13	Africa: Sub-Saharan	237	Cameroon
13	Africa: Sub-Saharan	238	Cape Verde Islands
13	Africa: Sub-Saharan	236	Central African Republic
13	Africa: Sub-Saharan	235	Chad
13	Africa: Sub-Saharan	269	Comoros
13	Africa: Sub-Saharan	242	Congo-Brazzaville
13	Africa: Sub-Saharan	243	Congo-Kinshasa
3	Americas: Andean	591	Bolivia
3	Americas: Andean	57	Colombia
3	Americas: Andean	593	Ecuador
3	Americas: Andean	51	Peru
3	Americas: Andean	58	Venezuela
4	Americas: Mercosur and Southern Cone	54	Argentina
4	Americas: Mercosur and Southern Cone	55	Brazil
4	Americas: Mercosur and Southern Cone	56	Chile
4	Americas: Mercosur and Southern Cone	595	Paraguay
4	Americas: Mercosur and Southern Cone	598	Uruguay
1	Americas: Mexico	52	Mexico
2	Americas: Other Central and Caribbean	1264	Anguilla
2	Americas: Other Central and Caribbean	1268	Antigua
2	Americas: Other Central and Caribbean	1242	Bahamas
2	Americas: Other Central and Caribbean	246	Barbados
2	Americas: Other Central and Caribbean	501	Belize
2	Americas: Other Central and Caribbean	441	Bermuda
2	Americas: Other Central and Caribbean	284	British Virgin Islands
2	Americas: Other Central and Caribbean	345	Cayman Islands
2	Americas: Other Central and Caribbean	506	Costa Rica
2	Americas: Other Central and Caribbean	809	Dominican Republic
2	Americas: Other Central and Caribbean	503	El Salvador
2	Americas: Other Central and Caribbean	473	Grenada
2	Americas: Other Central and Caribbean	590	Guadeloupe
2	Americas: Other Central and Caribbean	502	Guatemala
2	Americas: Other Central and Caribbean	504	Honduras
2	Americas: Other Central and Caribbean	876	Jamaica
2	Americas: Other Central and Caribbean	596	Martinique

Region Code	Region Name	Country Code	Country Name
2	Americas: Other Central and Caribbean	505	Nicaragua
2	Americas: Other Central and Caribbean	507	Panama
2	Americas: Other Central and Caribbean	869	St. Kitts/Nevis
2	Americas: Other Central and Caribbean	758	St. Lucia
2	Americas: Other Central and Caribbean	784	St. Vincent & Grenadines
2	Americas: Other Central and Caribbean	597	Suriname
2	Americas: Other Central and Caribbean	868	Trinidad& Tobago
2	Americas: Other Central and Caribbean	649	Turks & Caicos
2	Americas: Other Central and Caribbean	297	Aruba
2	Americas: Other Central and Caribbean	53	Cuba
2	Americas: Other Central and Caribbean	599	Curacao
2	Americas: Other Central and Caribbean	767	Dominica
2	Americas: Other Central and Caribbean	594	French Guiana
2	Americas: Other Central and Caribbean	592	Guyana
2	Americas: Other Central and Caribbean	509	Haiti
2	Americas: Other Central and Caribbean	664	Montserrat
101	Americas: U.S. and Canada	2	Canada
101	Americas: U.S. and Canada	1	USA
7	Asia: China, Hong Kong, Taiwan	86	China
7	Asia: China, Hong Kong, Taiwan	852	Hong Kong
7	Asia: China, Hong Kong, Taiwan	886	Taiwan
5	Asia: India, Pakistan and Afghanistan	93	Afghanistan
5	Asia: India, Pakistan and Afghanistan	91	India
5	Asia: India, Pakistan and Afghanistan	92	Pakistan
6	Asia: Other South	880	Bangladesh
6	Asia: Other South	975	Bhutan
6	Asia: Other South	960	Maldives
6	Asia: Other South	977	Nepal
6	Asia: Other South	94	Sri Lanka
8	Asia: Southeast, Korea and Japan	673	Brunei
8	Asia: Southeast, Korea and Japan	855	Cambodia
8	Asia: Southeast, Korea and Japan	62	Indonesia
8	Asia: Southeast, Korea and Japan	81	Japan
8	Asia: Southeast, Korea and Japan	856	Laos
8	Asia: Southeast, Korea and Japan	60	Malaysia
8	Asia: Southeast, Korea and Japan	95	Myanmar
8	Asia: Southeast, Korea and Japan	850	North Korea
8	Asia: Southeast, Korea and Japan	63	Philippines
8	Asia: Southeast, Korea and Japan	65	Singapore
8	Asia: Southeast, Korea and Japan	82	South Korea
8	Asia: Southeast, Korea and Japan	66	Thailand
8	Asia: Southeast, Korea and Japan	84	Vietnam
8	Asia: Southeast, Korea and Japan	670	East Timor

Region Code	Region Name	Country Code	Country Name
105	Asia-Pacific: Australia and New Zealand	61	Australia
105	Asia-Pacific: Australia and New Zealand	682	Cook Islands
105	Asia-Pacific: Australia and New Zealand	64	New Zealand
9	Asia-Pacific: Islands	679	Fiji
9	Asia-Pacific: Islands	689	French Polynesia
9	Asia-Pacific: Islands	686	Kiribati
9	Asia-Pacific: Islands	691	Micronesia
9	Asia-Pacific: Islands	674	Nauru
9	Asia-Pacific: Islands	687	New Caledonia
9	Asia-Pacific: Islands	680	Palau
9	Asia-Pacific: Islands	675	Papua New Guinea
9	Asia-Pacific: Islands	685	Samoa
9	Asia-Pacific: Islands	677	Solomon Islands
9	Asia-Pacific: Islands	676	Tonga
9	Asia-Pacific: Islands	688	Tuvalu
9	Asia-Pacific: Islands	678	Vanuatu
15	Europe: Central	420	Czech Republic
15	Europe: Central	372	Estonia
15	Europe: Central	36	Hungary
15	Europe: Central	371	Latvia
15	Europe: Central	370	Lithuania
15	Europe: Central	48	Poland
15	Europe: Central	421	Slovak Republic
16	Europe: Eastern	355	Albania
16	Europe: Eastern	387	Bosnia and Herzegovina
16	Europe: Eastern	359	Bulgaria
16	Europe: Eastern	385	Croatia
16	Europe: Eastern	383	Kosovo
16	Europe: Eastern	389	Macedonia
16	Europe: Eastern	382	Montenegro
16	Europe: Eastern	40	Romania
16	Europe: Eastern	381	Serbia
16	Europe: Eastern	90	Turkey
14	Europe: Russia & CIS	374	Armenia
14	Europe: Russia & CIS	994	Azerbaijan
14	Europe: Russia & CIS	375	Belarus
14	Europe: Russia & CIS	995	Georgia
14	Europe: Russia & CIS	8	Kazakhstan
14	Europe: Russia & CIS	996	Kyrgyzstan
14	Europe: Russia & CIS	373	Moldova
14	Europe: Russia & CIS	976	Mongolia
14	Europe: Russia & CIS	7	Russia
14	Europe: Russia & CIS	992	Tajikistan

Region Code	Region Name	Country Code	Country Name
14	Europe: Russia & CIS	993	Turkmenistan
14	Europe: Russia & CIS	380	Ukraine
14	Europe: Russia & CIS	998	Uzbekistan
102	Europe: Western	376	Andorra
102	Europe: Western	43	Austria
102	Europe: Western	32	Belgium
102	Europe: Western	357	Cyprus
102	Europe: Western	45	Denmark
102	Europe: Western	358	Finland
102	Europe: Western	33	France
102	Europe: Western	49	Germany
102	Europe: Western	30	Greece
102	Europe: Western	354	Iceland
102	Europe: Western	353	Ireland
102	Europe: Western	101	Isle of Man
102	Europe: Western	39	Italy
102	Europe: Western	102	Liechtenstein
102	Europe: Western	352	Luxembourg
102	Europe: Western	356	Malta
102	Europe: Western	377	Monaco
102	Europe: Western	31	Netherlands
102	Europe: Western	47	Norway
102	Europe: Western	351	Portugal
102	Europe: Western	386	Slovenia
102	Europe: Western	34	Spain
102	Europe: Western	46	Sweden
102	Europe: Western	41	Switzerland
102	Europe: Western	44	United Kingdom
10	Middle East: Gulf States	973	Bahrain
10	Middle East: Gulf States	98	Iran
10	Middle East: Gulf States	964	Iraq
10	Middle East: Gulf States	965	Kuwait
10	Middle East: Gulf States	968	Oman
10	Middle East: Gulf States	974	Qatar
10	Middle East: Gulf States	966	Saudi Arabia
10	Middle East: Gulf States	971	United Arab Emirates
10	Middle East: Gulf States	967	Yemen
11	Middle East: MENA	213	Algeria
11	Middle East: MENA	20	Egypt
11	Middle East: MENA	972	Israel
11	Middle East: MENA	962	Jordan
11	Middle East: MENA	961	Lebanon
11	Middle East: MENA	212	Morocco

Region Code	Region Name	Country Code	Country Name
11	Middle East: MENA	970	Palestinian Settlements
11	Middle East: MENA	963	Syrian Arab Republic
11	Middle East: MENA	216	Tunisia
11	Middle East: MENA	1212	Western Sahara
11	Middle East: MENA	218	Libya

Exhibit A

Forms of Notes

ANNEX C

DISTRIBUTION REPORT



STATE STREET GLOBAL SERVICES.

BABSON CLO LTD. 2012-II

Monthly Report
as of
>i`m\$3ž&\$%

Deal Summary

Contact Information

Name: Nicholas White
Phone Number: +1 (617) 662-9190
Email Address: NWhite2@statestreet.com

Administrator: Maples Finance
Collateral Manager: Babson Capital Management LLC
Rating Agency: Moody's
Rating Agency: Standards & Poor's

Critical Dates

Closing Date : June 21, 2012
Effective Date : August 20, 2012
1st Payment Date : November 15, 2012
Payment Schedule: Aug 17th, Nov 16th, Feb 16th, May 16th
Investment Period End Date: May 15, 2016
Maturity Date: May 15, 2023
Next Payment Date: August 17, 2015
Determination Date: August 05, 2015

Miscellaneous Information

Original Deal Size: 406,850,000.00
Current Deal Size: 406,850,000.00
Report Calculation Basis: Trade Date
Issuer Domicile: Cayman Islands
Base Currency: United States Dollar (USD)

Capital Structure

Tranche	Rule 144 A	Reg S	Currency	Original	Current	Factor	Credit Ratings (S&P / Moody's)			Libor	Spread	Coupon	Maturity
				Par Amount	Par Amount		Original	Current	Watch				
Class A-1R Notes	05616GAJ8	G0758QAE9	USD	255,000,000.00	255,000,000.00	1.00000	AAA/Aaa	AAA/Aaa	/	0.27390%	1.24000%	1.51390%	5/15/2023
Class A-2R Notes	05616GAL3	G0758QAF6	USD	42,000,000.00	42,000,000.00	1.00000	AA/NR	AA/NR	/	0.27390%	1.76000%	2.03390%	5/15/2023
Class B-R Notes	05616GAN9	G0758QAG4	USD	32,000,000.00	32,000,000.00	1.00000	A/NR	A/NR	/	0.27390%	2.55000%	2.82390%	5/15/2023
Class C-R Notes	05616GAQ2	G0758QAH2	USD	22,000,000.00	22,000,000.00	1.00000	BBB/NR	BBB/NR	/	0.27390%	3.60000%	3.87390%	5/15/2023
Class D-R Notes	05617QAE6	G0758RAC1	USD	18,000,000.00	18,000,000.00	1.00000	BB/NR	BB/NR	/	0.27390%	5.55000%	5.82390%	5/15/2023
Subordinated Notes	05617QAC0	G0758RAB3	USD	37,850,000.00	37,850,000.00	1.00000	NR/NR	NR/NR	/	-	-	-	5/15/2023
Total:				406,850,000.00	406,850,000.00								

Cash Account Balances

Currency	Account Name	Balance
USD	Custodial Account	0.00
	Distribution Reserve Account	0.00
	Expense Reserve Account	818,255.77
	LC Reserve Account	0.00
	Payment Account	0.00
	Revolver Funding Account	0.00
	Principal Collection Subaccount	20,943,558.92
	Ramp-Up Account	0.00
	Interest Collection Subaccount	2,666,656.67

Collateral Principal Amount

Aggregate Principal Balance of Collateral Debt Securities	396,281,521.84
Defaulted Portfolio Collateral	(887,500.02)
Principal Collection Account	20,943,558.92
Outstanding Principal Proceeds	0.00
Principal Proceeds for Unsettled Trades	(16,271,421.15)
Ramp Up Account	0.00
Collateral Principal Amount (CPA)	400,066,159.59

Top Five Issuers *

First Data Corporation	8,000,000.00	2.00%
Charter Communications Operating, LLC	6,815,912.28	1.70%
Delta 2 (LUX) S.a.r.l.	6,602,117.26	1.65%
Pinnacle Foods Finance LLC	6,452,332.36	1.61%
Energy Transfer Equity, L.P.	6,144,226.31	1.54%

Top Five S&P Industry Classifications *

Health care	36,651,762.50	9.16%
Oil & gas	30,377,283.32	7.59%
Financial intermediaries	27,602,722.24	6.90%
Business equipment & services	25,537,541.83	6.38%
Retailers (except food & drug)	25,214,740.34	6.30%

Top Five Moody's Industry Classifications *

Healthcare & Pharmaceuticals	48,825,817.68	12.20%
Banking, Finance, Insurance & Real Estate	36,705,152.97	9.17%
Services: Business	33,523,744.42	8.38%
Retail	25,214,740.34	6.30%
Media: Broadcasting & Subscription	24,422,198.13	6.10%

* Percentage of CPA

Collateral Quality Test Summary

Test Name	Test Result	Threshold	Pass/Fail	Margin	
Minimum Floating Spread Test	4.26%	3.48% Min	Passed	0.79	
Minimum Weighted Average S&P Recovery Rate Test	44.6%	40.5% Min	Passed	4.00	
Minimum Weighted Average Moody's Recovery Rate Test	49.5%	45.0% Min	Passed	4.50	
Weighted Average Life Test	4.74	4.97 Max	Passed	0.23	
Minimum Weighted Average Coupon Test	0.00%	7.50% Min	Passed	7.50	There are currently no Fixed Rate Obligations
Moody's Weighted Average Rating Factor	2537				
Maximum Moody's Rating Factor Test (Adjusted WARF)	2672	3093 Max	Passed	421	
Moody's Diversity Test	76	45 Min	Passed	31	

S&P CDOMonitor

Rated Class	Scenario Default Rate	Current Break Even	CDOMonitor Test Result	Margin
S&P CDOMonitor Class A-1 Test	62.1%	66.3%	Pass	4.19
S&P CDOMonitor Class A-2 Test	54.3%	62.7%	Pass	8.35
S&P CDOMonitor Class B Test	48.3%	52.7%	Pass	4.41
S&P CDOMonitor Class C Test	42.3%	44.8%	Pass	2.44
S&P CDOMonitor Class D Test	35.5%	37.3%	Pass	1.81

Concentration Limitations

Test Name	Test Value	Test Result	Threshold	Pass/Fail	Margin
Senior Secured Loans, Cash and Eligible Investments	384,629,570.90	96.1%	95.0% Min	Passed	1.10
Second Lien and Unsecured Loans	15,436,588.69	3.9%	5.0% Max	Passed	1.10
Single Largest Issuer	8,000,000.00	2.0%	2.5% Max	Passed	0.50
5th Largest Issuer	6,144,226.31	1.5%	2.5% Max	Passed	1.00
6th Largest Issuer	5,709,604.39	1.4%	2.0% Max	Passed	0.60
Obligations Rated Caa1 or lower	8,879,905.44	2.2%	7.5% Max	Passed	5.30
Obligations Rated CCC+ or lower	12,175,281.55	3.0%	7.5% Max	Passed	4.50
Obligations Paying Less Than Quarterly	0.00	0.0%	5.0% Max	Passed	5.00
Fixed Rate Collateral Obligations	0.00	0.0%	5.0% Max	Passed	5.00
Current Pay Obligations	0.00	0.0%	7.5% Max	Passed	7.50
DIP Collateral Obligations	0.00	0.0%	7.5% Max	Passed	7.50
Revolving Loans and Delayed Drawdowns	0.00	0.0%	5.0% Max	Passed	5.00
Participations	0.00	0.0%	20.0% Max	Passed	20.00
Aggregate Moody's Counterparty Criteria for Institutions Rated Aaa or below	0.00	0.0%	20.0% Max	Passed	20.00
Individual Moody's Counterparty Criteria for Institutions Rated Aaa or below.	0.00	0.0%	20.0% Max	Passed	20.00
Aggregate Moody's Counterparty Criteria for Institutions Rated Aa1 or below	0.00	0.0%	20.0% Max	Passed	20.00
Individual Moody's Counterparty Criteria for Institutions Rated Aa1 or below	0.00	0.0%	20.0% Max	Passed	20.00
Aggregate Moody's Counterparty Criteria for Institutions Rated Aa2 or below	0.00	0.0%	20.0% Max	Passed	20.00
Individual Moody's Counterparty Criteria for Institutions Rated Aa2 or below	0.00	0.0%	20.0% Max	Passed	20.00
Aggregate Moody's Counterparty Criteria for Institutions Rated Aa3 or below	0.00	0.0%	20.0% Max	Passed	20.00
Individual Moody's Counterparty Criteria for Institutions Rated Aa3 or below	0.00	0.0%	15.0% Max	Passed	15.00
Aggregate Moody's Counterparty Criteria for Institutions Rated A1 and P-1 or below	0.00	0.0%	12.5% Max	Passed	12.50
Individual Moody's Counterparty Criteria for Institutions Rated A1 and P-1 or below	0.00	0.0%	10.0% Max	Passed	10.00
Aggregate Moody's Counterparty Criteria for Institutions Rated A2 and P-1 or below	0.00	0.0%	7.5% Max	Passed	7.50
Individual Moody's Counterparty Criteria for Institutions Rated A2 and P-1 or below	0.00	0.0%	5.0% Max	Passed	5.00
Aggregate Moody's Counterparty Criteria for Institutions Rated A2 or below	0.00	0.0%	0.0% Max	Passed	0.00
Individual Moody's Counterparty Criteria for Institutions Rated A2 or below	0.00	0.0%	0.0% Max	Passed	0.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated AAA or below	0.00	0.0%	20.0% Max	Passed	20.00
S&P Individual Third Party Credit Exposure Limit for Institutions Rated AAA or below	0.00	0.0%	20.0% Max	Passed	20.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated AA+ or below	0.00	0.0%	10.0% Max	Passed	10.00
S&P Individual Third Party Credit Exposure Limit for Institutions Rated AA+ or below	0.00	0.0%	10.0% Max	Passed	10.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated AA or below	0.00	0.0%	10.0% Max	Passed	10.00
S&P Individual Third Party Credit Exposure Limit for Institutions Rated AA or below	0.00	0.0%	10.0% Max	Passed	10.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated AA- or below	0.00	0.0%	10.0% Max	Passed	10.00

Test Name	Test Value	Test Result	Threshold	Pass/Fail	Margin
S&P Individual Third Party Credit Exposure Limit for Institutions Rated AA- or below	0.00	0.0%	10.0% Max	Passed	10.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated A+ or below	0.00	0.0%	5.0% Max	Passed	5.00
S&P Individual Third Party Credit Exposure Limit for Institutions Rated A+ or below	0.00	0.0%	5.0% Max	Passed	5.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated A and A-1	0.00	0.0%	5.0% Max	Passed	5.00
S&P Individual Third Party Credit Exposure Limit for Institutions Rated A and A-1	0.00	0.0%	5.0% Max	Passed	5.00
S&P Aggregate Third Party Credit Exposure Limit for Institutions Rated A or below	0.00	0.0%	0.0% Max	Passed	0.00
S&P Individual Third Party Credit Exposure Limit for Institutions Rated A or below	0.00	0.0%	0.0% Max	Passed	0.00
S&P Derived Rating	1,154,415.59	0.3%	10.0% Max	Passed	9.71
Moody's Derived Rating	0.00	0.0%	10.0% Max	Passed	10.00
Obligors Domiciled in Non-Emerging Markets	395,394,021.82	100.0%	100.0% Min	Passed	0.00
Obligors Domiciled in Countries Other Than the United States	31,296,627.93	7.8%	20.0% Max	Passed	12.20
Obligors Domiciled in Canada	3,072,092.61	0.8%	15.0% Max	Passed	14.20
Obligors Domiciled in Countries Other Than the USA, Canada, and UK	26,224,535.32	6.6%	10.0% Max	Passed	3.40
Obligors Domiciled in any Single Group I Country (Excluding Australia or New Zealand)	2,125,578.28	0.5%	10.0% Max	Passed	9.50
Obligors Domiciled in All Group II Countries	3,748,842.35	0.9%	7.5% Max	Passed	6.60
Obligors Domiciled in any Single Group II Country	3,748,842.35	0.9%	5.0% Max	Passed	4.10
Obligors Domiciled in All Group III Countries	20,010,036.97	5.0%	7.5% Max	Passed	2.50
Obligors Domiciled in All Tax Jurisdictions	0.00	0.0%	5.0% Max	Passed	5.00
Obligors Domiciled in Any Country Other Than USA, UK, CAN, NLD, and Group II or III Country	340,077.72	0.1%	3.0% Max	Passed	2.90
Largest S&P Industry Category	36,651,762.50	9.2%	15.0% Max	Passed	5.80
2nd Largest S&P Industry Category	30,377,283.32	7.6%	12.0% Max	Passed	4.40
3rd Largest S&P Industry Category	27,602,722.24	6.9%	10.0% Max	Passed	3.10
Largest Moody's Industry Category	48,825,817.68	12.2%	15.0% Max	Passed	2.80
2nd Largest Moody's Industry Category	36,705,152.97	9.2%	12.0% Max	Passed	2.80
3rd Largest Moody's Industry Category	33,523,744.42	8.4%	10.0% Max	Passed	1.60
Bridge Loans	0.00	0.0%	5.0% Max	Passed	5.00
Cov-Lite Loans	53,283,630.66	13.32%	60.0% Max	Passed	46.68
Discount Obligations	0.00	0.0%	30.0% Max	Passed	30.00

Coverage Tests

Class A Interest Coverage Test

3,167,463.47	Ratio	Threshold	Pass/Fail	Margin
1,280,972.60	247.3%	120.0%	Passed	127.27

Class B Interest Coverage Test

3,167,463.47	Ratio	Threshold	Pass/Fail	Margin
1,526,925.15	207.4%	115.0%	Passed	92.44

Class C Interest Coverage Test

3,167,463.47	Ratio	Threshold	Pass/Fail	Margin
1,759,389.72	180.0%	110.0%	Passed	70.03

Class D Interest Coverage Test

3,167,463.47	Ratio	Threshold	Pass/Fail	Margin
2,029,363.03	156.1%	105.0%	Passed	51.08

Interest Coverage Ratio - Numerator

Cash Collections

Interest Collection Subaccount	2,666,656.67
Past Due Cash - Interest Proceeds	32,576.13
Total Cash Collections	2,699,232.80

Projected Interest

Projected Interest	774,670.65
Total Projected Interest	774,670.65

Expenses

Accrued and Unpaid Interest on Mgt Fee	0.00
Administrative Expenses	(50,086.78)
Taxes and Government Fees	0.00
Base Management Fee	(256,353.20)
Total Expenses	(306,439.98)

Interest Coverage Ratio - Numerator	3,167,463.47
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Interest Coverage Ratio - Denominator

Tranche	Accrued Interest	Deferred Interest	Total Interest	Cumulative Total
Class A-1R Notes	1,036,338.29	0.00	1,036,338.29	1,036,338.29
Class A-2R Notes	244,634.31	0.00	244,634.31	1,280,972.60
Class B-R Notes	245,952.55	0.00	245,952.55	1,526,925.15
Class C-R Notes	232,464.57	0.00	232,464.57	1,759,389.72
Class D-R Notes	269,973.31	0.00	269,973.31	2,029,363.03
Total:	2,029,363.03	0.00	2,029,363.03	

Coverage Tests

Par Coverage Ratio

Class A Overcollateralization Test

400,394,534.60	Ratio	Threshold	Pass/Fail	Margin
297,000,000.00	134.8%	124.7%	Passed	10.11

Class B Overcollateralization Test

400,394,534.60	Ratio	Threshold	Pass/Fail	Margin
329,000,000.00	121.7%	113.6%	Passed	8.10

Class C Overcollateralization Test

400,394,534.60	Ratio	Threshold	Pass/Fail	Margin
351,000,000.00	114.1%	108.0%	Passed	6.07

Class D Overcollateralization Test

400,394,534.60	Ratio	Threshold	Pass/Fail	Margin
369,000,000.00	108.5%	104.4%	Passed	4.11

Event of Default Test

400,514,347.10	Ratio	Threshold	Pass/Fail	Margin
255,000,000.00	157.1%	102.5%	Passed	54.56

Overcollateralization Ratio -Numerator

Aggregate Principal Balance	396,281,521.84
CCC / Caa Excess Adjustment	0.00
Deferring Securities Adjustment	0.00
Principal Collection Account	20,943,558.92
Outstanding Principal Cash	0.00
Principal Cash for Unsettled Trades	- 16,271,421.15
Defaulted Haircut	- 559,125.01
Overcollateralization Ratio -Numerator	400,394,534.60

Overcollateralization Ratio -Denominator

Tranche	Notes Outstanding	Deferred Amount	Outstanding Less Deferred	Total
Class A-1R Notes	255,000,000.00	0.00	255,000,000.00	255,000,000.00
Class A-2R Notes	42,000,000.00	0.00	42,000,000.00	297,000,000.00
Class B-R Notes	32,000,000.00	0.00	32,000,000.00	329,000,000.00
Class C-R Notes	22,000,000.00	0.00	22,000,000.00	351,000,000.00
Class D-R Notes	18,000,000.00	0.00	18,000,000.00	369,000,000.00
Total:	369,000,000.00	0.00	369,000,000.00	

Principal Balance Adjustment Comparison

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Defaulted	Current Pay	CCC/Caa Excess	Discount	Partial PIK	PIK
Boomerang Tube, LLC	Term Loan	LX125949	887,500.02	559,125.01	0.00	0.00	0.00	0.00	0.00
			887,500.02	559,125.01	0.00	0.00	0.00	0.00	0.00

Defaulted Obligations

Issuer Name	Facility Name / Ticker	Asset ID	Commitment Amount	Principal Balance	Market Price	Moody's Recovery Rate	S&P Recovery Rate	Applicable Collateral Amount	Date of Default
Less Than One Year in Default									
Boomerang Tube, LLC	Term Loan	LX125949	887,500.02	887,500.02	50.50000	40	37	328,375.01	2/26/2015
Less Than One Year in Default:			887,500.02	887,500.02				328,375.01	
								328,375.01	

Caa1 Collateral Obligations

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Market Price	Caa1 Excess	Market Value of Excess	Moody's Rating	S&P Rating
Arch Coal Inc.	Term Loan B	2,910,130.20	2,910,130.20	64.12500	0.00	0.00	Caa1	CCC+
Cunningham Lindsey U.S. Inc.	2nd Lien Term Loan	155,909.09	155,909.09	95.25000	0.00	0.00	Caa1	B
MD America Energy, LLC	2nd Lien Term Loan	1,000,000.00	1,000,000.00	96.93800	0.00	0.00	Caa2	B-
Sedgwick Claims Management Services, Inc.	2nd Lien Term Loan	692,094.21	692,094.21	97.96900	0.00	0.00	Caa2	B
GENEX Holdings Inc.	New 2nd Lien Term Loan	1,000,000.00	1,000,000.00	98.50000	0.00	0.00	Caa2	B
MH Sub I, LLC	2nd Lien Term Loan	1,075,000.00	1,075,000.00	98.50000	0.00	0.00	Caa1	B
Husky Injection Molding Systems Ltd.	2nd Lien Term Loan	355,043.44	355,043.44	98.75000	0.00	0.00	Caa1	B
Shearer's Foods, Inc.	2nd Lien Term Loan	1,000,000.00	1,000,000.00	98.75000	0.00	0.00	Caa1	B
Confie Seguros Holding II Co.	2nd Lien Term Loan	503,335.83	503,335.83	99.50000	0.00	0.00	Caa2	B
Advantage Sales & Marketing, Inc.	2014 2nd Lien Term Loan	293,576.86	293,576.86	100.20800	0.00	0.00	Caa1	B
Brickman Group Ltd. LLC	2nd Lien Term Loan	392,851.65	392,851.65	100.20800	0.00	0.00	Caa1	B
CITGO Holding Inc.	2015 Term Loan B	1,359,048.02	1,359,048.02	100.30000	0.00	0.00	Caa1	B-
DAE Aviation Holdings, Inc.	2nd Lien Term Loan	341,817.05	341,817.05	100.41700	0.00	0.00	Caa1	B-
Kronos Incorporated	2nd Lien Term Loan	272,547.82	272,547.82	103.12500	0.00	0.00	Caa2	B-
Caa1 Basket Total:			11,351,354.17		0.00	0.00		
Caa1 Basket Threshold:			30,004,961.97					
Caa1 Excess:			0.00					
Caa1 Excess Weighted Avg. Mkt. Value:			0.00					
Caa1 Excess less Haircut:			0.00					

CCC+ Collateral Obligations

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Market Price	CCC+ Excess	Market Value of Excess	S&P Rating	Moody's Default Probability Rating
Offshore Group Investment Ltd	Term Loan B	1,423,766.54	1,423,766.54	60.25000	0.00	0.00	CCC	B3
Arch Coal Inc.	Term Loan B	2,910,130.20	2,910,130.20	64.12500	0.00	0.00	CCC+	Caa3
Offshore Group Investment Ltd	New Term Loan B	497,960.38	497,960.38	69.95000	0.00	0.00	CCC	B3
RP Crown Parent, LLC	2013 Term Loan	4,970,278.94	4,970,278.94	95.90000	0.00	0.00	CCC+	B3
DynCorp International LLC	Term Loan B	663,612.81	663,612.81	97.08300	0.00	0.00	CCC+	Caa2
UCI International, Inc.	New Term Loan B	308,137.05	308,137.05	99.00000	0.00	0.00	CCC+	Caa1
FPC Holdings, Inc.	1st Lien Term Loan	1,401,395.63	1,401,395.63	99.08300	0.00	0.00	CCC+	B3
CCC+ Basket Total:			12,175,281.55		0.00	0.00		
CCC+ Basket Threshold:			30,004,961.97					
CCC+ Excess:			0.00					
CCC+ Excess Weighted Avg. Mkt. Value:			0.00					
CCC+ Excess less Haircut:			0.00					

Deferring Securities

Issuer Name	Facility Name / Ticker	Principal	Recovery Rates		Collateral Value		Interest Last	Deferred
		Balance	Moody's	S&P	Moody's	S&P	Received Date	Payments
There currently are no Deferring Securities								

Discount Obligations by Purchase Lot

Issuer Name	Facility Name / Ticker	Asset ID	Par Balance	Effective Purchase Price	Purchase Price Value	Discount
There currently are no Discount Obligations						

Distressed Exchanges

Issuer Name	Facility Name / Ticker	N	Acquisition Date
There currently are no Distressed Exchanges			

Current Pay Obligations

Issuer Name	Facility Name / Ticker	Principal Balance	Market Price	Market Value
There currently are no Current Pay Obligations				

Cov-Lite Loans

Cov-Lite Loan Summary

Total Cov-Lite Loans:	53,283,630.66
Collateral Principal Amount (CPA):	400,066,159.59
Percentage of CPA:	13.32%

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance
Asurion LLC	New Term Loan B1	LX128480	5,708,115.78
At Home Holding III Inc.	Term Loan	LX144535	1,280,136.68
Axiall Holdco, Inc.	Term Loan B	LX143442	882,550.49
Berry Plastics Holding Corporation	Term Loan D	LX128321	1,954,999.99
Bombardier Recreational Products, Inc.	New Term Loan B	LX128135	1,517,142.86
BWAY Holding Company, Inc.	New Term Loan B	LX139952	990,000.00
Consolidated Container Company LLC	New Term Loan	LX126769	1,945,000.00
Container Store, Inc. (The)	New Term Loan B	LX123563	883,004.50
CTI Foods Holding Co, LLC	New 1st Lien Term Loan	LX130250	2,456,250.00
David's Bridal, Inc.	New Term Loan B	LX126185	955,445.94
Doncasters Finance US LLC	USD Term Loan	LX128948	1,322,260.16
Exopack Holdings S.A	2015 Term Loan B1	LX133334	487,201.23
FGI Operating Company, LLC	Term Loan	LX123710	1,552,050.88
Fieldwood Energy LLC	1st Lien Term Loan	LX132456	1,735,325.41

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance
FPC Holdings, Inc.	1st Lien Term Loan	LX126795	1,401,395.63
Freescale Semiconductor, Inc.	Term Loan B5	LX132434	1,965,000.00
	Term Loan B4	LX128350	1,935,369.15
Fullbeauty Brands, Inc.	1st Lien Term Loan	LX135873	2,370,655.32
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B	LX144372	1,000,000.00
Jonah Energy LLC	2nd Lien Term Loan	LX137109	1,647,409.58
Kronos Incorporated	2nd Lien Term Loan	LX126442	272,547.82
MH Sub I, LLC	2nd Lien Term Loan	LX137921	1,075,000.00
MIP Delaware, LLC	Term Loan B1	LX120200	669,248.54
Nuance Communications, Inc.	Term Loan C	LX120218	2,450,000.00
Offshore Group Investment Ltd	Term Loan B	LX128935	1,423,766.54
	New Term Loan B	LX133875	497,960.38
Performance Food Group Company	2nd Lien Term Loan	LX129532	1,262,323.30
Physio-Control International, Inc.	1st Lien Term Loan	LX144655	435,392.33
Pinnacle Operating Corp.	Term Loan	LX129664	1,945,225.00
Quikrete Holdings, Inc.	2nd Lien Term Loan	LX132087	513,265.85
Shearer's Foods, Inc.	1st Lien Term Loan	LX137740	1,985,000.01
	2nd Lien Term Loan	LX137741	1,000,000.00
Spencer Gifts LLC	Term Loan B1	LX145716	3,139,210.69
	2nd Lien Term Loan	LX145715	1,000,000.00

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance
The Talbots, Inc.	1st Lien Term Loan	LX135929	997,474.75
Tronox Pigments (Netherlands) B.V.	2013 Term Loan	LX122688	627,901.85

Letter of Credit Obligations

Issuer Name	Facility Name / Ticker	Asset ID	Principal	Counterparty Rating		Counterparty
			Balance	S&P	Moody's	
There currently are no Letter of Credit Obligations						

Participation Obligations

Issuer Name	Facility Name / Ticker	Asset ID	Principal	Counterparty Rating		
			Balance	S&P	Moody's	Counterparty
There currently are no Participation Obligations						

Pending Trades Summary

Transaction	Principal Balance	Principal Cost
Purchases	26,120,170.99	(25,907,972.93)
Sales	(9,754,534.40)	9,636,551.78
Total :	16,365,636.59	(16,271,421.15)

Pending Trades - Purchases

Issuer Name	Facility / Issue Name	Principal Balance	Price	Purchase Cost	Trade Date	Purchased from Affiliate
Academy, Ltd.	2015 Term Loan B	4,000,000.00	99.50000	3,980,000.00	06/16/2015	No
Accellent Inc.	1st Lien Term Loan	997,474.75	99.50000	992,487.38	06/16/2015	No
AZ Chem US Inc.	1st Lien Term Loan	980,654.76	100.00000	980,654.76	06/16/2015	No
CommScope, Inc.	Term Loan B5	342,016.98	99.75000	341,161.94	05/28/2015	No
Confie Seguros Holding II Co.	1st Lien Term Loan	288,562.10	99.50000	287,119.29	06/29/2015	No
Confie Seguros Holding II Co.	2nd Lien Term Loan	503,335.83	99.00000	498,302.47	06/29/2015	No
Emerald US Inc.	Term Loan B1	1,500,000.00	100.00000	1,500,000.00	06/25/2015	No
Emerald US Inc.	Term Loan B1	500,000.00	99.50000	497,500.00	06/18/2015	No
Horizon Global Corporation	Term Loan B	1,341,858.82	98.00000	1,315,021.64	05/26/2015	No
Hyland Software, Inc.	2nd Lien Term Loan	303,841.79	99.50000	302,322.58	06/12/2015	No
Jeld-Wen Inc.	Incremental Term Loan	336,696.89	99.50000	335,013.41	06/26/2015	No
Joerns Healthcare LLC	2020 Term Loan	678,888.78	99.00000	672,099.89	07/02/2015	No
Mallinckrodt International Finance S.A.	Incremental Term Loan B1	1,410,643.70	98.87500	1,394,773.96	09/25/2014	No
Methanol Holdings (Trinidad) Limited	Term Loan B	3,000,000.00	99.00000	2,970,000.00	06/16/2015	No
MH Sub I, LLC	2nd Lien Term Loan	1,075,000.00	99.50000	1,069,625.00	06/16/2015	No
Spencer Gifts LLC	2nd Lien Term Loan	1,000,000.00	99.50000	995,000.00	06/22/2015	No
Spencer Gifts LLC	Term Loan B1	2,000,000.00	99.50000	1,990,000.00	06/22/2015	No
SS&C Technologies Inc.	2015 Term Loan B1	1,410,245.59	99.50000	1,403,194.36	06/29/2015	No
SS&C Technologies Inc.	2015 Term Loan B2	317,692.69	99.50000	316,104.23	06/29/2015	No
Staples, Inc.	Term Loan B	1,633,543.66	99.50000	1,625,375.94	04/24/2015	No
Syniverse Holdings, Inc.	Delayed Draw Term Loan	1,000,000.00	95.00000	950,000.00	06/11/2015	No
Univar Inc.	2015 Term Loan	1,499,714.65	99.50000	1,492,216.08	06/25/2015	No

Pending Trades - Sales

Issuer Name	Facility / Issue Name	Principal Balance	Price	Sale Proceeds	Trade Date	Sold to Affiliate	Reason For Sale
Cequel Communications, LLC	Term Loan B	2,424,520.61	100.25000	2,430,581.91	05/27/2015	No	Credit Risk
Cequel Communications, LLC	Term Loan B	2,237,535.78	100.00000	2,237,535.78	05/29/2015	No	Credit Risk
Cequel Communications, LLC	Term Loan B	889,422.12	100.25000	891,645.68	05/28/2015	No	Credit Risk
Evergreen Acqco 1 LP	New Term Loan	505,770.06	92.50000	468,762.31	06/16/2015	No	Credit Risk
Evergreen Acqco 1 LP	New Term Loan	253,385.03	91.75000	232,480.77	06/22/2015	No	Credit Risk
Evergreen Acqco 1 LP	New Term Loan	253,385.03	91.75000	232,480.77	06/24/2015	No	Credit Risk
Hyland Software, Inc.	2nd Lien Term Loan	303,841.79	99.75000	303,082.19	06/24/2015	No	Credit Risk
Offshore Group Investment Ltd	New Term Loan B	192,389.73	83.25000	160,163.88	06/05/2015	No	Credit Risk
Virgin Media Investment Holdings Limited	USD Term Loan F	2,693,284.94	99.50000	2,679,818.52	06/24/2015	No	Discretionary

Restructured / Refinanced Securities

Issuer Name	Facility / Issue Name	Par	Fair Market Price	Fair Market Value	Trade Date	Settlement Date
Purchases						
Spencer Gifts LLC	Term Loan B1	1,139,210.69	99.75000	1,136,362.66	06/29/2015	06/29/2015
Virgin Media Investment Holdings Limited	USD Term Loan F	2,000,000.00	99.71300	1,994,260.00	06/05/2015	06/05/2015
	USD Term Loan F	693,284.94	99.71300	691,295.21	06/05/2015	06/05/2015
Sales						
Spencer Gifts LLC	Term Loan B	1,139,210.69	99.75000	1,136,362.66	06/29/2015	06/29/2015
Virgin Media Bristol LLC	USD Term Loan B	2,000,000.00	99.71300	1,994,260.00	06/05/2015	06/05/2015
	USD Term Loan B	693,284.94	99.71300	691,295.21	06/05/2015	06/05/2015
Total Restructured Securities:		0.00	0.00			
Collateral Principal Amount (CPA):		400,066,159.59				
Percentage of CPA:		1.92%				

Settled Trades - Purchases settled between 6/4/2015 and 7/3/2015

Issuer Name	Facility / Issue Name	Principal Balance	Price	Purchase Cost	Interest Purchased	Trade Date	Settlement Date	Purchased from Affiliate
Hubbard Radio, LLC	2015 Term Loan B	1,869,398.18	99.75000	1,864,724.68	0.00	05/21/2015	06/05/2015	No
Sterigenics-Nordion Holdings, LLC	Term Loan B	615,296.80	99.75000	613,758.56	0.00	05/08/2015	06/05/2015	No
At Home Holding III Inc.	Term Loan	1,280,136.68	99.00000	1,267,335.31	0.00	05/19/2015	06/09/2015	No
Vantage Specialty Chemicals, Inc.	Term Loan B	640,669.57	98.75000	632,661.20	0.00	05/22/2015	06/11/2015	No
National Surgical Hospitals, Inc.	2015 Term Loan	447,936.06	99.50000	445,696.38	0.00	05/15/2015	06/12/2015	No
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B	1,000,000.00	99.50000	995,000.00	0.00	05/11/2015	06/15/2015	No
Brock Holdings III, Inc.	New Term Loan B	1,000,000.00	99.75000	997,500.00	0.00	06/09/2015	06/16/2015	No
Shearer's Foods, Inc.	2nd Lien Term Loan	1,000,000.00	99.75000	997,500.00	0.00	06/10/2015	06/17/2015	No
Renaissance Learning, Inc.	New 1st Lien Term Loan	1,000,000.00	98.75000	987,500.00	0.00	06/09/2015	06/18/2015	No
Seadrill Partners Finco LLC	Term Loan B	2,000,000.00	80.37500	1,607,500.00	0.00	06/09/2015	06/18/2015	No
Southcross Energy Partners, L.P.	1st Lien Term Loan	1,000,000.00	100.00000	1,000,000.00	0.00	06/09/2015	06/18/2015	No
The Talbots, Inc.	1st Lien Term Loan	1,000,000.00	98.25000	982,500.00	0.00	06/09/2015	06/18/2015	No
Bass Pro Group, LLC	2015 Term Loan	5,000,000.00	99.75000	4,987,500.00	0.00	05/29/2015	06/22/2015	No
Physio-Control International, Inc.	1st Lien Term Loan	435,392.33	99.50000	433,215.37	0.00	05/19/2015	06/22/2015	No
Fieldwood Energy LLC	1st Lien Term Loan	1,000,000.00	95.75000	957,500.00	0.00	06/09/2015	06/23/2015	No
Southcross Energy Partners, L.P.	1st Lien Term Loan	1,000,000.00	99.62500	996,250.00	0.00	06/16/2015	06/23/2015	No
Apex Tool Group, LLC	Term Loan B	1,000,000.00	99.25000	992,500.00	0.00	06/09/2015	06/24/2015	No
ON Assignment, Inc.	2015 Term Loan	726,892.44	99.50000	723,257.98	0.00	06/01/2015	06/24/2015	No
Spectrum Brands, Inc.	USD Term Loan	3,175,712.84	99.75000	3,167,773.56	0.00	06/16/2015	07/01/2015	No
Total Settled Purchases:		25,191,434.90		24,649,673.04				

Settled Trades - Sales settled between 6/4/2015 and 7/3/2015

Issuer Name	Facility / Issue Name	Principal Balance	Price	Sale Proceeds	Interest Sold	Trade Date	Settlement Date	Sold to Affiliate	Reason For Sale
Freescale Semiconductor, Inc.	Term Loan B4	1,000,000.00	100.37500	1,003,750.00	0.00	05/28/2015	06/19/2015	No	Credit Risk
Total Settled Sales:		1,000,000.00		1,003,750.00					

Cost Price by Purchase Lot

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
24 Hour Fitness Worldwide, Inc.	New Term Loan B	99.00000	1,980,000.00	1,960,200.00		Yes	6/5/2014
			1,980,000.00	1,960,200.00	99.00000 %		
Academy, Ltd.	2015 Term Loan B	99.50000	4,000,000.00	3,980,000.00		No	--/--/----
			4,000,000.00	3,980,000.00	99.50000 %		
Accellent Inc.	1st Lien Term Loan	99.50000	997,474.75	992,487.38		No	--/--/----
			997,474.75	992,487.38	99.50000 %		
Acosta Holdco, Inc.	2015 Term Loan	101.08000	995,000.00	1,005,746.00		Yes	4/30/2015
			995,000.00	1,005,746.00	101.08000 %		
ADMI Corp.	2015 Term Loan B	99.50000	401,104.70	399,099.18		Yes	5/14/2015
			401,104.70	399,099.18	99.50000 %		
Advantage Sales & Marketing, Inc.	2014 1st Lien Term Loan	99.75000	864,416.26	862,255.22		Yes	8/5/2014
			864,416.26	862,255.22	99.75000 %		
	2014 1st Lien Term Loan	98.77000	28,813.87	28,459.46		Yes	1/30/2015
			28,813.87	28,459.46	98.77000 %		
	2014 2nd Lien Term Loan	99.25000	293,576.86	291,375.03		Yes	8/5/2014
			293,576.86	291,375.03	99.25000 %		
AE Europe Holdings, Inc.	Term Loan	99.00000	277,964.79	275,185.14		Yes	11/26/2012
			277,964.79	275,185.14	99.00000 %		
Alison Bidco S.a.r.l.	USD 1st Lien Term Loan B1	99.00000	707,801.84	700,723.82		Yes	9/11/2014
			707,801.84	700,723.82	99.00000 %		
	USD 1st Lien Term Loan B2	99.00000	707,801.83	700,723.81		Yes	9/11/2014
			707,801.83	700,723.81	99.00000 %		
Alliance Laundry Systems LLC	Refi Term Loan	99.50000	240,197.95	238,996.96		Yes	2/15/2013
			240,197.95	238,996.96	99.50000 %		
Alliant Techsystems Inc.	Term Loan B	100.00000	1,574,020.10	1,574,020.10		Yes	11/5/2013
			1,574,020.10	1,574,020.10	100.00000 %		
Allnex (Luxembourg) & Cy S.C.A.	USD Term Loan B1	99.50000	183,149.57	182,233.82		Yes	4/15/2013
			183,149.57	182,233.82	99.50000 %		
	USD Term Loan B2	99.50000	95,027.50	94,552.36		Yes	4/15/2013
			95,027.50	94,552.36	99.50000 %		
Amsurg Corp.	1st Lien Term Loan B	99.75000	754,133.84	752,248.51		Yes	7/22/2014
			754,133.84	752,248.51	99.75000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
AmWINS Group, LLC	New Term Loan	99.75000	332,971.36	332,138.93		Yes	3/13/2013
			332,971.36	332,138.93	99.75000 %		
Apex Tool Group, LLC	Term Loan B	99.25000	997,448.98	989,968.11		Yes	6/24/2015
			997,448.98	989,968.11	99.25000 %		
Aquillex Holdings LLC	New Term Loan	99.75000	936,863.16	934,521.00		Yes	1/24/2014
			936,863.16	934,521.00	99.75000 %		
Arch Coal Inc.	Term Loan B	98.00000	970,043.40	950,642.53		Yes	8/30/2012
			970,043.40	950,642.53	98.00000 %		
	Term Loan B	98.13000	1,940,086.80	1,903,807.18		Yes	7/25/2012
			1,940,086.80	1,903,807.18	98.13000 %		
Astoria Energy LLC	Term Loan B	98.00000	1,423,739.57	1,395,264.78		Yes	1/9/2015
			1,423,739.57	1,395,264.78	98.00000 %		
Asurion LLC	New Term Loan B1	99.00000	5,708,115.78	5,651,034.62		Yes	2/21/2013
			5,708,115.78	5,651,034.62	99.00000 %		
At Home Holding III Inc.	Term Loan	99.00000	1,280,136.68	1,267,335.31		Yes	6/9/2015
			1,280,136.68	1,267,335.31	99.00000 %		
Atlantic Aviation FBO Inc.	Term Loan B	99.00000	264,642.41	261,995.99		Yes	6/5/2013
			264,642.41	261,995.99	99.00000 %		
Aufinco Pty Limited	1st Lien Term Loan	99.50000	340,077.72	338,377.33		Yes	6/14/2013
			340,077.72	338,377.33	99.50000 %		
Avantor Performance Materials Holdings, Inc.	Term Loan B	99.87000	985,821.15	984,539.58		Yes	7/24/2012
			985,821.15	984,539.58	99.87000 %		
AWAS Finance Luxembourg 2012 S.A.	New Term Loan	99.00000	2,279,128.03	2,256,336.75		Yes	8/24/2012
			2,279,128.03	2,256,336.75	99.00000 %		
Axiall Holdco, Inc.	Term Loan B	99.50000	882,550.49	878,137.74		Yes	4/1/2015
			882,550.49	878,137.74	99.50000 %		
AZ Chem US Inc.	1st Lien Term Loan	100.00000	980,654.76	980,654.76		No	--/------
			980,654.76	980,654.76	100.00000 %		
BakerCorp International, Inc.	New Term Loan	100.00000	1,165,550.03	1,165,550.03		Yes	2/25/2013
			1,165,550.03	1,165,550.03	100.00000 %		
Bass Pro Group, LLC	2015 Term Loan	99.75000	4,987,500.00	4,975,031.25		Yes	6/22/2015
			4,987,500.00	4,975,031.25	99.75000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
BATS Global Markets, Inc.	Term Loan B2	99.00000	838,627.93	830,241.65		Yes	3/30/2015
			838,627.93	830,241.65	99.00000 %		
	Term Loan B1	99.00000	724,859.49	717,610.90		Yes	3/30/2015
			724,859.49	717,610.90	99.00000 %		
Bayonne Energy Center, LLC	Term Loan B	99.50000	246,116.34	244,885.76		Yes	8/27/2014
			246,116.34	244,885.76	99.50000 %		
Belfor USA Group, Inc.	Term Loan B	99.50000	780,480.87	776,578.47		Yes	4/7/2014
			780,480.87	776,578.47	99.50000 %		
Berry Plastics Holding Corporation	Term Loan D	100.00000	1,954,999.99	1,954,999.99		Yes	2/22/2013
			1,954,999.99	1,954,999.99	100.00000 %		
BioScrip, Inc.	Term Loan B	98.50000	152,313.91	150,029.20		Yes	8/19/2013
			152,313.91	150,029.20	98.50000 %		
	Delayed Draw Term Loan	98.50000	91,388.35	90,017.52		Yes	8/19/2013
			91,388.35	90,017.52	98.50000 %		
Blue Buffalo Company, Ltd.	Term Loan B3	101.00000	972,693.42	982,420.35		Yes	12/9/2013
			972,693.42	982,420.35	101.00000 %		
Bombardier Recreational Products, Inc.	New Term Loan B	99.00000	1,517,142.86	1,501,971.43		Yes	2/12/2013
			1,517,142.86	1,501,971.43	99.00000 %		
Boomerang Tube, LLC	Term Loan	97.00000	887,500.02	860,875.02		Yes	10/19/2012
			887,500.02	860,875.02	97.00000 %		
Booz Allen Hamilton Inc.	New Term Loan	99.97000	2,462,012.20	2,461,273.60		Yes	8/16/2013
			2,462,012.20	2,461,273.60	99.97000 %		
	New Term Loan	100.25000	2,067,180.68	2,072,348.63		Yes	11/7/2013
			2,067,180.68	2,072,348.63	100.25000 %		
Brickman Group Ltd. LLC	2nd Lien Term Loan	99.50000	392,851.65	390,887.39		Yes	1/23/2014
			392,851.65	390,887.39	99.50000 %		
Brock Holdings III, Inc.	New Term Loan B	99.75000	997,240.86	994,747.76		Yes	6/16/2015
			997,240.86	994,747.76	99.75000 %		
Bronco Midstream Funding LLC	Term Loan B	99.00000	888,372.09	879,488.37		Yes	8/29/2013
			888,372.09	879,488.37	99.00000 %		
BWAY Holding Company, Inc.	New Term Loan B	99.00000	990,000.00	980,100.00		Yes	8/25/2014
			990,000.00	980,100.00	99.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Calpine Corporation	Term Loan B3	99.50000	957,690.36	952,901.91		Yes	10/18/2012
			957,690.36	952,901.91	99.50000 %		
Capital Automotive L.P.	New Term Loan B	98.25000	1,375,105.24	1,351,040.90		Yes	4/10/2013
			1,375,105.24	1,351,040.90	98.25000 %		
	New 2nd Lien Term Loan	99.50000	511,586.94	509,029.01		Yes	5/10/2013
			511,586.94	509,029.01	99.50000 %		
Caraustar Industries, Inc.	Term Loan B	99.25000	296,074.87	293,854.31		Yes	5/15/2013
			296,074.87	293,854.31	99.25000 %		
CareCore National, LLC	Term Loan B	99.50000	439,034.57	436,839.40		Yes	3/17/2014
			439,034.57	436,839.40	99.50000 %		
Carros Finance Luxembourg S.a.r.l	1st Lien Term Loan	99.75000	1,390,244.74	1,386,769.13		Yes	10/22/2014
			1,390,244.74	1,386,769.13	99.75000 %		
CCC Information Services, Inc.	Term Loan	99.50000	613,725.03	610,656.40		Yes	1/16/2013
			613,725.03	610,656.40	99.50000 %		
Charter Communications Operating, LLC	Term Loan F	99.25000	4,851,000.00	4,814,617.50		Yes	5/3/2013
			4,851,000.00	4,814,617.50	99.25000 %		
	Term Loan F	98.88000	1,964,912.28	1,942,905.26		Yes	12/17/2013
			1,964,912.28	1,942,905.26	98.88000 %		
Chemours Company Co. (The)	Term Loan B	99.50000	874,013.46	869,643.39		Yes	5/20/2015
			874,013.46	869,643.39	99.50000 %		
Chrysler Group LLC	New Term Loan B	100.00000	621,323.85	621,323.85		Yes	7/5/2013
			621,323.85	621,323.85	100.00000 %		
	2018 Term Loan B	99.50000	1,826,751.81	1,817,618.05		Yes	2/14/2014
			1,826,751.81	1,817,618.05	99.50000 %		
CITGO Holding Inc.	2015 Term Loan B	94.00000	1,359,048.02	1,277,505.14		Yes	2/19/2015
			1,359,048.02	1,277,505.14	94.00000 %		
Citgo Petroleum Corporation	New Term Loan B	99.00000	740,213.68	732,811.54		Yes	8/18/2014
			740,213.68	732,811.54	99.00000 %		
	New Term Loan B	100.38000	1,221,398.32	1,226,039.63		Yes	10/27/2014
			1,221,398.32	1,226,039.63	100.38000 %		
	New Term Loan B	100.50000	1,221,398.32	1,227,505.31		Yes	10/27/2014
			1,221,398.32	1,227,505.31	100.50000 %		
CommScope, Inc.	Term Loan B5	99.75000	342,016.98	341,161.94		No	--/--/----
			342,016.98	341,161.94	99.75000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Confie Seguros Holding II Co.	1st Lien Term Loan	98.50000	964,695.59	950,225.16		Yes	11/20/2012
			964,695.59	950,225.16	98.50000 %		
	1st Lien Term Loan	99.50000	706,595.33	703,062.35		Yes	10/9/2013
			706,595.33	703,062.35	99.50000 %		
	1st Lien Term Loan	99.50000	420,357.76	418,255.97		Yes	8/20/2014
			420,357.76	418,255.97	99.50000 %		
	1st Lien Term Loan	99.50000	288,562.10	287,119.29		Yes	7/8/2015
			288,562.10	287,119.29	99.50000 %		
	2nd Lien Term Loan	99.00000	503,335.83	498,302.47		No	--/--/----
			503,335.83	498,302.47	99.00000 %		
Consolidated Container Company LLC	New Term Loan	99.00000	1,945,000.00	1,925,550.00		Yes	7/16/2012
			1,945,000.00	1,925,550.00	99.00000 %		
Container Store, Inc. (The)	New Term Loan B	99.87000	883,004.50	881,856.59		Yes	7/16/2012
			883,004.50	881,856.59	99.87000 %		
Creganna-Tactx Medical	1st Lien Term Loan	99.25000	995,000.00	987,537.50		Yes	12/12/2014
			995,000.00	987,537.50	99.25000 %		
Crown Castle Operating Company	Term Loan B2	99.50000	877,987.45	873,597.51		Yes	1/15/2014
			877,987.45	873,597.51	99.50000 %		
	Term Loan B2	100.50000	4,831,616.94	4,855,775.02		Yes	1/21/2014
			4,831,616.94	4,855,775.02	100.50000 %		
CTI Foods Holding Co, LLC	New 1st Lien Term Loan	99.50000	982,500.00	977,587.50		Yes	8/26/2013
			982,500.00	977,587.50	99.50000 %		
	New 1st Lien Term Loan	99.75000	1,473,750.00	1,470,065.63		Yes	10/7/2013
			1,473,750.00	1,470,065.63	99.75000 %		
Cumulus Media Holdings Inc.	2013 Term Loan	100.28000	592,704.93	594,364.50		Yes	12/23/2013
			592,704.93	594,364.50	100.28000 %		
Cunningham Lindsey U.S. Inc.	1st Lien Term Loan	99.00000	1,426,338.73	1,412,075.34		Yes	12/14/2012
			1,426,338.73	1,412,075.34	99.00000 %		
	2nd Lien Term Loan	100.50000	155,909.09	156,688.64		Yes	4/17/2014
			155,909.09	156,688.64	100.50000 %		
DAE Aviation Holdings, Inc.	2nd Lien Term Loan	99.00000	341,817.05	338,398.88		Yes	2/12/2014
			341,817.05	338,398.88	99.00000 %		
David's Bridal, Inc.	New Term Loan B	99.00000	955,445.94	945,891.48		Yes	10/17/2012
			955,445.94	945,891.48	99.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
DaVita HealthCare Partners, Inc.	Term Loan B	99.50000	1,008,330.57	1,003,288.92		Yes	7/2/2014
			1,008,330.57	1,003,288.92	99.50000 %		
Delos Finance Sarl	Term Loan B	99.50000	1,234,009.99	1,227,839.94		Yes	3/28/2014
			1,234,009.99	1,227,839.94	99.50000 %		
Delta 2 (LUX) S.a.r.l.	USD Term Loan B3	99.50000	2,000,000.00	1,990,000.00		Yes	9/8/2014
			2,000,000.00	1,990,000.00	99.50000 %		
	USD Term Loan B3	99.05000	2,602,117.26	2,577,397.15		Yes	8/8/2014
			2,602,117.26	2,577,397.15	99.05000 %		
	USD Term Loan B3	99.75000	2,000,000.00	1,995,000.00		Yes	10/14/2014
			2,000,000.00	1,995,000.00	99.75000 %		
Delta Air Lines, Inc.	New Term Loan B	100.00000	332,859.66	332,859.66		Yes	12/4/2013
			332,859.66	332,859.66	100.00000 %		
Dexter Axle Company	New Term Loan	100.00000	637,757.95	637,757.95		Yes	2/28/2014
			637,757.95	637,757.95	100.00000 %		
DigitalGlobe, Inc.	New Term Loan B	100.00000	413,586.02	413,586.02		Yes	2/22/2013
			413,586.02	413,586.02	100.00000 %		
Doncasters Finance US LLC	USD Term Loan	99.00000	1,322,260.16	1,309,037.56		Yes	4/19/2013
			1,322,260.16	1,309,037.56	99.00000 %		
Drumm Investors LLC	Term Loan	93.23000	3,363,538.50	3,135,826.94		Yes	7/12/2012
			3,363,538.50	3,135,826.94	93.23000 %		
DynCorp International LLC	Term Loan B	100.00000	663,612.81	663,612.81		Yes	7/16/2012
			663,612.81	663,612.81	100.00000 %		
EFS Cogen Holdings I LLC	Term Loan B	99.00000	565,045.69	559,395.23		Yes	12/19/2013
			565,045.69	559,395.23	99.00000 %		
EIF Channelview Cogeneration, LLC	Term Loan B	99.50000	254,657.45	253,384.16		Yes	6/25/2013
			254,657.45	253,384.16	99.50000 %		
EIG Investors Corp.	2013 Term Loan	99.50000	345,988.15	344,258.21		Yes	12/13/2013
			345,988.15	344,258.21	99.50000 %		
	2013 Term Loan	100.38000	439,714.27	441,385.18		Yes	11/25/2013
			439,714.27	441,385.18	100.38000 %		
Emdeon Business Services, LLC	Term Loan B2	100.13000	2,925,865.81	2,929,669.44		Yes	11/14/2013
			2,925,865.81	2,929,669.44	100.13000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Emerald Performance Materials, LLC	New 1st Lien Term Loan	99.50000	582,997.22	580,082.23		Yes	8/15/2014
			582,997.22	580,082.23	99.50000 %		
Emerald US Inc.	Term Loan B1	99.50000	500,000.00	497,500.00		No	--/--/----
			500,000.00	497,500.00	99.50000 %		
	Term Loan B1	100.00000	1,500,000.00	1,500,000.00		No	--/--/----
			1,500,000.00	1,500,000.00	100.00000 %		
EMI Music Publishing Limited	Term Loan B	100.00000	1,159,822.25	1,159,822.25		Yes	4/22/2014
			1,159,822.25	1,159,822.25	100.00000 %		
Endo Luxembourg Finance Company I S.a r.l.	2014 Term Loan B	99.50000	864,682.78	860,359.37		Yes	3/7/2014
			864,682.78	860,359.37	99.50000 %		
Energy Transfer Equity, L.P.	New Term Loan	99.79000	2,250,000.00	2,245,275.00		Yes	12/2/2013
			2,250,000.00	2,245,275.00	99.79000 %		
	New Term Loan	99.00000	2,035,402.78	2,015,048.75		Yes	4/25/2014
			2,035,402.78	2,015,048.75	99.00000 %		
	2015 Term Loan	99.00000	1,858,823.53	1,840,235.29		Yes	3/18/2015
			1,858,823.53	1,840,235.29	99.00000 %		
EP Energy LLC	Term Loan B2	99.75000	253,377.73	252,744.29		Yes	12/4/2012
			253,377.73	252,744.29	99.75000 %		
EP Minerals, LLC	1st Lien Term Loan	99.50000	436,711.15	434,527.59		Yes	9/2/2014
			436,711.15	434,527.59	99.50000 %		
Epiq Systems, Inc.	Incremental Term Loan B	99.50000	732,570.01	728,907.16		Yes	5/8/2015
			732,570.01	728,907.16	99.50000 %		
Essential Power LLC	Term Loan B	98.50000	2,812,154.16	2,769,971.85		Yes	8/20/2012
			2,812,154.16	2,769,971.85	98.50000 %		
Evergreen Acqco 1 LP	New Term Loan	99.00000	931,584.88	922,269.03		Yes	10/3/2012
			931,584.88	922,269.03	99.00000 %		
Evertec Group, LLC	New Term Loan B	100.00000	1,576,095.42	1,576,095.42		Yes	4/22/2013
			1,576,095.42	1,576,095.42	100.00000 %		
Exgen Renewables I, LLC	Term Loan	99.50000	271,534.78	270,177.11		Yes	2/14/2014
			271,534.78	270,177.11	99.50000 %		
Exopack Holdings S.A	2015 Term Loan B1	99.50000	487,201.23	484,765.22		Yes	12/3/2013
			487,201.23	484,765.22	99.50000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Fairmount Minerals LTD	New Term Loan B2	100.18000	1,964,998.82	1,968,535.82		Yes	3/27/2014
			1,964,998.82	1,968,535.82	100.18000 %		
FGI Operating Company, LLC	Term Loan	99.88000	1,552,050.88	1,550,188.42		Yes	7/20/2012
			1,552,050.88	1,550,188.42	99.88000 %		
Fieldwood Energy LLC	1st Lien Term Loan	99.50000	737,862.05	734,172.74		Yes	10/10/2013
			737,862.05	734,172.74	99.50000 %		
	1st Lien Term Loan	95.75000	997,463.36	955,071.17		Yes	6/23/2015
			997,463.36	955,071.17	95.75000 %		
First Data Corporation	Extended 2021 Term Loan	99.00000	1,000,000.00	990,000.00		Yes	10/8/2014
			1,000,000.00	990,000.00	99.00000 %		
	New 2018 Extended Term Loan	99.53000	7,000,000.00	6,967,100.00		Yes	7/18/2014
			7,000,000.00	6,967,100.00	99.53000 %		
FPC Holdings, Inc.	1st Lien Term Loan	99.00000	799,845.56	791,847.10		Yes	12/6/2012
			799,845.56	791,847.10	99.00000 %		
	1st Lien Term Loan	100.00000	444,292.55	444,292.55		Yes	6/7/2013
			444,292.55	444,292.55	100.00000 %		
	1st Lien Term Loan	100.25000	157,257.52	157,650.66		Yes	6/7/2013
			157,257.52	157,650.66	100.25000 %		
Freescale Semiconductor, Inc.	Term Loan B4	99.00000	1,935,369.15	1,916,015.46		Yes	3/15/2013
			1,935,369.15	1,916,015.46	99.00000 %		
	Term Loan B5	99.00000	1,965,000.00	1,945,350.00		Yes	9/30/2013
			1,965,000.00	1,945,350.00	99.00000 %		
FREIF North American Power I LLC	2015 Term Loan B	99.50000	2,542,372.88	2,529,661.02		Yes	4/6/2015
			2,542,372.88	2,529,661.02	99.50000 %		
	2015 Term Loan C	99.50000	457,627.12	455,338.98		Yes	4/6/2015
			457,627.12	455,338.98	99.50000 %		
Fullbeauty Brands, Inc.	1st Lien Term Loan	99.75000	2,370,655.32	2,364,728.68		Yes	4/4/2014
			2,370,655.32	2,364,728.68	99.75000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Gardner Denver, Inc.	USD Term Loan	94.25000	486,394.46	458,426.78		Yes	3/6/2015
			486,394.46	458,426.78	94.25000 %		
	USD Term Loan	94.25000	486,394.46	458,426.78		Yes	2/23/2015
			486,394.46	458,426.78	94.25000 %		
	USD Term Loan	94.50000	63,795.44	60,286.69		Yes	3/6/2015
			63,795.44	60,286.69	94.50000 %		
	USD Term Loan	94.50000	486,394.46	459,642.76		Yes	3/6/2015
			486,394.46	459,642.76	94.50000 %		
	USD Term Loan	94.75000	220,450.06	208,876.43		Yes	3/9/2015
			220,450.06	208,876.43	94.75000 %		
GCA Services Group, Inc.	New Term Loan B	99.96000	1,743,574.65	1,742,877.22		Yes	12/19/2013
			1,743,574.65	1,742,877.22	99.96000 %		
Generic Drug Holdings, Inc.	Term Loan B1	99.00000	785,186.79	777,334.92		Yes	12/4/2012
			785,186.79	777,334.92	99.00000 %		
	Term Loan B1	99.00000	785,186.80	0.00		No	--/--/----
			785,186.80	0.00	0.00000 %		
GENEX Holdings Inc.	New 2nd Lien Term Loan	99.00000	1,000,000.00	990,000.00		Yes	6/9/2014
			1,000,000.00	990,000.00	99.00000 %		
Go Daddy Operating Company, LLC	New Term Loan B	99.50000	1,995,851.47	1,985,872.21		Yes	5/30/2014
			1,995,851.47	1,985,872.21	99.50000 %		
Goodyear Tire & Rubber Company (The)	New 2nd Lien Term Loan	97.25000	2,500,000.00	2,431,250.00		Yes	12/7/2012
			2,500,000.00	2,431,250.00	97.25000 %		
Grifols Worldwide Operations USA, Inc.	USD Term Loan B	99.00000	2,169,707.03	2,148,009.96		Yes	4/1/2014
			2,169,707.03	2,148,009.96	99.00000 %		
	USD Term Loan B	99.50000	2,969,924.81	2,955,075.19		Yes	10/10/2014
			2,969,924.81	2,955,075.19	99.50000 %		
GXS Group, Inc.	Term Loan B	99.50000	1,573,030.65	1,565,165.50		Yes	1/21/2014
			1,573,030.65	1,565,165.50	99.50000 %		
Hanesbrands, Inc.	USD Term Loan B	100.00000	450,160.68	450,160.68		Yes	5/14/2015
			450,160.68	450,160.68	100.00000 %		
Hargray Communications Group, Inc.	Term Loan B	99.00000	1,055,968.13	1,045,408.45		Yes	7/3/2013
			1,055,968.13	1,045,408.45	99.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
HCA Inc.	Extended Term Loan B4	97.25000	982,500.00	955,481.25		Yes	4/25/2013
			982,500.00	955,481.25	97.25000 %		
Headwaters, Incorporated	Term Loan B	99.50000	400,274.12	398,272.75		Yes	4/7/2015
			400,274.12	398,272.75	99.50000 %		
Heartland Dental, LLC	1st Lien Term Loan	100.28000	1,588,633.10	1,593,081.27		Yes	12/23/2013
			1,588,633.10	1,593,081.27	100.28000 %		
Hoffmaster Group, Inc.	New 1st Lien Term Loan	99.00000	1,363,207.97	1,349,575.89		Yes	5/22/2014
			1,363,207.97	1,349,575.89	99.00000 %		
Horizon Global Corporation	Term Loan B	98.00000	1,341,858.82	1,315,021.64		No	--/------
			1,341,858.82	1,315,021.64	98.00000 %		
Houghton International, Inc.	USD Term Loan B	99.00000	475,648.23	470,891.75		Yes	1/4/2013
			475,648.23	470,891.75	99.00000 %		
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B	99.50000	1,000,000.00	995,000.00		Yes	6/15/2015
			1,000,000.00	995,000.00	99.50000 %		
Hubbard Radio, LLC	2015 Term Loan B	99.75000	1,843,431.25	1,838,822.67		Yes	6/5/2015
			1,843,431.25	1,838,822.67	99.75000 %		
Husky Injection Molding Systems Ltd.	2nd Lien Term Loan	99.50000	355,043.44	353,268.22		Yes	7/22/2014
			355,043.44	353,268.22	99.50000 %		
Immucor, Inc.	Refi Term Loan B2	100.00000	4,838,437.52	4,838,437.52		Yes	2/19/2013
			4,838,437.52	4,838,437.52	100.00000 %		
INA Beteiligungsgesellschaft mbH	USD Term Loan B	99.69000	1,769,230.77	1,763,746.15		Yes	10/31/2014
			1,769,230.77	1,763,746.15	99.69000 %		
Infor (US), Inc.	USD Term Loan B3	100.00000	854,532.30	854,532.30		Yes	6/12/2013
			854,532.30	854,532.30	100.00000 %		
	USD Term Loan B5	100.23000	1,735,119.39	1,739,110.16		Yes	1/2/2014
			1,735,119.39	1,739,110.16	100.23000 %		
Intelligrated, Inc.	1st Lien Term Loan	98.00000	1,945,113.10	1,906,210.84		Yes	8/16/2012
			1,945,113.10	1,906,210.84	98.00000 %		
	1st Lien Term Loan	99.75000	284,689.63	283,977.91		Yes	12/3/2013
			284,689.63	283,977.91	99.75000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Intertrust Group Holding B.V.	USD Term Loan B5	100.00000	577,849.36	577,849.36		Yes	5/14/2014
			577,849.36	577,849.36	100.00000 %		
	USD 2nd Lien Term Loan	99.25000	919,827.07	912,928.37		Yes	5/14/2014
			919,827.07	912,928.37	99.25000 %		
Jacobs Entertainment, Inc.	New 1st Lien Term Loan	100.00000	899,903.99	899,903.99		Yes	3/21/2014
			899,903.99	899,903.99	100.00000 %		
Jarden Corporation	Add-On Term Loan B1	99.50000	813,839.69	809,770.49		Yes	10/10/2013
			813,839.69	809,770.49	99.50000 %		
Jeld-Wen Inc.	Incremental Term Loan	99.50000	336,696.89	335,013.41		No	--/--/----
			336,696.89	335,013.41	99.50000 %		
Joerns Healthcare LLC	2020 Term Loan	99.00000	984,049.73	974,209.23		Yes	6/2/2014
			984,049.73	974,209.23	99.00000 %		
	2020 Term Loan	99.25000	984,049.74	976,669.37		Yes	1/22/2015
			984,049.74	976,669.37	99.25000 %		
	2020 Term Loan	99.00000	984,049.74	974,209.24		No	--/--/----
			984,049.74	974,209.24	99.00000 %		
Jonah Energy LLC	2nd Lien Term Loan	98.50000	1,647,409.58	1,622,698.44		Yes	5/19/2014
			1,647,409.58	1,622,698.44	98.50000 %		
Kasima, LLC	New Term Loan B	100.00000	1,154,415.59	1,154,415.59		Yes	5/24/2013
			1,154,415.59	1,154,415.59	100.00000 %		
Kenan Advantage Group, Inc.	Term Loan D	99.88000	483,439.50	482,859.37		Yes	1/7/2014
			483,439.50	482,859.37	99.88000 %		
Kindred Healthcare, Inc.	New Term Loan	99.75000	977,639.87	975,195.77		Yes	4/15/2014
			977,639.87	975,195.77	99.75000 %		
	New Term Loan	99.50000	306,305.31	304,773.78		Yes	3/17/2015
			306,305.31	304,773.78	99.50000 %		
Klockner-Pentaplast of America, Inc.	USD Term Loan	99.75000	439,459.66	438,361.01		Yes	5/14/2015
			439,459.66	438,361.01	99.75000 %		
KP Germany Erste GmbH	1st Lien Term Loan	99.75000	187,803.27	187,333.76		Yes	5/14/2015
			187,803.27	187,333.76	99.75000 %		
Kronos Incorporated	2nd Lien Term Loan	99.00000	272,547.82	269,822.34		Yes	12/12/2013
			272,547.82	269,822.34	99.00000 %		
	Initial Incremental Term Loan	99.50000	2,913,819.33	2,899,250.23		Yes	2/11/2013
			2,913,819.33	2,899,250.23	99.50000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Landry's, Inc.	Term Loan B	101.00000	618,929.44	625,118.73		Yes	2/25/2013
			618,929.44	625,118.73	101.00000 %		
Live Nation Entertainment, Inc.	2020 Term Loan B1	100.00000	1,392,387.19	1,392,387.19		Yes	8/16/2013
			1,392,387.19	1,392,387.19	100.00000 %		
	2020 Term Loan B1	100.00000	1,965,000.00	1,965,000.00		Yes	10/30/2013
			1,965,000.00	1,965,000.00	100.00000 %		
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	99.25000	1,811,004.53	1,797,422.00		Yes	6/2/2014
			1,811,004.53	1,797,422.00	99.25000 %		
Mallinckrodt International Finance S.A.	Incremental Term Loan B1	99.50000	706,204.61	702,673.59		No	--/--/----
			706,204.61	702,673.59	99.50000 %		
	Incremental Term Loan B1	98.88000	704,439.10	696,549.38		No	--/--/----
			704,439.10	696,549.38	98.88000 %		
Manitowoc Company, Inc. (The)	2013 Term Loan B	100.00000	728,828.66	728,828.66		Yes	1/9/2014
			728,828.66	728,828.66	100.00000 %		
Marine Acquisition Corp.	New Term Loan B	99.50000	482,951.84	480,537.08		Yes	2/10/2014
			482,951.84	480,537.08	99.50000 %		
MCC Iowa LLC	Term Loan H	100.00000	1,960,000.00	1,960,000.00		Yes	5/31/2013
			1,960,000.00	1,960,000.00	100.00000 %		
McJunkin Red Man Corporation	New Term Loan	100.00000	1,321,531.43	1,321,531.43		Yes	12/9/2013
			1,321,531.43	1,321,531.43	100.00000 %		
MD America Energy, LLC	2nd Lien Term Loan	95.00000	1,000,000.00	950,000.00		Yes	8/15/2014
			1,000,000.00	950,000.00	95.00000 %		
Metal Services LLC	Term Loan B	100.56000	815,234.63	819,799.94		Yes	12/2/2013
			815,234.63	819,799.94	100.56000 %		
	Term Loan B	99.51000	441,805.93	439,641.08		Yes	2/23/2015
			441,805.93	439,641.08	99.51000 %		
Methanol Holdings (Trinidad) Limited	Term Loan B	99.00000	3,000,000.00	2,970,000.00		No	--/--/----
			3,000,000.00	2,970,000.00	99.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
MH Sub I, LLC	1st Lien Term Loan	99.00000	676,026.50	669,266.24		Yes	7/18/2014
			676,026.50	669,266.24	99.00000 %		
	1st Lien Term Loan	100.00000	24,751.54	24,751.54		Yes	9/30/2014
			24,751.54	24,751.54	100.00000 %		
	1st Lien Term Loan	100.00000	44,310.23	44,310.23		Yes	1/30/2015
			44,310.23	44,310.23	100.00000 %		
	1st Lien Term Loan	100.00000	4,726.42	4,726.42		Yes	3/31/2015
			4,726.42	4,726.42	100.00000 %		
	2nd Lien Term Loan	99.50000	1,075,000.00	1,069,625.00		No	--/------
			1,075,000.00	1,069,625.00	99.50000 %		
Midcontinent Communications	Term Loan B	100.00000	625,213.79	625,213.79		Yes	8/22/2013
			625,213.79	625,213.79	100.00000 %		
Milacron LLC	Term Loan B	100.00000	191,697.18	191,697.18		Yes	5/20/2015
			191,697.18	191,697.18	100.00000 %		
MIP Delaware, LLC	Term Loan B1	100.56000	669,248.54	672,996.33		Yes	7/11/2012
			669,248.54	672,996.33	100.56000 %		
Mirror Bidco Corp.	New Term Loan	100.75000	1,950,300.00	1,964,927.25		Yes	1/27/2014
			1,950,300.00	1,964,927.25	100.75000 %		
Mission Broadcasting, Inc.	Term Loan B2	100.00000	80,968.18	80,968.18		Yes	10/23/2013
			80,968.18	80,968.18	100.00000 %		
	Term Loan B2	100.00000	269,684.70	269,684.70		Yes	1/16/2014
			269,684.70	269,684.70	100.00000 %		
	Term Loan B2	100.00000	177,190.71	177,190.71		Yes	12/9/2013
			177,190.71	177,190.71	100.00000 %		
	Term Loan B2	100.00000	227,650.16	227,650.16		Yes	10/23/2013
			227,650.16	227,650.16	100.00000 %		
	Term Loan B2	100.00000	237,813.79	237,813.79		Yes	1/16/2014
			237,813.79	237,813.79	100.00000 %		
Moneygram International, Inc	New Term Loan B	100.00000	685,399.32	685,399.32		Yes	4/8/2013
			685,399.32	685,399.32	100.00000 %		
Murray Energy Corporation	Term Loan B2	97.00000	2,000,000.00	1,940,000.00		Yes	4/27/2015
			2,000,000.00	1,940,000.00	97.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
NAB Holdings LLC	New Term Loan	99.25000	529,849.56	525,875.69		Yes	6/2/2014
			529,849.56	525,875.69	99.25000 %		
	New Term Loan	100.25000	565,715.48	567,129.77		Yes	11/14/2014
			565,715.48	567,129.77	100.25000 %		
	New Term Loan	99.00000	303,699.89	300,662.89		Yes	11/7/2014
			303,699.89	300,662.89	99.00000 %		
National Financial Partners Corp.	New Term Loan B	100.00000	1,965,160.58	1,965,160.58		Yes	7/24/2014
			1,965,160.58	1,965,160.58	100.00000 %		
National Surgical Hospitals, Inc.	2015 Term Loan	99.50000	447,936.06	445,696.38		Yes	6/12/2015
			447,936.06	445,696.38	99.50000 %		
NN, Inc.	Term Loan B	98.50000	1,647,390.18	1,622,679.33		Yes	9/4/2014
			1,647,390.18	1,622,679.33	98.50000 %		
NRG Energy, Inc.	Refi Term Loan B	99.50000	1,955,000.00	1,945,225.00		Yes	7/18/2013
			1,955,000.00	1,945,225.00	99.50000 %		
Nuance Communications, Inc.	Term Loan C	99.75000	2,450,000.00	2,443,875.00		Yes	8/26/2013
			2,450,000.00	2,443,875.00	99.75000 %		
OCI Beaumont LLC	Term Loan B3	100.50000	1,064,686.01	1,070,009.44		Yes	4/4/2014
			1,064,686.01	1,070,009.44	100.50000 %		
Offshore Group Investment Ltd	Term Loan B	98.50000	1,423,766.54	1,402,410.04		Yes	4/5/2013
			1,423,766.54	1,402,410.04	98.50000 %		
	New Term Loan B	100.22000	497,960.38	499,055.89		Yes	11/22/2013
			497,960.38	499,055.89	100.22000 %		
Omnitracs, Inc.	1st Lien Term Loan	99.50000	342,138.90	340,428.21		Yes	12/5/2013
			342,138.90	340,428.21	99.50000 %		
Omnova Solutions Inc.	Term Loan B1	100.25000	2,908,629.44	2,915,901.01		Yes	3/7/2013
			2,908,629.44	2,915,901.01	100.25000 %		
ON Assignment, Inc.	2015 Term Loan	99.50000	704,865.40	701,341.07		Yes	6/24/2015
			704,865.40	701,341.07	99.50000 %		
Orbitz Worldwide Inc.	2014 Term Loan B	99.75000	344,171.22	343,310.79		Yes	5/6/2014
			344,171.22	343,310.79	99.75000 %		
	2014 Term Loan B	100.00000	187,501.78	187,501.78		Yes	12/2/2014
			187,501.78	187,501.78	100.00000 %		
OXEA Finance LLC	USD Term Loan B2	99.75000	852,907.86	850,775.59		Yes	8/7/2013
			852,907.86	850,775.59	99.75000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Ozburn-Hessey Holding Company, LLC	New Term Loan	99.00000	1,638,865.81	1,622,477.15		Yes	6/10/2013
			1,638,865.81	1,622,477.15	99.00000 %		
Pacific Drilling S.A.	Term Loan B	99.50000	552,540.61	549,777.91		Yes	6/7/2013
			552,540.61	549,777.91	99.50000 %		
Paragon Offshore Finance Company	Term Loan B	70.43000	361,360.50	254,506.20		Yes	4/27/2015
			361,360.50	254,506.20	70.43000 %		
	Term Loan B	70.50000	144,544.21	101,903.67		Yes	3/24/2015
			144,544.21	101,903.67	70.50000 %		
Performance Food Group Company	2nd Lien Term Loan	99.50000	1,262,323.30	1,256,011.68		Yes	5/30/2013
			1,262,323.30	1,256,011.68	99.50000 %		
PFS Holding Corporation	1st Lien Term Loan	90.25000	740,625.00	668,414.06		Yes	5/13/2015
			740,625.00	668,414.06	90.25000 %		
Phillips-Van Heusen Corporation	USD Term Loan B	99.50000	643,615.82	640,397.74		Yes	2/25/2013
			643,615.82	640,397.74	99.50000 %		
	USD Term Loan B	99.75000	625,209.48	623,646.46		Yes	3/25/2014
			625,209.48	623,646.46	99.75000 %		
Physio-Control International, Inc.	1st Lien Term Loan	99.50000	435,392.33	433,215.37		Yes	6/22/2015
			435,392.33	433,215.37	99.50000 %		
Pilot Travel Centers LLC	2014 Term Loan B	99.50000	471,259.26	468,902.96		Yes	10/15/2014
			471,259.26	468,902.96	99.50000 %		
Pinnacle Foods Finance LLC	Term Loan G	99.75000	2,594,401.85	2,587,915.85		Yes	5/2/2013
			2,594,401.85	2,587,915.85	99.75000 %		
	Incremental Term Loan H	98.38000	910,430.50	895,681.53		Yes	10/7/2013
			910,430.50	895,681.53	98.38000 %		
	Incremental Term Loan H	99.63000	2,947,500.01	2,936,594.26		Yes	12/6/2013
			2,947,500.01	2,936,594.26	99.63000 %		
Pinnacle Operating Corp.	Term Loan	97.00000	1,945,225.00	1,886,868.25		Yes	5/15/2013
			1,945,225.00	1,886,868.25	97.00000 %		
Ply Gem Industries, Inc.	Term Loan	99.50000	663,234.62	659,918.45		Yes	2/12/2014
			663,234.62	659,918.45	99.50000 %		
Polarpak Inc.	USD 1st Lien US Borrower	99.50000	109,349.42	108,802.67		Yes	7/15/2013
			109,349.42	108,802.67	99.50000 %		
	USD 1st Lien Canadian Borrower	99.50000	210,032.90	208,982.74		Yes	7/15/2013
			210,032.90	208,982.74	99.50000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Post Holdings Inc.	Series A Incremental Term Loan	99.50000	586,425.90	583,493.77		Yes	6/6/2014
			586,425.90	583,493.77	99.50000 %		
PowerTeam Services, LLC	1st Lien Term Loan	99.50000	400,368.45	398,366.61		Yes	5/22/2013
			400,368.45	398,366.61	99.50000 %		
	Delayed Draw Term Loan	99.50000	21,487.09	21,379.65		Yes	5/22/2013
			21,487.09	21,379.65	99.50000 %		
PRA Holdings, Inc.	New 1st Lien Term Loan	99.00000	2,329,806.19	2,306,508.13		Yes	10/4/2013
			2,329,806.19	2,306,508.13	99.00000 %		
Prestige Brands, Inc.	Term Loan B3	100.25000	619,927.64	621,477.46		Yes	5/8/2015
			619,927.64	621,477.46	100.25000 %		
Quality Home Brands Holdings, LLC	1st Lien Term Loan	99.00000	1,234,247.65	1,221,905.17		Yes	1/14/2014
			1,234,247.65	1,221,905.17	99.00000 %		
Quikrete Holdings, Inc.	2nd Lien Term Loan	99.00000	513,265.85	508,133.19		Yes	10/15/2013
			513,265.85	508,133.19	99.00000 %		
Radnet Management, Inc.	Term Loan B	99.00000	1,851,569.73	1,833,054.03		Yes	11/2/2012
			1,851,569.73	1,833,054.03	99.00000 %		
	Term Loan B	100.00000	682,652.49	682,652.49		Yes	12/18/2013
			682,652.49	682,652.49	100.00000 %		
	Term Loan B	100.13000	1,187,615.11	1,189,159.01		Yes	12/18/2013
			1,187,615.11	1,189,159.01	100.13000 %		
	Term Loan B	99.25000	1,923,076.92	1,908,653.84		Yes	10/30/2014
			1,923,076.92	1,908,653.84	99.25000 %		
Renaissance Learning, Inc.	New 1st Lien Term Loan	98.75000	997,474.75	985,006.32		Yes	6/18/2015
			997,474.75	985,006.32	98.75000 %		
RP Crown Parent, LLC	2013 Term Loan	100.22000	2,932,837.50	2,939,289.74		Yes	12/23/2013
			2,932,837.50	2,939,289.74	100.22000 %		
	2013 Term Loan	100.25000	399,324.33	400,322.64		Yes	3/21/2014
			399,324.33	400,322.64	100.25000 %		
	2013 Term Loan	100.25000	817,283.78	819,326.99		Yes	3/21/2014
			817,283.78	819,326.99	100.25000 %		
	2013 Term Loan	100.00000	820,833.33	820,833.33		Yes	3/21/2014
			820,833.33	820,833.33	100.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
RPI Finance Trust	Term Loan B3	100.00000	1,906,147.25	1,906,147.25		Yes	11/15/2013
			1,906,147.25	1,906,147.25	100.00000 %		
	Term Loan B4	100.00000	2,268,593.31	2,268,593.31		Yes	5/13/2015
			2,268,593.31	2,268,593.31	100.00000 %		
Sabre, Inc.	Term Loan B	99.50000	957,633.59	952,845.42		Yes	2/27/2013
			957,633.59	952,845.42	99.50000 %		
Samchully Midstream 3 LLC	Term Loan B	98.50000	2,961,305.17	2,916,885.59		Yes	10/31/2014
			2,961,305.17	2,916,885.59	98.50000 %		
SBA Senior Finance II LLC	Term Loan B1	99.75000	1,029,707.10	1,027,132.83		Yes	2/26/2014
			1,029,707.10	1,027,132.83	99.75000 %		
	Term Loan B1	99.75000	1,029,707.10	1,027,132.83		Yes	3/27/2014
			1,029,707.10	1,027,132.83	99.75000 %		
Seadrill Partners Finco LLC	Term Loan B	80.38000	1,994,936.71	1,603,530.13		Yes	6/18/2015
			1,994,936.71	1,603,530.13	80.38000 %		
SeaWorld Parks & Entertainment, Inc.	Term Loan B2	99.25000	2,879,966.84	2,858,367.09		Yes	11/14/2013
			2,879,966.84	2,858,367.09	99.25000 %		
Sedgwick Claims Management Services, Inc.	1st Lien Term Loan	99.75000	1,975,000.00	1,970,062.50		Yes	3/7/2014
			1,975,000.00	1,970,062.50	99.75000 %		
	2nd Lien Term Loan	99.50000	692,094.21	688,633.74		Yes	3/18/2014
			692,094.21	688,633.74	99.50000 %		
Select Medical Corporation	Series E Term Loan B	101.31000	428,549.57	434,163.57		Yes	3/4/2014
			428,549.57	434,163.57	101.31000 %		
Shearer's Foods, Inc.	1st Lien Term Loan	100.13000	1,985,000.01	1,987,580.51		Yes	11/21/2014
			1,985,000.01	1,987,580.51	100.13000 %		
	2nd Lien Term Loan	99.75000	1,000,000.00	997,500.00		Yes	6/17/2015
			1,000,000.00	997,500.00	99.75000 %		
Ship US Bidco, Inc.	Term Loan B2A	99.50000	1,000,000.00	995,000.00		Yes	1/15/2015
			1,000,000.00	995,000.00	99.50000 %		
	Term Loan C2	99.50000	362,604.74	360,791.72		Yes	7/16/2013
			362,604.74	360,791.72	99.50000 %		
	USD Add On Term Loan	99.00000	586,803.93	580,935.89		Yes	11/22/2013
			586,803.93	580,935.89	99.00000 %		
Silver II US Holdings, LLC	Term Loan	100.00000	1,661,492.54	1,661,492.54		Yes	2/19/2013
			1,661,492.54	1,661,492.54	100.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Sinclair Television Group Inc.	Term Loan B	98.50000	4,912,229.94	4,838,546.49		Yes	10/31/2013
			4,912,229.94	4,838,546.49	98.50000 %		
SkillSoft Corporation	1st Lien Term Loan	99.50000	1,985,000.00	1,975,075.00		Yes	5/6/2014
			1,985,000.00	1,975,075.00	99.50000 %		
Southcross Energy Partners, L.P.	1st Lien Term Loan	99.50000	476,016.24	473,636.16		Yes	8/22/2014
			476,016.24	473,636.16	99.50000 %		
	1st Lien Term Loan	100.00000	997,481.11	997,481.11		Yes	6/18/2015
			997,481.11	997,481.11	100.00000 %		
	1st Lien Term Loan	99.63000	997,481.11	993,790.43		Yes	6/23/2015
			997,481.11	993,790.43	99.63000 %		
Southcross Holdings Borrower LP	Term Loan B	99.50000	731,847.21	728,187.97		Yes	8/22/2014
			731,847.21	728,187.97	99.50000 %		
Southeast PowerGen, LLC	Term Loan B	99.00000	481,097.80	476,286.82		Yes	12/11/2014
			481,097.80	476,286.82	99.00000 %		
Southern Graphics, Inc.	New Term Loan B	100.25000	925,000.00	927,312.50		Yes	11/18/2013
			925,000.00	927,312.50	100.25000 %		
Spectrum Brands, Inc.	USD Term Loan	99.75000	3,175,712.84	3,167,773.56		Yes	7/1/2015
			3,175,712.84	3,167,773.56	99.75000 %		
Spencer Gifts LLC	Term Loan B1	99.50000	2,000,000.00	1,990,000.00		Yes	7/1/2015
			2,000,000.00	1,990,000.00	99.50000 %		
	Term Loan B1	99.75000	1,139,210.69	1,136,362.66		Yes	6/29/2015
			1,139,210.69	1,136,362.66	99.75000 %		
	2nd Lien Term Loan	99.50000	1,000,000.00	995,000.00		No	--/--/----
			1,000,000.00	995,000.00	99.50000 %		
Springer Science+Business Media Deutschland GmbH	USD Term Loan B9	100.00000	1,791,808.31	1,791,808.31		Yes	5/14/2015
			1,791,808.31	1,791,808.31	100.00000 %		
SS&C Technologies Inc.	2015 Term Loan B1	99.50000	1,410,245.59	1,403,194.36		No	--/--/----
			1,410,245.59	1,403,194.36	99.50000 %		
	2015 Term Loan B2	99.50000	317,692.69	316,104.23		No	--/--/----
			317,692.69	316,104.23	99.50000 %		
Staples, Inc.	Term Loan B	99.50000	1,633,543.66	1,625,375.94		No	--/--/----
			1,633,543.66	1,625,375.94	99.50000 %		
Star West Generation LLC	New Term Loan B	99.50000	510,776.09	508,222.21		Yes	5/31/2013
			510,776.09	508,222.21	99.50000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Steinway Musical Instruments, Inc.	1st Lien Term Loan	99.50000	362,910.55	361,096.00		Yes	9/27/2013
			362,910.55	361,096.00	99.50000 %		
	1st Lien Term Loan	99.00000	495,478.85	490,524.06		Yes	6/6/2014
			495,478.85	490,524.06	99.00000 %		
	1st Lien Term Loan	100.00000	243,164.05	243,164.05		Yes	10/9/2014
			243,164.05	243,164.05	100.00000 %		
	1st Lien Term Loan	99.25000	1,955,162.03	1,940,498.31		Yes	1/20/2015
			1,955,162.03	1,940,498.31	99.25000 %		
Sterigenics-Nordion Holdings, LLC	Term Loan B	99.75000	615,296.80	613,758.56		Yes	6/5/2015
			615,296.80	613,758.56	99.75000 %		
STS Operating, Inc.	Term Loan	99.50000	769,820.22	765,971.12		Yes	2/26/2014
			769,820.22	765,971.12	99.50000 %		
Syniverse Holdings, Inc.	Delayed Draw Term Loan	95.00000	1,000,000.00	950,000.00		No	--/------
			1,000,000.00	950,000.00	95.00000 %		
TCH-2 Holding, LLC	1st Lien Term Loan	99.00000	513,360.23	508,226.63		Yes	5/23/2014
			513,360.23	508,226.63	99.00000 %		
Tecomet Inc.	1st Lien Term Loan	97.00000	995,000.00	965,150.00		Yes	1/5/2015
			995,000.00	965,150.00	97.00000 %		
Telecommunications Management, LLC	1st Lien Term Loan	99.50000	72,191.15	71,830.19		Yes	7/18/2013
			72,191.15	71,830.19	99.50000 %		
	1st Lien Term Loan	99.75000	59,628.56	59,479.49		Yes	7/17/2013
			59,628.56	59,479.49	99.75000 %		
	1st Lien Term Loan	100.00000	63,938.65	63,938.65		Yes	4/15/2014
			63,938.65	63,938.65	100.00000 %		
Telesat Canada	USD Term Loan B2	99.00000	989,873.41	979,974.68		Yes	10/9/2014
			989,873.41	979,974.68	99.00000 %		
The Talbots, Inc.	1st Lien Term Loan	98.25000	997,474.75	980,018.94		Yes	6/18/2015
			997,474.75	980,018.94	98.25000 %		
TMS International Corp.	New Term Loan B	99.50000	333,991.95	332,321.99		Yes	10/22/2013
			333,991.95	332,321.99	99.50000 %		
Total Merchant Services, Inc.	Term Loan	99.00000	1,391,366.28	1,377,452.62		Yes	1/2/2015
			1,391,366.28	1,377,452.62	99.00000 %		
TPF II Power, LLC	Term Loan B	99.25000	2,240,343.40	2,223,540.82		Yes	10/15/2014
			2,240,343.40	2,223,540.82	99.25000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Travelport Finance (Luxembourg) S.a.r.l.	2014 Term Loan B	98.75000	1,600,715.38	1,580,706.44		Yes	9/29/2014
			1,600,715.38	1,580,706.44	98.75000 %		
	2014 Term Loan B	100.50000	1,990,000.00	1,999,950.00		Yes	9/25/2014
			1,990,000.00	1,999,950.00	100.50000 %		
Triple Point Technology, Inc.	1st Lien Term Loan	95.50000	847,159.38	809,037.21		Yes	8/21/2013
			847,159.38	809,037.21	95.50000 %		
	1st Lien Term Loan	90.25000	104,600.90	94,402.31		Yes	1/10/2014
			104,600.90	94,402.31	90.25000 %		
Tronox Pigments (Netherlands) B.V.	2013 Term Loan	99.50000	627,901.85	624,762.34		Yes	4/15/2013
			627,901.85	624,762.34	99.50000 %		
U.S. Farathane, LLC	Term Loan B	98.00000	755,859.41	740,742.22		Yes	2/20/2015
			755,859.41	740,742.22	98.00000 %		
U.S. Security Holdings, Inc.	New Term Loan	99.25000	1,742,150.72	1,729,084.59		Yes	2/13/2015
			1,742,150.72	1,729,084.59	99.25000 %		
	Delayed Draw Term Loan	99.25000	247,522.68	245,666.26		Yes	2/13/2015
			247,522.68	245,666.26	99.25000 %		
UCI International, Inc.	New Term Loan B	100.00000	308,137.05	308,137.05		Yes	12/12/2013
			308,137.05	308,137.05	100.00000 %		
Unifrax Corporation	New Term Loan	99.50000	415,336.63	413,259.95		Yes	2/11/2013
			415,336.63	413,259.95	99.50000 %		
Univar Inc.	2015 Term Loan	99.50000	1,499,714.65	1,492,216.08		No	--/------
			1,499,714.65	1,492,216.08	99.50000 %		
Univision Communications Inc.	Term Loan C3	100.00000	1,954,438.24	1,954,438.24		Yes	6/11/2013
			1,954,438.24	1,954,438.24	100.00000 %		
UPC Financing Partnership	USD Term Loan AH	97.75000	4,000,000.00	3,910,000.00		Yes	4/24/2013
			4,000,000.00	3,910,000.00	97.75000 %		
USI, Inc.	Term Loan B	100.41000	616,734.11	619,262.72		Yes	12/30/2013
			616,734.11	619,262.72	100.41000 %		
	Term Loan B	99.00000	715,392.26	708,238.34		Yes	5/16/2014
			715,392.26	708,238.34	99.00000 %		
USIC Holdings, Inc.	1st Lien Term Loan	99.50000	803,459.76	799,442.46		Yes	8/19/2013
			803,459.76	799,442.46	99.50000 %		
UTEX Industries Inc.	1st Lien Term loan 2014	99.50000	532,273.22	529,611.85		Yes	6/3/2014
			532,273.22	529,611.85	99.50000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Valeant Pharmaceuticals International	Term Loan B F1	99.50000	865,301.21	860,974.70		Yes	4/20/2015
			865,301.21	860,974.70	99.50000 %		
	Term Loan B F1	99.50000	1,129,698.79	1,124,050.30		Yes	4/20/2015
			1,129,698.79	1,124,050.30	99.50000 %		
Vantage Specialty Chemicals, Inc.	Term Loan B	99.75000	1,885,285.42	1,880,572.21		Yes	12/12/2013
			1,885,285.42	1,880,572.21	99.75000 %		
	Term Loan B	100.25000	309,653.24	310,427.37		Yes	10/6/2014
			309,653.24	310,427.37	100.25000 %		
	Term Loan B	98.75000	639,013.31	631,025.64		Yes	6/11/2015
			639,013.31	631,025.64	98.75000 %		
VFH Parent LLC	Extended Term Loan	99.50000	497,597.39	495,109.40		Yes	11/19/2013
			497,597.39	495,109.40	99.50000 %		
	Extended Term Loan	100.15000	2,026,668.04	2,029,708.04		Yes	11/8/2013
			2,026,668.04	2,029,708.04	100.15000 %		
	Extended Term Loan	98.75000	295,693.16	291,997.00		Yes	6/3/2014
			295,693.16	291,997.00	98.75000 %		
	Extended Term Loan	99.25000	279,839.32	277,740.53		Yes	6/9/2014
			279,839.32	277,740.53	99.25000 %		
	Extended Term Loan	99.25000	167,903.59	166,644.31		Yes	6/19/2014
			167,903.59	166,644.31	99.25000 %		
	Extended Term Loan	99.25000	167,903.58	166,644.30		Yes	6/19/2014
			167,903.58	166,644.30	99.25000 %		
ViaWest, Inc.	Term Loan B	99.00000	585,398.31	579,544.33		Yes	4/10/2015
			585,398.31	579,544.33	99.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
Visteon Corporation	Delayed Draw Term Loan B	99.50000	41,666.67	41,458.34		Yes	7/28/2014
			41,666.67	41,458.34	99.50000 %		
	Delayed Draw Term Loan B	99.63000	83,333.33	83,025.00		Yes	7/23/2014
			83,333.33	83,025.00	99.63000 %		
	Delayed Draw Term Loan B	99.63000	166,666.67	166,050.00		Yes	7/16/2014
			166,666.67	166,050.00	99.63000 %		
	Delayed Draw Term Loan B	99.75000	250,000.00	249,375.00		Yes	7/25/2014
			250,000.00	249,375.00	99.75000 %		
	Delayed Draw Term Loan B	99.88000	178,571.42	178,357.13		Yes	7/31/2014
			178,571.42	178,357.13	99.88000 %		
	Delayed Draw Term Loan B	99.88000	291,071.43	290,722.14		Yes	7/31/2014
			291,071.43	290,722.14	99.88000 %		
Vogue International Inc.	Term Loan	99.00000	686,855.96	679,987.40		Yes	3/10/2014
			686,855.96	679,987.40	99.00000 %		
	Term Loan	100.00000	533,448.49	533,448.49		Yes	11/5/2014
			533,448.49	533,448.49	100.00000 %		
	Term Loan	99.88000	348,193.37	347,775.54		Yes	12/3/2014
			348,193.37	347,775.54	99.88000 %		
	Term Loan	100.00000	502,574.63	502,574.63		Yes	12/3/2014
			502,574.63	502,574.63	100.00000 %		
	Term Loan	99.50000	458,987.60	456,692.66		Yes	3/10/2015
			458,987.60	456,692.66	99.50000 %		
W/S Packaging Group, Inc.	Term Loan B	96.00000	758,713.23	728,364.70		Yes	1/22/2015
			758,713.23	728,364.70	96.00000 %		
Washington Inventory Service	US Term Loan	99.50000	367,377.37	365,540.48		Yes	1/8/2013
			367,377.37	365,540.48	99.50000 %		
Wastequip, LLC	Term Loan	99.50000	875,047.23	870,671.99		Yes	8/21/2013
			875,047.23	870,671.99	99.50000 %		
Wausau Paper Corp.	Term Loan	98.00000	1,421,868.76	1,393,431.38		Yes	8/12/2014
			1,421,868.76	1,393,431.38	98.00000 %		

Issuer Name	Facility Name / Ticker	Cost Price	Par Amount	Cost Price Value	Cost Price Percentage of Par Amount	Settled	Settlement Date
WCA Waste Corporation	Term Loan	100.50000	483,749.99	486,168.74		Yes	12/19/2013
			483,749.99	486,168.74	100.50000 %		
	Term Loan	100.50000	1,473,350.23	1,480,716.98		Yes	1/6/2014
			1,473,350.23	1,480,716.98	100.50000 %		
	Term Loan	99.63000	876,004.47	872,763.25		Yes	12/3/2014
			876,004.47	872,763.25	99.63000 %		
West Corporation	Term Loan B10	100.17000	3,410,655.22	3,416,453.33		Yes	1/24/2014
			3,410,655.22	3,416,453.33	100.17000 %		
Wilsonart LLC	Term Loan B	99.00000	975,001.14	965,251.13		Yes	11/16/2012
			975,001.14	965,251.13	99.00000 %		
Windstream Corporation	Term Loan B5	99.00000	2,918,062.48	2,888,881.86		Yes	8/17/2012
			2,918,062.48	2,888,881.86	99.00000 %		

Market Value

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
24 Hour Fitness Worldwide, Inc.	New Term Loan B	LX137112	94.58300	Loan X
Academy, Ltd.	2015 Term Loan B	LX144914	100.00000	Loan X
Accellent Inc.	1st Lien Term Loan	LX135434	99.39600	Loan X
Acosta Holdco, Inc.	2015 Term Loan	LX144231	99.67200	Loan X
ADMI Corp.	2015 Term Loan B	LX144074	100.37500	Loan X
Advantage Sales & Marketing, Inc.	2014 2nd Lien Term Loan	LX138509	100.20800	Loan X
	2014 1st Lien Term Loan	LX138508	99.57800	Loan X
AE Europe Holdings, Inc.	Term Loan	LX126322	100.00000	Loan X
Alison Bidco S.a.r.l.	USD 1st Lien Term Loan B1	LX138127	96.75000	Loan X
	USD 1st Lien Term Loan B2	LX139129	96.75000	Loan X
Alliance Laundry Systems LLC	Refi Term Loan	LX128446	100.06300	Loan X
Alliant Techsystems Inc.	Term Loan B	LX133191	99.93600	Loan X
Allnex (Luxembourg) & Cy S.C.A.	USD Term Loan B1	LX128618	100.00000	Loan X
	USD Term Loan B2	LX128928	100.00000	Loan X
Amsurg Corp.	1st Lien Term Loan B	LX137810	100.12500	Loan X
AmWINS Group, LLC	New Term Loan	LX128545	100.82500	Loan X
Apex Tool Group, LLC	Term Loan B	LX127865	98.00000	Loan X
Aquilex Holdings LLC	New Term Loan	LX134338	99.75000	Loan X
Arch Coal Inc.	Term Loan B	LX124057	64.12500	Loan X
Astoria Energy LLC	Term Loan B	LX142444	100.56300	Loan X
Asurion LLC	New Term Loan B1	LX128480	100.18200	Loan X
At Home Holding III Inc.	Term Loan	LX144535	99.50000	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Atlantic Aviation FBO Inc.	Term Loan B	LX129566	99.18800	Loan X
Aufinco Pty Limited	1st Lien Term Loan	LX130010	99.75000	Loan X
Avantor Performance Materials Holdings, Inc.	Term Loan B	LX120026	99.25000	Loan X
AWAS Finance Luxembourg 2012 S.A.	New Term Loan	LX124422	99.96900	Loan X
Axiall Holdco, Inc.	Term Loan B	LX143442	100.45800	Loan X
AZ Chem US Inc.	1st Lien Term Loan	LX137644	99.93800	Loan X
BakerCorp International, Inc.	New Term Loan	LX128359	96.16700	Loan X
Bass Pro Group, LLC	2015 Term Loan	LX144858	99.99900	Loan X
BATS Global Markets, Inc.	Term Loan B2	LX134893	100.41700	Loan X
	Term Loan B1	LX143254	99.87500	Loan X
Bayonne Energy Center, LLC	Term Loan B	LX137822	100.00000	Loan X
Belfor USA Group, Inc.	Term Loan B	LX118768	99.37500	Loan X
Berry Plastics Holding Corporation	Term Loan D	LX128321	99.54200	Loan X
BioScrip, Inc.	Delayed Draw Term Loan	LX131102	98.93800	Loan X
	Term Loan B	LX130184	98.93800	Loan X
Blue Buffalo Company, Ltd.	Term Loan B3	LX133874	99.81300	Loan X
Bombardier Recreational Products, Inc.	New Term Loan B	LX128135	99.90000	Loan X
Boomerang Tube, LLC	Term Loan	LX125949	50.50000	Loan X
Booz Allen Hamilton Inc.	New Term Loan	LX131777	100.02100	Loan X
Brickman Group Ltd. LLC	2nd Lien Term Loan	LX134066	100.20800	Loan X
Brock Holdings III, Inc.	New Term Loan B	LX118451	99.37500	Loan X
Bronco Midstream Funding LLC	Term Loan B	LX131945	98.25000	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
BWAY Holding Company, Inc.	New Term Loan B	LX139952	100.04200	Loan X
Calpine Corporation	Term Loan B3	LX126204	99.76800	Loan X
Capital Automotive L.P.	New Term Loan B	LX129005	100.21400	Loan X
	New 2nd Lien Term Loan	LX129269	101.40600	Loan X
Caraustar Industries, Inc.	Term Loan B	LX129122	100.02400	Loan X
CareCore National, LLC	Term Loan B	LX135345	100.16700	Loan X
Carros Finance Luxembourg S.a.r.l	1st Lien Term Loan	LX137773	100.12500	Loan X
CCC Information Services, Inc.	Term Loan	LX127159	99.25000	Loan X
Charter Communications Operating, LLC	Term Loan F	LX129346	98.77800	Loan X
Chemours Company Co. (The)	Term Loan B	LX144235	99.56300	Loan X
Chrysler Group LLC	2018 Term Loan B	LX135335	99.75000	Loan X
	New Term Loan B	LX130711	99.78400	Loan X
CITGO Holding Inc.	2015 Term Loan B	LX143176	100.30000	Loan X
Citgo Petroleum Corporation	New Term Loan B	LX139019	100.12500	Loan X
CommScope, Inc.	Term Loan B5	LX143177	99.95800	Loan X
Confie Seguros Holding II Co.	1st Lien Term Loan	LX126492	99.95800	Loan X
	2nd Lien Term Loan	LX126494	99.50000	Loan X
Consolidated Container Company LLC	New Term Loan	LX126769	97.66700	Loan X
Container Store, Inc. (The)	New Term Loan B	LX123563	98.37500	Loan X
Creganna-Tactx Medical	1st Lien Term Loan	LX141986	100.18800	Loan X
Crown Castle Operating Company	Term Loan B2	LX134517	99.42900	Loan X
CTI Foods Holding Co, LLC	New 1st Lien Term Loan	LX130250	97.62500	Loan X
Cumulus Media Holdings Inc.	2013 Term Loan	LX134252	94.87500	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Cunningham Lindsey U.S. Inc.	1st Lien Term Loan	LX126290	97.75000	Loan X
	2nd Lien Term Loan	LX126292	95.25000	Loan X
DAE Aviation Holdings, Inc.	2nd Lien Term Loan	LX135216	100.41700	Loan X
David's Bridal, Inc.	New Term Loan B	LX126185	95.67500	Loan X
DaVita HealthCare Partners, Inc.	Term Loan B	LX137753	99.95800	Loan X
Delos Finance Sarl	Term Loan B	LX135579	99.71900	Loan X
Delta 2 (LUX) S.a.r.l.	USD Term Loan B3	LX139582	99.41700	Loan X
Delta Air Lines, Inc.	New Term Loan B	LX118876	99.76600	Loan X
Dexter Axle Company	New Term Loan	LX135534	99.45800	Loan X
DigitalGlobe, Inc.	New Term Loan B	LX128177	99.90600	Loan X
Doncasters Finance US LLC	USD Term Loan	LX128948	99.78100	Loan X
Drumm Investors LLC	Term Loan	LX119023	100.96900	Loan X
DynCorp International LLC	Term Loan B	LX114916	97.08300	Loan X
EFS Cogen Holdings I LLC	Term Loan B	LX133683	100.04200	Loan X
EIF Channelview Cogeneration, LLC	Term Loan B	LX129356	99.75000	Loan X
EIG Investors Corp.	2013 Term Loan	LX133886	99.50000	Loan X
Emdeon Business Services, LLC	Term Loan B2	LX129150	99.72500	Loan X
Emerald Performance Materials, LLC	New 1st Lien Term Loan	LX139053	99.78100	Loan X
Emerald US Inc.	Term Loan B1	LX136868	99.12500	Loan X
EMI Music Publishing Limited	Term Loan B	LX123218	99.84700	Loan X
Endo Luxembourg Finance Company I S.a r.l.	2014 Term Loan B	LX133782	100.15600	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Energy Transfer Equity, L.P.	New Term Loan	LX133675	99.06300	Loan X
	2015 Term Loan	LX143455	99.97500	Loan X
EP Energy LLC	Term Loan B2	LX126757	99.72900	Loan X
EP Minerals, LLC	1st Lien Term Loan	LX139754	99.75000	Loan X
Epiq Systems, Inc.	Incremental Term Loan B	LX131772	99.25000	Loan X
Essential Power LLC	Term Loan B	LX125098	100.41700	Loan X
Evergreen Acqco 1 LP	New Term Loan	LX126298	93.91700	Loan X
Evertec Group, LLC	New Term Loan B	LX129049	98.25000	Loan X
Exgen Renewables I, LLC	Term Loan	LX134980	101.25000	Loan X
Exopack Holdings S.A	2015 Term Loan B1	LX133334	100.16700	Loan X
Fairmount Minerals LTD	New Term Loan B2	LX136121	94.43800	Loan X
FGI Operating Company, LLC	Term Loan	LX123710	94.75000	Loan X
Fieldwood Energy LLC	1st Lien Term Loan	LX132456	95.09400	Loan X
First Data Corporation	Extended 2021 Term Loan	LX135219	100.10400	Loan X
	New 2018 Extended Term Loan	LX139058	99.60700	Loan X
FPC Holdings, Inc.	1st Lien Term Loan	LX126795	99.08300	Loan X
Freescale Semiconductor, Inc.	Term Loan B4	LX128350	100.02800	Loan X
	Term Loan B5	LX132434	100.31300	Loan X
FREIF North American Power I LLC	2015 Term Loan B	LX143614	100.75000	Loan X
	2015 Term Loan C	LX143615	100.75000	Loan X
Fullbeauty Brands, Inc.	1st Lien Term Loan	LX135873	99.75000	Loan X
Gardner Denver, Inc.	USD Term Loan	LX128915	97.83300	Loan X
GCA Services Group, Inc.	New Term Loan B	LX134482	99.37500	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Generic Drug Holdings, Inc.	Term Loan B1	LX126084	100.25000	Loan X
GENEX Holdings Inc.	New 2nd Lien Term Loan	LX137310	98.50000	Loan X
Go Daddy Operating Company, LLC	New Term Loan B	LX137075	100.10900	Loan X
Goodyear Tire & Rubber Company (The)	New 2nd Lien Term Loan	LX123690	100.12500	Loan X
Grifols Worldwide Operations USA, Inc.	USD Term Loan B	LX135831	100.00000	Loan X
GXS Group, Inc.	Term Loan B	LX133772	100.12500	Loan X
Hanesbrands, Inc.	USD Term Loan B	LX144137	100.50000	Loan X
Hargray Communications Group, Inc.	Term Loan B	LX130566	100.40600	Loan X
HCA Inc.	Extended Term Loan B4	LX129274	99.98900	Loan X
Headwaters, Incorporated	Term Loan B	LX143576	100.25000	Loan X
Heartland Dental, LLC	1st Lien Term Loan	LX134432	99.75000	Loan X
Hoffmaster Group, Inc.	New 1st Lien Term Loan	LX136877	99.87500	Loan X
Horizon Global Corporation	Term Loan B	LX144619	98.75000	Loan X
Houghton International, Inc.	USD Term Loan B	LX127151	99.95800	Loan X
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B	LX144372	99.62500	Loan X
Hubbard Radio, LLC	2015 Term Loan B	LX144630	99.70800	Loan X
Husky Injection Molding Systems Ltd.	2nd Lien Term Loan	LX137966	98.75000	Loan X
Immucor, Inc.	Refi Term Loan B2	LX128467	100.21900	Loan X
INA Beteiligungsgesellschaft mbH	USD Term Loan B	LX141598	100.43100	Loan X
Infor (US), Inc.	USD Term Loan B3	LX130158	98.56300	Loan X
	USD Term Loan B5	LX134487	98.64600	Loan X
Intelligrated, Inc.	1st Lien Term Loan	LX124534	99.79200	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Intertrust Group Holding B.V.	USD Term Loan B5	LX136495	99.87500	Loan X
	USD 2nd Lien Term Loan	LX136498	99.50000	Loan X
Jacobs Entertainment, Inc.	New 1st Lien Term Loan	LX136079	99.25000	Loan X
Jarden Corporation	Add-On Term Loan B1	LX132682	100.30000	Loan X
Jeld-Wen Inc.	Incremental Term Loan	LX145258	100.00000	Loan X
Joerns Healthcare LLC	2020 Term Loan	LX136837	99.41700	Loan X
Jonah Energy LLC	2nd Lien Term Loan	LX137109	94.50000	Loan X
Kasima, LLC	New Term Loan B	LX129735	99.66700	Loan X
Kenan Advantage Group, Inc.	Term Loan D	LX134572	99.75000	Loan X
Kindred Healthcare, Inc.	New Term Loan	LX136051	100.07500	Loan X
Klockner-Pentaplast of America, Inc.	USD Term Loan	LX144027	100.22500	Loan X
KP Germany Erste GmbH	1st Lien Term Loan	LX144293	100.22500	Loan X
Kronos Incorporated	2nd Lien Term Loan	LX126442	103.12500	Loan X
	Initial Incremental Term Loan	LX128351	100.10000	Loan X
Landry's, Inc.	Term Loan B	LX123782	100.16700	Loan X
Live Nation Entertainment, Inc.	2020 Term Loan B1	LX131844	99.95800	Loan X
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	LX136922	99.75000	Loan X
Mallinckrodt International Finance S.A.	Incremental Term Loan B1	LX139221	99.78600	Loan X
Manitowoc Company, Inc. (The)	2013 Term Loan B	LX133971	99.50000	Loan X
Marine Acquisition Corp.	New Term Loan B	LX134958	100.00000	Loan X
MCC Iowa LLC	Term Loan H	LX129953	98.87500	Loan X
McJunkin Red Man Corporation	New Term Loan	LX133771	99.16700	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
MD America Energy, LLC	2nd Lien Term Loan	LX139385	96.93800	Loan X
Metal Services LLC	Term Loan B	LX134040	99.79200	Loan X
Methanol Holdings (Trinidad) Limited	Term Loan B	LX145053	99.00000	Loan X
MH Sub I, LLC	1st Lien Term Loan	LX137918	99.71900	Loan X
	2nd Lien Term Loan	LX137921	98.50000	Loan X
Midcontinent Communications	Term Loan B	LX118392	99.75000	Loan X
Milacron LLC	Term Loan B	LX144033	100.12500	Loan X
MIP Delaware, LLC	Term Loan B1	LX120200	100.50000	Loan X
Mirror Bidco Corp.	New Term Loan	LX134996	99.50000	Loan X
Mission Broadcasting, Inc.	Term Loan B2	LX133013	99.79200	Loan X
	Term Loan B2	LX132855	99.79200	Loan X
Moneygram International, Inc	New Term Loan B	LX128964	95.08300	Loan X
Murray Energy Corporation	Term Loan B2	LX143728	92.25000	Loan X
NAB Holdings LLC	New Term Loan	LX137110	100.12500	Loan X
National Financial Partners Corp.	New Term Loan B	LX139513	99.80000	Loan X
National Surgical Hospitals, Inc.	2015 Term Loan	LX144394	100.00000	Loan X
NN, Inc.	Term Loan B	LX139612	100.20700	Loan X
NRG Energy, Inc.	Refi Term Loan B	LX130181	99.18000	Loan X
Nuance Communications, Inc.	Term Loan C	LX120218	99.20800	Loan X
OCI Beaumont LLC	Term Loan B3	LX136226	101.75000	Loan X
Offshore Group Investment Ltd	Term Loan B	LX128935	60.25000	Loan X
	New Term Loan B	LX133875	69.95000	Loan X
Omnitracs, Inc.	1st Lien Term Loan	LX133212	99.83300	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Omnova Solutions Inc.	Term Loan B1	LX128642	99.87500	Loan X
ON Assignment, Inc.	2015 Term Loan	LX144602	99.97400	Loan X
Orbitz Worldwide Inc.	2014 Term Loan B	LX136432	99.87500	Loan X
OXEA Finance LLC	USD Term Loan B2	LX129946	96.25000	Loan X
Ozburn-Hessey Holding Company, LLC	New Term Loan	LX129717	99.37500	Loan X
Pacific Drilling S.A.	Term Loan B	LX129817	80.30000	Loan X
Paragon Offshore Finance Company	Term Loan B	LX138205	72.50000	Loan X
Performance Food Group Company	2nd Lien Term Loan	LX129532	100.12500	Loan X
PFS Holding Corporation	1st Lien Term Loan	LX134882	91.83300	Loan X
Phillips-Van Heusen Corporation	USD Term Loan B	LX127073	100.29700	Loan X
Physio-Control International, Inc.	1st Lien Term Loan	LX144655	100.31300	Loan X
Pilot Travel Centers LLC	2014 Term Loan B	LX141236	101.02500	Loan X
Pinnacle Foods Finance LLC	Term Loan G	LX129188	99.52800	Loan X
	Incremental Term Loan H	LX132655	99.59400	Loan X
Pinnacle Operating Corp.	Term Loan	LX129664	99.93800	Loan X
Ply Gem Industries, Inc.	Term Loan	LX135000	99.08300	Loan X
Polarpak Inc.	USD 1st Lien Canadian Borrower	LX129583	99.25000	Loan X
	USD 1st Lien US Borrower	LX129584	99.25000	Loan X
Post Holdings Inc.	Series A Incremental Term Loan	LX136829	99.53100	Loan X
PowerTeam Services, LLC	1st Lien Term Loan	LX129413	99.75000	Loan X
	Delayed Draw Term Loan	LX129682	99.75000	Loan X
PRA Holdings, Inc.	New 1st Lien Term Loan	LX131961	100.06300	Loan X
Prestige Brands, Inc.	Term Loan B3	LX144376	99.70000	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Quality Home Brands Holdings, LLC	1st Lien Term Loan	LX133621	100.12500	Loan X
Quikrete Holdings, Inc.	2nd Lien Term Loan	LX132087	100.37500	Loan X
Radnet Management, Inc.	Term Loan B	LX126086	99.95800	Loan X
Renaissance Learning, Inc.	New 1st Lien Term Loan	LX136184	98.66700	Loan X
RP Crown Parent, LLC	2013 Term Loan	LX134441	95.90000	Loan X
RPI Finance Trust	Term Loan B3	LX133654	100.22400	Loan X
	Term Loan B4	LX142449	100.16600	Loan X
Sabre, Inc.	Term Loan B	LX128407	99.87500	Loan X
Samchully Midstream 3 LLC	Term Loan B	LX141393	99.00000	Loan X
SBA Senior Finance II LLC	Term Loan B1	LX135455	99.05000	Loan X
Seadrill Partners Finco LLC	Term Loan B	LX135384	75.71400	Loan X
SeaWorld Parks & Entertainment, Inc.	Term Loan B2	LX129657	96.25000	Loan X
Sedgwick Claims Management Services, Inc.	1st Lien Term Loan	LX135266	98.39300	Loan X
	2nd Lien Term Loan	LX135270	97.96900	Loan X
Select Medical Corporation	Series E Term Loan B	LX135728	99.75000	Loan X
Shearer's Foods, Inc.	1st Lien Term Loan	LX137740	99.62500	Loan X
	2nd Lien Term Loan	LX137741	98.75000	Loan X
Ship US Bidco, Inc.	Term Loan C2	LX129205	100.10000	Loan X
	USD Add On Term Loan	LX133352	100.00000	Loan X
	Term Loan B2A	LX119765	100.04700	Loan X
Silver II US Holdings, LLC	Term Loan	LX128299	97.00000	Loan X
Sinclair Television Group Inc.	Term Loan B	LX118445	99.56300	Loan X
SkillSoft Corporation	1st Lien Term Loan	LX136501	97.25000	Loan X
Southcross Energy Partners, L.P.	1st Lien Term Loan	LX139218	99.00000	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Southcross Holdings Borrower LP	Term Loan B	LX138820	96.87500	Loan X
Southeast PowerGen, LLC	Term Loan B	LX141908	100.31300	Loan X
Southern Graphics, Inc.	New Term Loan B	LX133756	99.62500	Loan X
Spectrum Brands, Inc.	USD Term Loan	LX144956	100.12500	Loan X
Spencer Gifts LLC	Term Loan B1	LX145716	99.50000	Loan X
	2nd Lien Term Loan	LX145715	99.00000	Loan X
Springer Science+Business Media Deutschland GmbH	USD Term Loan B9	LX143523	99.87500	Loan X
SS&C Technologies Inc.	2015 Term Loan B1	LX145794	100.20800	Loan X
	2015 Term Loan B2	LX145795	99.50000	Loan X
Staples, Inc.	Term Loan B	LX143953	99.81300	Loan X
Star West Generation LLC	New Term Loan B	LX130195	100.00000	Loan X
Steinway Musical Instruments, Inc.	1st Lien Term Loan	LX132475	99.62500	Loan X
Sterigenics-Nordion Holdings, LLC	Term Loan B	LX144331	99.79200	Loan X
STS Operating, Inc.	Term Loan	LX135213	99.50000	Loan X
Syniverse Holdings, Inc.	Delayed Draw Term Loan	LX128289	94.45800	Loan X
TCH-2 Holding, LLC	1st Lien Term Loan	LX136891	99.25000	Loan X
Tecomet Inc.	1st Lien Term Loan	LX140073	98.37500	Loan X
Telecommunications Management, LLC	1st Lien Term Loan	LX129106	99.50000	Loan X
Telesat Canada	USD Term Loan B2	LX123463	99.62500	Loan X
The Talbots, Inc.	1st Lien Term Loan	LX135929	97.50000	Loan X
TMS International Corp.	New Term Loan B	LX132734	99.75000	Loan X
Total Merchant Services, Inc.	Term Loan	LX142021	100.25000	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
TPF II Power, LLC	Term Loan B	LX140953	100.78600	Loan X
Travelport Finance (Luxembourg) S.a.r.l.	2014 Term Loan B	LX139984	100.17200	Loan X
Triple Point Technology, Inc.	1st Lien Term Loan	LX130780	89.75000	Loan X
Tronox Pigments (Netherlands) B.V.	2013 Term Loan	LX122688	99.90000	Loan X
U.S. Farathane, LLC	Term Loan B	LX142814	100.50000	Loan X
U.S. Security Holdings, Inc.	New Term Loan	LX120481	99.65600	Loan X
	Delayed Draw Term Loan	LX120480	99.65600	Loan X
UCI International, Inc.	New Term Loan B	LX117688	99.00000	Loan X
Unifrax Corporation	New Term Loan	LX128279	99.62500	Loan X
Univar Inc.	2015 Term Loan	LX145474	99.84400	Loan X
Univision Communications Inc.	Term Loan C3	LX129975	99.47900	Loan X
UPC Financing Partnership	USD Term Loan AH	LX129301	98.52100	Loan X
USI, Inc.	Term Loan B	LX134269	99.79200	Loan X
USIC Holdings, Inc.	1st Lien Term Loan	LX131356	99.50000	Loan X
UTEX Industries Inc.	1st Lien Term loan 2014	LX137137	92.28100	Loan X
Valeant Pharmaceuticals International	Term Loan B F1	LX143679	100.04200	Loan X
Vantage Specialty Chemicals, Inc.	Term Loan B	LX122820	98.00000	Loan X
VFH Parent LLC	Extended Term Loan	LX133527	100.25000	Loan X
ViaWest, Inc.	Term Loan B	LX143671	100.25000	Loan X
Visteon Corporation	Delayed Draw Term Loan B	LX136263	99.77500	Loan X
Vogue International Inc.	Term Loan	LX135247	100.20800	Loan X
W/S Packaging Group, Inc.	Term Loan B	LX131454	95.25000	Loan X

Issuer Name	Facility Name / Ticker	Asset ID	Bid Price	Pricing Source
Washington Inventory Service	US Term Loan	LX127234	98.25000	Loan X
Wastequip, LLC	Term Loan	LX131601	99.62500	Loan X
Wausau Paper Corp.	Term Loan	LX138931	99.50000	Loan X
WCA Waste Corporation	Term Loan	LX129530	99.25000	Loan X
West Corporation	Term Loan B10	LX135028	99.66700	Loan X
Wilsonart LLC	Term Loan B	LX126466	99.00000	Loan X
Windstream Corporation	Term Loan B5	LX125163	99.41700	Loan X

Industry Classification

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
24 Hour Fitness Worldwide, Inc.	New Term Loan B	1,980,000.00	Retail	Retailers (except food & drug)
Academy, Ltd.	2015 Term Loan B	4,000,000.00	Retail	Retailers (except food & drug)
Accellent Inc.	1st Lien Term Loan	997,474.75	Healthcare & Pharmaceuticals	Health care
Acosta Holdco, Inc.	2015 Term Loan	995,000.00	Beverage, Food & Tobacco	Food products
ADMI Corp.	2015 Term Loan B	401,104.70	Healthcare & Pharmaceuticals	Health care
Advantage Sales & Marketing, Inc.	2014 1st Lien Term Loan	893,230.12	Retail	Retailers (except food & drug)
	2014 2nd Lien Term Loan	293,576.86		
AE Europe Holdings, Inc.	Term Loan	277,964.79	Hotel, Gaming & Leisure	Leisure goods/activities/movies
Alison Bidco S.a.r.l.	USD 1st Lien Term Loan B1	707,801.84	Construction & Building	Building & Development
	USD 1st Lien Term Loan B2	707,801.83		
Alliance Laundry Systems LLC	Refi Term Loan	240,197.95	Services: Business	Industrial equipment
Alliant Techsystems Inc.	Term Loan B	1,574,020.10	Aerospace & Defense	Aerospace & Defense
Allnex (Luxembourg) & Cy S.C.A.	USD Term Loan B1	183,149.57	Chemicals, Plastics, & Rubber	Chemicals & plastics
	USD Term Loan B2	95,027.50		
Amsurg Corp.	1st Lien Term Loan B	754,133.84	Healthcare & Pharmaceuticals	Health care
AmWINS Group, LLC	New Term Loan	332,971.36	Banking, Finance, Insurance & Real Estate	Diversified Insurance
Apex Tool Group, LLC	Term Loan B	997,448.98	Capital Equipment	Industrial equipment
Aquilex Holdings LLC	New Term Loan	936,863.16	Services: Business	Business equipment & services
Arch Coal Inc.	Term Loan B	2,910,130.20	Metals & Mining	Steel

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Astoria Energy LLC	Term Loan B	1,423,739.57	Energy: Electricity	Electronics/electrical
Asurion LLC	New Term Loan B1	5,708,115.78	Services: Consumer	Diversified Insurance
At Home Holding III Inc.	Term Loan	1,280,136.68	Retail	Retailers (except food & drug)
Atlantic Aviation FBO Inc.	Term Loan B	264,642.41	Aerospace & Defense	Aerospace & Defense
Aufinco Pty Limited	1st Lien Term Loan	340,077.72	Hotel, Gaming & Leisure	Leisure goods/activities/movies
Avantor Performance Materials Holdings, Inc.	Term Loan B	985,821.15	Chemicals, Plastics, & Rubber	Chemicals & plastics
AWAS Finance Luxembourg 2012 S.A.	New Term Loan	2,279,128.03	Banking, Finance, Insurance & Real Estate	Financial intermediaries
Axiall Holdco, Inc.	Term Loan B	882,550.49	Chemicals, Plastics, & Rubber	Chemicals & plastics
AZ Chem US Inc.	1st Lien Term Loan	980,654.76	Chemicals, Plastics, & Rubber	Chemicals & plastics
BakerCorp International, Inc.	New Term Loan	1,165,550.03	Services: Business	Equipment leasing
Bass Pro Group, LLC	2015 Term Loan	4,987,500.00	Retail	Retailers (except food & drug)
BATS Global Markets, Inc.	Term Loan B2	838,627.93	Banking, Finance, Insurance & Real Estate	Financial intermediaries
	Term Loan B1	724,859.49		
Bayonne Energy Center, LLC	Term Loan B	246,116.34	Utilities: Electric	Utilities
Belfor USA Group, Inc.	Term Loan B	780,480.87	Services: Consumer	Business equipment & services
Berry Plastics Holding Corporation	Term Loan D	1,954,999.99	Containers, Packaging & Glass	Containers & glass products
BioScrip, Inc.	Term Loan B	152,313.91	Healthcare & Pharmaceuticals	Health care
	Delayed Draw Term Loan	91,388.35		
Blue Buffalo Company, Ltd.	Term Loan B3	972,693.42	Beverage, Food & Tobacco	Food/drug retailers

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Bombardier Recreational Products, Inc.	New Term Loan B	1,517,142.86	Hotel, Gaming & Leisure	Leisure goods/activities/movies
Boomerang Tube, LLC	Term Loan	887,500.02	Metals & Mining	Nonferrous metals/minerals
Booz Allen Hamilton Inc.	New Term Loan	4,529,192.88	Aerospace & Defense	Aerospace & Defense
Brickman Group Ltd. LLC	2nd Lien Term Loan	392,851.65	Services: Business	Business equipment & services
Brock Holdings III, Inc.	New Term Loan B	997,240.86	Services: Business	Business equipment & services
Bronco Midstream Funding LLC	Term Loan B	888,372.09	Energy: Oil & Gas	Oil & gas
BWAY Holding Company, Inc.	New Term Loan B	990,000.00	Containers, Packaging & Glass	Containers & glass products
Calpine Corporation	Term Loan B3	957,690.36	Utilities: Electric	Utilities
Capital Automotive L.P.	New Term Loan B	1,375,105.24	Banking, Finance, Insurance & Real Estate	Building & Development
	New 2nd Lien Term Loan	511,586.94		
Caraustar Industries, Inc.	Term Loan B	296,074.87	Containers, Packaging & Glass	Forest products
CareCore National, LLC	Term Loan B	439,034.57	Healthcare & Pharmaceuticals	Health care
Carros Finance Luxembourg S.a.r.l	1st Lien Term Loan	1,390,244.74	High Tech Industries	Telecommunications
CCC Information Services, Inc.	Term Loan	613,725.03	Services: Business	Business equipment & services
Charter Communications Operating, LLC	Term Loan F	6,815,912.28	Media: Broadcasting & Subscription	Cable & satellite television
Chemours Company Co. (The)	Term Loan B	874,013.46	Chemicals, Plastics, & Rubber	Chemicals & plastics
Chrysler Group LLC	2018 Term Loan B	1,826,751.81	Automotive	Automotive
	New Term Loan B	621,323.85		
CITGO Holding Inc.	2015 Term Loan B	1,359,048.02	Energy: Oil & Gas	Oil & gas
Citgo Petroleum Corporation	New Term Loan B	3,183,010.32	Energy: Oil & Gas	Oil & gas

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
CommScope, Inc.	Term Loan B5	342,016.98	Telecommunications	Telecommunications
Confie Seguros Holding II Co.	1st Lien Term Loan	2,380,210.78	Banking, Finance, Insurance & Real Estate	Diversified Insurance
	2nd Lien Term Loan	503,335.83		
Consolidated Container Company LLC	New Term Loan	1,945,000.00	Containers, Packaging & Glass	Containers & glass products
Container Store, Inc. (The)	New Term Loan B	883,004.50	Retail	Retailers (except food & drug)
Creganna-Tactx Medical	1st Lien Term Loan	995,000.00	Healthcare & Pharmaceuticals	Health care
Crown Castle Operating Company	Term Loan B2	5,709,604.39	Telecommunications	Telecommunications
CTI Foods Holding Co, LLC	New 1st Lien Term Loan	2,456,250.00	Beverage, Food & Tobacco	Beverage & Tobacco
Cumulus Media Holdings Inc.	2013 Term Loan	592,704.93	Media: Broadcasting & Subscription	Radio & Television
Cunningham Lindsey U.S. Inc.	1st Lien Term Loan	1,426,338.73	Banking, Finance, Insurance & Real Estate	Financial intermediaries
	2nd Lien Term Loan	155,909.09		
DAE Aviation Holdings, Inc.	2nd Lien Term Loan	341,817.05	Aerospace & Defense	Aerospace & Defense
David's Bridal, Inc.	New Term Loan B	955,445.94	Retail	Retailers (except food & drug)
DaVita HealthCare Partners, Inc.	Term Loan B	1,008,330.57	Healthcare & Pharmaceuticals	Health care
Delos Finance Sarl	Term Loan B	1,234,009.99	Aerospace & Defense	Air transport
Delta 2 (LUX) S.a.r.l.	USD Term Loan B3	6,602,117.26	Hotel, Gaming & Leisure	Leisure goods/activities/movies
Delta Air Lines, Inc.	New Term Loan B	332,859.66	Transportation: Consumer	Air transport
Dexter Axle Company	New Term Loan	637,757.95	Transportation: Cargo	Surface transport
DigitalGlobe, Inc.	New Term Loan B	413,586.02	Aerospace & Defense	Aerospace & Defense

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Doncasters Finance US LLC	USD Term Loan	1,322,260.16	Capital Equipment	Industrial equipment
Drumm Investors LLC	Term Loan	3,363,538.50	Healthcare & Pharmaceuticals	Health care
DynCorp International LLC	Term Loan B	663,612.81	Aerospace & Defense	Aerospace & Defense
EFS Cogen Holdings I LLC	Term Loan B	565,045.69	Utilities: Electric	Utilities
EIF Channelview Cogeneration, LLC	Term Loan B	254,657.45	Energy: Oil & Gas	Oil & gas
EIG Investors Corp.	2013 Term Loan	785,702.42	Services: Business	Business equipment & services
Emdeon Business Services, LLC	Term Loan B2	2,925,865.80	Healthcare & Pharmaceuticals	Health care
Emerald Performance Materials, LLC	New 1st Lien Term Loan	582,997.22	Chemicals, Plastics, & Rubber	Chemicals & plastics
Emerald US Inc.	Term Loan B1	2,000,000.00	Environmental Industries	Ecological services & equipment
EMI Music Publishing Limited	Term Loan B	1,159,822.25	Media: Advertising, Printing & Publishing	Publishing
Endo Luxembourg Finance Company I S.a r.l.	2014 Term Loan B	864,682.78	Healthcare & Pharmaceuticals	Drugs
Energy Transfer Equity, L.P.	New Term Loan	4,285,402.78	Utilities: Oil & Gas	Oil & Gas
	2015 Term Loan	1,858,823.53		
EP Energy LLC	Term Loan B2	253,377.73	Energy: Oil & Gas	Oil & gas
EP Minerals, LLC	1st Lien Term Loan	436,711.15	Metals & Mining	Nonferrous metals/minerals
Epiq Systems, Inc.	Incremental Term Loan B	732,570.01	High Tech Industries	Electronics/electrical
Essential Power LLC	Term Loan B	2,812,154.16	Metals & Mining	Utilities
Evergreen Acqco 1 LP	New Term Loan	931,584.88	Retail	Retailers (except food & drug)
Evertec Group, LLC	New Term Loan B	1,576,095.42	Banking, Finance, Insurance & Real Estate	Financial intermediaries

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Exgen Renewables I, LLC	Term Loan	271,534.78	Utilities: Electric	Utilities
Exopack Holdings S.A	2015 Term Loan B1	487,201.23	Containers, Packaging & Glass	Containers & glass products
Fairmount Minerals LTD	New Term Loan B2	1,964,998.82	Metals & Mining	Nonferrous metals/minerals
FGI Operating Company, LLC	Term Loan	1,552,050.88	Consumer goods: Durable	Leisure goods/activities/movies
Fieldwood Energy LLC	1st Lien Term Loan	1,735,325.41	Energy: Oil & Gas	Oil & gas
First Data Corporation	New 2018 Extended Term Loan	7,000,000.00	Banking, Finance, Insurance & Real Estate	Financial intermediaries
	Extended 2021 Term Loan	1,000,000.00		
FPC Holdings, Inc.	1st Lien Term Loan	1,401,395.63	Retail	Retailers (except food & drug)
Freescale Semiconductor, Inc.	Term Loan B5	1,965,000.00	High Tech Industries	Electronics/electrical
	Term Loan B4	1,935,369.15		
FREIF North American Power I LLC	2015 Term Loan B	2,542,372.88	Utilities: Electric	Utilities
	2015 Term Loan C	457,627.12		
Fullbeauty Brands, Inc.	1st Lien Term Loan	2,370,655.32	Consumer goods: Durable	Clothing/textiles
Gardner Denver, Inc.	USD Term Loan	1,989,873.42	Capital Equipment	Industrial equipment
GCA Services Group, Inc.	New Term Loan B	1,743,574.64	Services: Business	Business equipment & services
Generic Drug Holdings, Inc.	Term Loan B1	1,570,373.59	Healthcare & Pharmaceuticals	Health care
GENEX Holdings Inc.	New 2nd Lien Term Loan	1,000,000.00	Banking, Finance, Insurance & Real Estate	Financial intermediaries
Go Daddy Operating Company, LLC	New Term Loan B	1,995,851.47	Services: Business	Business equipment & services
Goodyear Tire & Rubber Company (The)	New 2nd Lien Term Loan	2,500,000.00	Automotive	Automotive
Grifols Worldwide Operations USA, Inc.	USD Term Loan B	5,139,631.84	Healthcare & Pharmaceuticals	Drugs

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
GXS Group, Inc.	Term Loan B	1,573,030.65	Services: Business	Business equipment & services
Hanesbrands, Inc.	USD Term Loan B	450,160.68	Consumer goods: Durable	Clothing/textiles
Hargray Communications Group, Inc.	Term Loan B	1,055,968.13	Telecommunications	Telecommunications
HCA Inc.	Extended Term Loan B4	982,500.00	Healthcare & Pharmaceuticals	Health care
Headwaters, Incorporated	Term Loan B	400,274.12	Construction & Building	Building & Development
Heartland Dental, LLC	1st Lien Term Loan	1,588,633.10	Healthcare & Pharmaceuticals	Health care
Hoffmaster Group, Inc.	New 1st Lien Term Loan	1,363,207.97	Containers, Packaging & Glass	Containers & glass products
Horizon Global Corporation	Term Loan B	1,341,858.82	Automotive	Automotive
Houghton International, Inc.	USD Term Loan B	475,648.23	Chemicals, Plastics, & Rubber	Chemicals & plastics
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B	1,000,000.00	Media: Advertising, Printing & Publishing	Publishing
Hubbard Radio, LLC	2015 Term Loan B	1,843,431.25	Media: Broadcasting & Subscription	Radio & Television
Husky Injection Molding Systems Ltd.	2nd Lien Term Loan	355,043.44	Capital Equipment	Industrial equipment
Immucor, Inc.	Refi Term Loan B2	4,838,437.52	Healthcare & Pharmaceuticals	Health care
INA Beteiligungsgesellschaft mbH	USD Term Loan B	1,769,230.77	Automotive	Automotive
Infor (US), Inc.	USD Term Loan B5	1,735,119.39	High Tech Industries	Electronics/electrical
	USD Term Loan B3	854,532.30		
Intelligrated, Inc.	1st Lien Term Loan	2,229,802.73	Capital Equipment	Business equipment & services
Intertrust Group Holding B.V.	USD 2nd Lien Term Loan	919,827.07	Banking, Finance, Insurance & Real Estate	Financial intermediaries
	USD Term Loan B5	577,849.36		
Jacobs Entertainment, Inc.	New 1st Lien Term Loan	899,903.99	Hotel, Gaming & Leisure	Lodging & casinos

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Jarden Corporation	Add-On Term Loan B1	813,839.69	Consumer goods: Non-durable	Conglomerates
Jeld-Wen Inc.	Incremental Term Loan	336,696.89	Construction & Building	Building & Development
Joerns Healthcare LLC	2020 Term Loan	2,952,149.21	Healthcare & Pharmaceuticals	Health care
Jonah Energy LLC	2nd Lien Term Loan	1,647,409.58	Energy: Oil & Gas	Oil & gas
Kasima, LLC	New Term Loan B	1,154,415.59	Media: Broadcasting & Subscription	Publishing
Kenan Advantage Group, Inc.	Term Loan D	483,439.50	Transportation: Cargo	Surface transport
Kindred Healthcare, Inc.	New Term Loan	1,283,945.18	Healthcare & Pharmaceuticals	Health care
Klockner-Pentaplast of America, Inc.	USD Term Loan	439,459.66	Chemicals, Plastics, & Rubber	Containers & glass products
KP Germany Erste GmbH	1st Lien Term Loan	187,803.27	Chemicals, Plastics, & Rubber	Containers & glass products
Kronos Incorporated	Initial Incremental Term Loan	2,913,819.33	High Tech Industries	Electronics/electrical
	2nd Lien Term Loan	272,547.82		
Landry's, Inc.	Term Loan B	618,929.44	Services: Consumer	Food service
Live Nation Entertainment, Inc.	2020 Term Loan B1	3,357,387.19	Hotel, Gaming & Leisure	Leisure goods/activities/movies
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	1,811,004.53	Telecommunications	Telecommunications
Mallinckrodt International Finance S.A.	Incremental Term Loan B1	1,410,643.71	Healthcare & Pharmaceuticals	Health care
Manitowoc Company, Inc. (The)	2013 Term Loan B	728,828.66	Capital Equipment	Industrial equipment
Marine Acquisition Corp.	New Term Loan B	482,951.84	Transportation: Consumer	Industrial equipment
MCC Iowa LLC	Term Loan H	1,960,000.00	Media: Broadcasting & Subscription	Cable & satellite television
McJunkin Red Man Corporation	New Term Loan	1,321,531.43	Capital Equipment	Industrial equipment

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
MD America Energy, LLC	2nd Lien Term Loan	1,000,000.00	Energy: Oil & Gas	Oil & gas
Metal Services LLC	Term Loan B	1,257,040.56	Metals & Mining	Steel
Methanol Holdings (Trinidad) Limited	Term Loan B	3,000,000.00	Chemicals, Plastics, & Rubber	Chemicals & plastics
MH Sub I, LLC	2nd Lien Term Loan	1,075,000.00	Media: Diversified & Production	Business equipment & services
	1st Lien Term Loan	749,814.69		
Midcontinent Communications	Term Loan B	625,213.79	Telecommunications	Cable & satellite television
Milacron LLC	Term Loan B	191,697.18	Capital Equipment	Industrial equipment
MIP Delaware, LLC	Term Loan B1	669,248.54	Banking, Finance, Insurance & Real Estate	Financial intermediaries
Mirror Bidco Corp.	New Term Loan	1,950,300.00	Transportation: Cargo	Industrial equipment
Mission Broadcasting, Inc.	Term Loan B2	527,843.59	Media: Broadcasting & Subscription	Radio & Television
	Term Loan B2	465,463.95		
Moneygram International, Inc	New Term Loan B	685,399.32	Banking, Finance, Insurance & Real Estate	Financial intermediaries
Murray Energy Corporation	Term Loan B2	2,000,000.00	Metals & Mining	Nonferrous metals/minerals
NAB Holdings LLC	New Term Loan	1,399,264.93	Banking, Finance, Insurance & Real Estate	Financial intermediaries
National Financial Partners Corp.	New Term Loan B	1,965,160.58	Banking, Finance, Insurance & Real Estate	Financial intermediaries
National Surgical Hospitals, Inc.	2015 Term Loan	447,936.06	Healthcare & Pharmaceuticals	Health care
NN, Inc.	Term Loan B	1,647,390.18	Automotive	Automotive
NRG Energy, Inc.	Refi Term Loan B	1,955,000.00	Utilities: Electric	Utilities
Nuance Communications, Inc.	Term Loan C	2,450,000.00	Services: Business	Business equipment & services

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
OCI Beaumont LLC	Term Loan B3	1,064,686.01	Chemicals, Plastics, & Rubber	Chemicals & plastics
Offshore Group Investment Ltd	Term Loan B	1,423,766.54	Utilities: Oil & Gas	Oil & gas
	New Term Loan B	497,960.38		
Omnitracs, Inc.	1st Lien Term Loan	342,138.90	High Tech Industries	Electronics/electrical
Omnova Solutions Inc.	Term Loan B1	2,908,629.44	Chemicals, Plastics, & Rubber	Chemicals & plastics
ON Assignment, Inc.	2015 Term Loan	704,865.40	Services: Business	Business equipment & services
Orbitz Worldwide Inc.	2014 Term Loan B	531,673.00	Services: Business	Business equipment & services
OXEA Finance LLC	USD Term Loan B2	852,907.86	Chemicals, Plastics, & Rubber	Chemicals & plastics
Ozburn-Hessey Holding Company, LLC	New Term Loan	1,638,865.81	Transportation: Cargo	Surface transport
Pacific Drilling S.A.	Term Loan B	552,540.61	Utilities: Oil & Gas	Oil & gas
Paragon Offshore Finance Company	Term Loan B	505,904.71	Energy: Oil & Gas	Oil & gas
Performance Food Group Company	2nd Lien Term Loan	1,262,323.30	Beverage, Food & Tobacco	Food service
PFS Holding Corporation	1st Lien Term Loan	740,625.00	Beverage, Food & Tobacco	Food products
Phillips-Van Heusen Corporation	USD Term Loan B	1,268,825.30	Consumer goods: Durable	Clothing/textiles
Physio-Control International, Inc.	1st Lien Term Loan	435,392.33	Healthcare & Pharmaceuticals	Health care
Pilot Travel Centers LLC	2014 Term Loan B	471,259.26	Retail	Retailers (except food & drug)
Pinnacle Foods Finance LLC	Incremental Term Loan H	3,857,930.51	Beverage, Food & Tobacco	Food products
	Term Loan G	2,594,401.85		
Pinnacle Operating Corp.	Term Loan	1,945,225.00	Chemicals, Plastics, & Rubber	Chemicals & plastics
Ply Gem Industries, Inc.	Term Loan	663,234.62	Construction & Building	Building & Development

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Polarpak Inc.	USD 1st Lien Canadian Borrower	210,032.90	Containers, Packaging & Glass	Containers & glass products
	USD 1st Lien US Borrower	109,349.42		Forest products
Post Holdings Inc.	Series A Incremental Term Loan	586,425.90	Beverage, Food & Tobacco	Food products
PowerTeam Services, LLC	1st Lien Term Loan	400,368.45	Services: Business	Electronics/electrical
	Delayed Draw Term Loan	21,487.09		
PRA Holdings, Inc.	New 1st Lien Term Loan	2,329,806.19	Healthcare & Pharmaceuticals	Health care
Prestige Brands, Inc.	Term Loan B3	619,927.64	Services: Consumer	Conglomerates
Quality Home Brands Holdings, LLC	1st Lien Term Loan	1,234,247.65	Construction & Building	Home furnishings
Quikrete Holdings, Inc.	2nd Lien Term Loan	513,265.85	Construction & Building	Building & Development
Radnet Management, Inc.	Term Loan B	5,644,914.25	Healthcare & Pharmaceuticals	Health care
Renaissance Learning, Inc.	New 1st Lien Term Loan	997,474.75	High Tech Industries	Telecommunications
RP Crown Parent, LLC	2013 Term Loan	4,970,278.94	Services: Business	Conglomerates
RPI Finance Trust	Term Loan B4	2,268,593.31	Healthcare & Pharmaceuticals	Drugs
	Term Loan B3	1,906,147.25		
Sabre, Inc.	Term Loan B	957,633.59	High Tech Industries	Business equipment & services
Samchully Midstream 3 LLC	Term Loan B	2,961,305.17	Energy: Oil & Gas	Oil & gas
SBA Senior Finance II LLC	Term Loan B1	2,059,414.20	Telecommunications	Telecommunications
Seadrill Partners Finco LLC	Term Loan B	1,994,936.71	Energy: Oil & Gas	Oil & gas
SeaWorld Parks & Entertainment, Inc.	Term Loan B2	2,879,966.84	Hotel, Gaming & Leisure	Leisure goods/activities/movies


Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Sedgwick Claims Management Services, Inc.	1st Lien Term Loan	1,975,000.00	Banking, Finance, Insurance & Real Estate	Diversified Insurance
	2nd Lien Term Loan	692,094.21		
Select Medical Corporation	Series E Term Loan B	428,549.57	Healthcare & Pharmaceuticals	Health care
Shearer's Foods, Inc.	1st Lien Term Loan	1,985,000.01	Services: Consumer	Food products
	2nd Lien Term Loan	1,000,000.00		
Ship US Bidco, Inc.	Term Loan B2A	1,000,000.00	Banking, Finance, Insurance & Real Estate	Financial intermediaries
	USD Add On Term Loan	586,803.93		
	Term Loan C2	362,604.74		
Silver II US Holdings, LLC	Term Loan	1,661,492.54	Capital Equipment	Industrial equipment
Sinclair Television Group Inc.	Term Loan B	4,912,229.94	Media: Broadcasting & Subscription	Radio & Television
SkillSoft Corporation	1st Lien Term Loan	1,985,000.00	Services: Business	Business equipment & services
Southcross Energy Partners, L.P.	1st Lien Term Loan	2,470,978.46	Energy: Oil & Gas	Oil & gas
Southcross Holdings Borrower LP	Term Loan B	731,847.21	Energy: Oil & Gas	Oil & gas
Southeast PowerGen, LLC	Term Loan B	481,097.80	Utilities: Electric	Utilities
Southern Graphics, Inc.	New Term Loan B	925,000.00	Containers, Packaging & Glass	Containers & glass products
Spectrum Brands, Inc.	USD Term Loan	3,175,712.84	Consumer goods: Non-durable	Electronics/electrical
Spencer Gifts LLC	Term Loan B1	3,139,210.69	Retail	Retailers (except food & drug)
	2nd Lien Term Loan	1,000,000.00		
Springer Science+Business Media Deutschland GmbH	USD Term Loan B9	1,791,808.31	Media: Advertising, Printing & Publishing	Publishing
SS&C Technologies Inc.	2015 Term Loan B1	1,410,245.59	High Tech Industries	Business equipment & services
	2015 Term Loan B2	317,692.69		
Staples, Inc.	Term Loan B	1,633,543.66	Retail	Retailers (except food & drug)

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
Star West Generation LLC	New Term Loan B	510,776.09	Utilities: Electric	Utilities
Steinway Musical Instruments, Inc.	1st Lien Term Loan	3,056,715.48	Consumer goods: Durable	Leisure goods/activities/movies
Sterigenics-Nordion Holdings, LLC	Term Loan B	615,296.80	Healthcare & Pharmaceuticals	Health care
STS Operating, Inc.	Term Loan	769,820.22	Consumer goods: Durable	Industrial equipment
Syniverse Holdings, Inc.	Delayed Draw Term Loan	1,000,000.00	Telecommunications	Telecommunications
TCH-2 Holding, LLC	1st Lien Term Loan	513,360.23	Services: Business	Business equipment & services
Tecomet Inc.	1st Lien Term Loan	995,000.00	Healthcare & Pharmaceuticals	Health care
Telecommunications Management, LLC	1st Lien Term Loan	195,758.36	Media: Broadcasting & Subscription	Cable & satellite television
Telesat Canada	USD Term Loan B2	989,873.41	Telecommunications	Cable & satellite television
The Talbots, Inc.	1st Lien Term Loan	997,474.75	Retail	Retailers (except food & drug)
TMS International Corp.	New Term Loan B	333,991.95	Metals & Mining	Steel
Total Merchant Services, Inc.	Term Loan	1,391,366.28	High Tech Industries	Electronics/electrical
TPF II Power, LLC	Term Loan B	2,240,343.40	Energy: Oil & Gas	Oil & gas
Travelport Finance (Luxembourg) S.a.r.l.	2014 Term Loan B	3,590,715.38	Services: Business	Air transport
Triple Point Technology, Inc.	1st Lien Term Loan	951,760.28	Services: Business	Conglomerates
Tronox Pigments (Netherlands) B.V.	2013 Term Loan	627,901.85	Chemicals, Plastics, & Rubber	Chemicals & plastics
U.S. Farathane, LLC	Term Loan B	755,859.41	Services: Business	Conglomerates
U.S. Security Holdings, Inc.	New Term Loan	1,742,150.72	Services: Business	Business equipment & services
	Delayed Draw Term Loan	247,522.68		

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
UCI International, Inc.	New Term Loan B	308,137.05	Automotive	Automotive
Unifrax Corporation	New Term Loan	415,336.63	Capital Equipment	Industrial equipment
Univar Inc.	2015 Term Loan	1,499,714.65	Chemicals, Plastics, & Rubber	Chemicals & plastics
Univision Communications Inc.	Term Loan C3	1,954,438.24	Media: Broadcasting & Subscription	Radio & Television
UPC Financing Partnership	USD Term Loan AH	4,000,000.00	Media: Broadcasting & Subscription	Cable & satellite television
USI, Inc.	Term Loan B	1,332,126.37	Banking, Finance, Insurance & Real Estate	Diversified Insurance
USIC Holdings, Inc.	1st Lien Term Loan	803,459.76	Services: Business	Business equipment & services
UTEX Industries Inc.	1st Lien Term loan 2014	532,273.22	Energy: Oil & Gas	Oil & gas
Valeant Pharmaceuticals International	Term Loan B F1	1,995,000.00	Healthcare & Pharmaceuticals	Drugs
Vantage Specialty Chemicals, Inc.	Term Loan B	2,833,951.97	Chemicals, Plastics, & Rubber	Chemicals & plastics
VFH Parent LLC	Extended Term Loan	3,435,605.08	Banking, Finance, Insurance & Real Estate	Financial intermediaries
ViaWest, Inc.	Term Loan B	585,398.31	Telecommunications	Telecommunications
Visteon Corporation	Delayed Draw Term Loan B	1,166,666.66	Automotive	Automotive
Vogue International Inc.	Term Loan	2,530,060.05	Consumer goods: Durable	Conglomerates
W/S Packaging Group, Inc.	Term Loan B	758,713.23	Containers, Packaging & Glass	Publishing
Washington Inventory Service	US Term Loan	367,377.37	Retail	Retailers (except food & drug)
Wastequip, LLC	Term Loan	875,047.23	Environmental Industries	Ecological services & equipment
Wausau Paper Corp.	Term Loan	1,421,868.76	Forest Products & Paper	Forest products
WCA Waste Corporation	Term Loan	2,833,104.69	Environmental Industries	Ecological services & equipment

Issuer Name	Facility Name / Ticker	Principal Balance	Moody's Industry Classification	S&P Industry Classification
West Corporation	Term Loan B10	3,410,655.22	Services: Business	Conglomerates
Wilsonart LLC	Term Loan B	975,001.14	Construction & Building	Building & Development
Windstream Corporation	Term Loan B5	2,918,062.48	Telecommunications	Telecommunications

Moody's Credit Rating Comparison - Prior Report Date: June 03, 2015

Issuer Name		Facility / Issue Name	Prior Rating	Current Rating	Date of Change
	Upgraded Credit Rating				
	Blue Buffalo Company, Ltd.	Term Loan B3	B1	Ba3	2015-06-29
	Charter Communications Operating, LLC	Term Loan F	Ba1	Baa3	2015-05-26
	DAE Aviation Holdings, Inc.	2nd Lien Term Loan	Caa2	Caa1	2015-05-27
	Delta Air Lines, Inc.	New Term Loan B	Ba1	Baa3	2015-06-23
	Endo Luxembourg Finance Company I S.a r.l.	2014 Term Loan B	Ba1	Baa3	2015-05-18

Ratings Detail

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
24 Hour Fitness Worldwide, Inc.	New Term Loan B	1,980,000.00	Ba3	B2			60	2720	B		50	2L
Academy, Ltd.	2015 Term Loan B	4,000,000.00	B2	B2			45	2720	B-		27	4H
Accellent Inc.	1st Lien Term Loan	997,474.75	B2	B3			50	3490	B		40	3H
Acosta Holdco, Inc.	2015 Term Loan	995,000.00	B1	B2		Neg	50	3490	B		30	3L
ADMI Corp.	2015 Term Loan B	401,104.70	B1	B2			50	2720	B		30	3L
Advantage Sales & Marketing, Inc.	2014 1st Lien Term Loan	893,230.12	B1	B2		Neg	50	3490	B		30	3L
	2014 2nd Lien Term Loan	293,576.86	Caa1	B2		Neg	15	3490	B		2	6
AE Europe Holdings, Inc.	Term Loan	277,964.79	**	**			**	**	**		**	**
Alison Bidco S.a.r.l.	USD 1st Lien Term Loan B1	707,801.84	B2	B3		Pos	50	3490	B		30	3L
	USD 1st Lien Term Loan B2	707,801.83	B2	B3		Pos	50	3490	B		30	3L
Alliance Laundry Systems LLC	Refi Term Loan	240,197.95	B2	B3			50	3490	B		30	3L
Alliant Techsystems Inc.	Term Loan B	1,574,020.10	Ba1	Ba2			50	1350	BB+		65	1
Allnex (Luxembourg) & Cy S.C.A.	USD Term Loan B1	183,149.57	B1	B1			45	2220	B+		30	3L
	USD Term Loan B2	95,027.50	B1	B1			45	2220	B+		30	3L
Amsurg Corp.	1st Lien Term Loan B	754,133.84	Ba2	B1			60	2220	B+		60	2H
AmWINS Group, LLC	New Term Loan	332,971.36	B1	B2			50	2720	B		27	4H
Apex Tool Group, LLC	Term Loan B	997,448.98	B2	B3			50	3490	B		40	3H
Aquilex Holdings LLC	New Term Loan	936,863.16	B2	B2			45	2720	B		30	3L
Arch Coal Inc.	Term Loan B	2,910,130.20	Caa1	Caa3		Neg	60	10000	CCC+		60	2H
Astoria Energy LLC	Term Loan B	1,423,739.57	Ba3	B1			50	2220	BB-		65	1
Asurion LLC	New Term Loan B1	5,708,115.78	Ba3	B1			50	2220	B		40	3H

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
At Home Holding III Inc.	Term Loan	1,280,136.68	B2	B2			45	2720	B-		30	3L
Atlantic Aviation FBO Inc.	Term Loan B	264,642.41	Ba3	Ba3			45	1766	BB-		40	3H
Aufinco Pty Limited	1st Lien Term Loan	340,077.72	B1	B2			50	2720	B		60	2H
Avantor Performance Materials Holdings, Inc.	Term Loan B	985,821.15	B1	B1			45	2220	B+		60	2H
AWAS Finance Luxembourg 2012 S.A.	New Term Loan	2,279,128.03	Ba2	Ba3			50	1766	BB+		65	1
Axiall Holdco, Inc.	Term Loan B	882,550.49	Ba1	Ba2			50	1350	BB		65	1
AZ Chem US Inc.	1st Lien Term Loan	980,654.76	Ba3	Ba3			45	1766	B+		60	2H
BakerCorp International, Inc.	New Term Loan	1,165,550.03	B2	Caa1			60	4770	B		40	3H
Bass Pro Group, LLC	2015 Term Loan	4,987,500.00	B1	Ba3			40	1766	BB-		30	3L
BATS Global Markets, Inc.	Term Loan B2	838,627.93	NR	B1			20	2220	BB-		45	NR
	Term Loan B1	724,859.49	B1	B1			45	2220	BB-		45	NR
Bayonne Energy Center, LLC	Term Loan B	246,116.34	B1	B2			50	2720	B+		60	2H
Belfor USA Group, Inc.	Term Loan B	780,480.87	Ba3	B1			50	2220	BB-		40	3H
Berry Plastics Holding Corporation	Term Loan D	1,954,999.99	Ba3	B1			50	2220	B+		60	2H
BioScrip, Inc.	Term Loan B	152,313.91	B2	Caa1			60	4770	B-		50	2L
	Delayed Draw Term Loan	91,388.35	B2	Caa1			60	4770	B-		50	2L
Blue Buffalo Company, Ltd.	Term Loan B3	972,693.42	Ba3	Ba3			45	1766	B+		65	1
Bombardier Recreational Products, Inc.	New Term Loan B	1,517,142.86	Ba3	Ba3		Pos	45	1766	BB-		30	3L
Boomerang Tube, LLC	Term Loan	887,500.02	**	**			**	**	**		**	**
Booz Allen Hamilton Inc.	New Term Loan	4,529,192.88	Ba3	Ba3			45	1766	BB		30	3L
Brickman Group Ltd. LLC	2nd Lien Term Loan	392,851.65	Caa1	B2			15	2720	B		2	6
Brock Holdings III, Inc.	New Term Loan B	997,240.86	B2	B3		Neg	50	4770	B-		50	2L

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Bronco Midstream Funding LLC	Term Loan B	888,372.09	Ba2	Ba2			45	1350	B+		30	3L
BWAY Holding Company, Inc.	New Term Loan B	990,000.00	B2	B3		Neg	50	4770	B-		30	3L
Calpine Corporation	Term Loan B3	957,690.36	Ba3	B1		Pos	50	2220	B+		65	1
Capital Automotive L.P.	New Term Loan B	1,375,105.24	Ba2	Ba3			50	1766	B+		60	2H
	New 2nd Lien Term Loan	511,586.94	B1	Ba3			25	1766	B+		2	6
Caraustar Industries, Inc.	Term Loan B	296,074.87	B2	B2		Neg	45	3490	B+		30	3L
CareCore National, LLC	Term Loan B	439,034.57	B2	B2			45	2720	B		30	3L
Carros Finance Luxembourg S.a.r.l	1st Lien Term Loan	1,390,244.74	B2	B2			45	2720	B		40	3H
CCC Information Services, Inc.	Term Loan	613,725.03	B1	B3			60	3490	B		60	2H
Charter Communications Operating, LLC	Term Loan F	6,815,912.28	Baa3	B1	Neg		60	2720	BB	Pos	65	1
Chemours Company Co. (The)	Term Loan B	874,013.46	Ba1	Ba3			60	1766	BB		65	1
Chrysler Group LLC	2018 Term Loan B	1,826,751.81	Ba1	B1			60	2220	BB-		65	1
	New Term Loan B	621,323.85	Ba1	B1			60	2220	BB-		65	1
CITGO Holding Inc.	2015 Term Loan B	1,359,048.02	Caa1	Caa1			45	4770	B-		40	3H
Citgo Petroleum Corporation	New Term Loan B	3,183,010.32	B3	B3			45	3490	B-		65	1
CommScope, Inc.	Term Loan B5	342,016.98	Ba2	B1		Pos	60	2220	BB-		50	2L
Confie Seguros Holding II Co.	1st Lien Term Loan	2,380,210.78	B2	B3			50	3490	B		30	3L
	2nd Lien Term Loan	503,335.83	Caa2	B3			15	3490	B		2	6
Consolidated Container Company LLC	New Term Loan	1,945,000.00	B2	B3		Neg	50	4770	B-		65	1
Container Store, Inc. (The)	New Term Loan B	883,004.50	B2	B2			45	2720	B		40	3H
Creganna-Tactx Medical	1st Lien Term Loan	995,000.00	B1	B2			50	2720	B		40	3H
Crown Castle Operating Company	Term Loan B2	5,709,604.39	Ba2	Ba2			45	1350	BB+		65	1

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
CTI Foods Holding Co, LLC	New 1st Lien Term Loan	2,456,250.00	B2	B3			50	3490	B		30	3L
Cumulus Media Holdings Inc.	2013 Term Loan	592,704.93	B1	B2			50	2720	B		50	2L
Cunningham Lindsey U.S. Inc.	1st Lien Term Loan	1,426,338.73	B1	B2		Neg	50	3490	B		30	3L
	2nd Lien Term Loan	155,909.09	Caa1	B2		Neg	15	3490	B		5	5L
DAE Aviation Holdings, Inc.	2nd Lien Term Loan	341,817.05	Caa1	B3	Neg		25	4770	B-	Neg	2	6
David's Bridal, Inc.	New Term Loan B	955,445.94	B2	B3		Neg	50	4770	B-		40	3H
DaVita HealthCare Partners, Inc.	Term Loan B	1,008,330.57	Ba1	Ba3			60	1766	BB		40	3H
Delos Finance Sarl	Term Loan B	1,234,009.99	Ba1	Ba2		Pos	50	1350	BB+		50	2L
Delta 2 (LUX) S.a.r.l.	USD Term Loan B3	6,602,117.26	B2	B3			50	3490	B		30	3L
Delta Air Lines, Inc.	New Term Loan B	332,859.66	Baa3	Ba2		Pos	60	1350	BB		65	1
Dexter Axle Company	New Term Loan	637,757.95	**	**			**	**	**		**	**
DigitalGlobe, Inc.	New Term Loan B	413,586.02	Ba2	Ba3			50	1766	BB		65	1
Doncasters Finance US LLC	USD Term Loan	1,322,260.16	B2	B2			45	2720	B		30	3L
Drumm Investors LLC	Term Loan	3,363,538.50	B2	B2			45	2720	B		30	3L
DynCorp International LLC	Term Loan B	663,612.81	B2	Caa2		Neg	60	8070	CCC+	Neg	65	1
EFS Cogen Holdings I LLC	Term Loan B	565,045.69	Ba1	Ba2			50	1350	BB		65	1
EIF Channelview Cogeneration, LLC	Term Loan B	254,657.45	Ba3	B1			50	2220	BB-		65	1
EIG Investors Corp.	2013 Term Loan	785,702.42	B2	B2		Pos	45	2720	B		30	3L
Emdeon Business Services, LLC	Term Loan B2	2,925,865.80	Ba3	B2			60	2720	B		50	2
Emerald Performance Materials, LLC	New 1st Lien Term Loan	582,997.22	B1	B2		Neg	50	3490	B		30	3
Emerald US Inc.	Term Loan B1	2,000,000.00	B1	B2			50	2720	B		27	4H

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
EMI Music Publishing Limited	Term Loan B	1,159,822.25	Ba3	B1			50	2220	B+		60	2H
Endo Luxembourg Finance Company I S.a r.l.	2014 Term Loan B	864,682.78	Baa3	Ba3		Neg	60	2220	B+		65	1
Energy Transfer Equity, L.P.	New Term Loan	4,285,402.78	Ba2	Ba2			45	1350	BB		27	4H
	2015 Term Loan	1,858,823.53	Ba2	Ba2			45	1350	BB		27	4H
EP Energy LLC	Term Loan B2	253,377.73	Ba3	Ba3			45	1766	BB-		15	5H
EP Minerals, LLC	1st Lien Term Loan	436,711.15	B2	B3			50	3490	B		50	2L
Epiq Systems, Inc.	Incremental Term Loan B	732,570.01	B1	B1		Neg	45	2720	B+		30	3L
Essential Power LLC	Term Loan B	2,812,154.16	B1	B2			50	2720	B+		50	2L
Evergreen Acqco 1 LP	New Term Loan	931,584.88	B1	B3		Neg	60	4770	B-		40	3H
Evertec Group, LLC	New Term Loan B	1,576,095.42	B1	B1			45	2220	BB-		40	3H
Exgen Renewables I, LLC	Term Loan	271,534.78	Ba3	B1			50	2220	B+		40	3H
Exopack Holdings S.A	2015 Term Loan B1	487,201.23	B1	B3			60	3490	B		40	3H
Fairmount Minerals LTD	New Term Loan B2	1,964,998.82	B1	B1			45	2220	BB-		27	4H
FGI Operating Company, LLC	Term Loan	1,552,050.88	B2	B2		Neg	45	3490	B		30	3L
Fieldwood Energy LLC	1st Lien Term Loan	1,735,325.41	Ba2	B1			60	2220	B		65	1
First Data Corporation	New 2018 Extended Term Loan	7,000,000.00	B1	B3		Pos	60	3490	B		65	1
	Extended 2021 Term Loan	1,000,000.00	B1	B3		Pos	60	3490	B		65	1
FPC Holdings, Inc.	1st Lien Term Loan	1,401,395.63	B3	B3		Neg	45	4770	CCC+		20	4L
Freescale Semiconductor, Inc.	Term Loan B5	1,965,000.00	B1	B1	Pos		45	2220	B+	Pos	40	3H
	Term Loan B4	1,935,369.15	B1	B1	Pos		45	2220	B+	Pos	40	3H
FREIF North American Power I LLC	2015 Term Loan B	2,542,372.88	Ba3	B1			50	2220	B+		50	2L
	2015 Term Loan C	457,627.12	Ba3	B1			50	2220	B+		50	2L
Fullbeauty Brands, Inc.	1st Lien Term Loan	2,370,655.32	B1	B2			50	2720	B		30	3L

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Gardner Denver, Inc.	USD Term Loan	1,989,873.42	B1	B2			50	2720	B		30	3L
GCA Services Group, Inc.	New Term Loan B	1,743,574.64	B1	B2			50	2720	B		30	3L
Generic Drug Holdings, Inc.	Term Loan B1	1,570,373.59	B2	B2	Pos		45	2720	B+	Pos	45	NR
GENEX Holdings Inc.	New 2nd Lien Term Loan	1,000,000.00	Caa2	B3			15	3490	B		2	6
Go Daddy Operating Company, LLC	New Term Loan B	1,995,851.47	Ba3	Ba3			45	1766	B+		50	2L
Goodyear Tire & Rubber Company (The)	New 2nd Lien Term Loan	2,500,000.00	Ba1	Ba3		Pos	55	1766	BB		65	1
Grifols Worldwide Operations USA, Inc.	USD Term Loan B	5,139,631.84	Ba1	Ba2		Neg	50	1766	BB		40	3H
GXS Group, Inc.	Term Loan B	1,573,030.65	Baa3	Ba1		Neg	50	1350	BB+		65	1
Hanesbrands, Inc.	USD Term Loan B	450,160.68	Baa3	Ba1			50	940	BB		65	1
Hargray Communications Group, Inc.	Term Loan B	1,055,968.13	B2	B2			45	2720	B+		40	3H
HCA Inc.	Extended Term Loan B4	982,500.00	Ba2	Ba3			50	1766	BB		65	1
Headwaters, Incorporated	Term Loan B	400,274.12	B1	B2			50	2720	B+		50	2
Heartland Dental, LLC	1st Lien Term Loan	1,588,633.10	B1	B3			60	3490	B		40	3H
Hoffmaster Group, Inc.	New 1st Lien Term Loan	1,363,207.97	B2	B3			50	3490	B		40	3H
Horizon Global Corporation	Term Loan B	1,341,858.82	B2	B2			45	2720	B		30	3L
Houghton International, Inc.	USD Term Loan B	475,648.23	B1	B2			50	2720	B		50	2L
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B	1,000,000.00	B1	B1			45	2220	B+		65	1
Hubbard Radio, LLC	2015 Term Loan B	1,843,431.25	B1	B1			45	2220	B+		50	2L
Husky Injection Molding Systems Ltd.	2nd Lien Term Loan	355,043.44	Caa1	B2			15	2720	B		5	5L
Immucor, Inc.	Refi Term Loan B2	4,838,437.52	B1	B3			60	3490	B		50	2L
INA Beteiligungsgesellschaft mbH	USD Term Loan B	1,769,230.77	Ba2	Ba3			50	1766	BB-		30	3L

			Moody's						S&P			
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Infor (US), Inc.	USD Term Loan B5	1,735,119.39	Ba3	B2		Neg	60	3490	B		60	2H
	USD Term Loan B3	854,532.30	Ba3	B2		Neg	60	3490	B		60	2H
Intelligrated, Inc.	1st Lien Term Loan	2,229,802.73	B2	B2			45	2720	B		30	3L
Intertrust Group Holding B.V.	USD 2nd Lien Term Loan	919,827.07	**	**			**	**	**		**	**
	USD Term Loan B5	577,849.36	**	**			**	**	**		**	**
Jacobs Entertainment, Inc.	New 1st Lien Term Loan	899,903.99	B2	B3		Neg	50	4770	B		60	2H
Jarden Corporation	Add-On Term Loan B1	813,839.69	Ba1	Ba3			60	1766	BB		65	1
Jeld-Wen Inc.	Incremental Term Loan	336,696.89	B1	B1			45	2220	B		30	3L
Joerns Healthcare LLC	2020 Term Loan	2,952,149.21	**	**			**	**	**		**	**
Jonah Energy LLC	2nd Lien Term Loan	1,647,409.58	B3	B1			15	2220	B+		15	5H
Kasima, LLC	New Term Loan B	1,154,415.59	Baa2	Baa3			50	610	BBB-		45	NR
Kenan Advantage Group, Inc.	Term Loan D	483,439.50	Ba3	B1			50	2220	B+		50	2L
Kindred Healthcare, Inc.	New Term Loan	1,283,945.18	Ba2	B1			60	2220	B+		50	2L
Klockner-Pentaplast of America, Inc.	USD Term Loan	439,459.66	B1	B2			50	2720	B		27	4H
KP Germany Erste GmbH	1st Lien Term Loan	187,803.27	B1	B2			50	2720	B		27	4H
Kronos Incorporated	Initial Incremental Term Loan	2,913,819.33	B1	B3			60	3490	B-		30	3L
	2nd Lien Term Loan	272,547.82	Caa2	B3			15	3490	B-		2	6
Landry's, Inc.	Term Loan B	618,929.44	Ba3	B2			60	2720	B		65	1
Live Nation Entertainment, Inc.	2020 Term Loan B1	3,357,387.19	Ba2	B1			60	2220	BB-		60	2H
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	1,811,004.53	Ba3	Ba3			45	1766	B+		50	2L
Mallinckrodt International Finance S.A.	Incremental Term Loan B1	1,410,643.71	Ba1	Ba3			60	1766	BB-		65	1
Manitowoc Company, Inc. (The)	2013 Term Loan B	728,828.66	Ba1	B1			60	2220	BB-		65	1

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Marine Acquisition Corp.	New Term Loan B	482,951.84	B2	B2			45	2720	B		30	3L
MCC Iowa LLC	Term Loan H	1,960,000.00	Ba2	Ba3			50	1766	BB-		60	2H
McJunkin Red Man Corporation	New Term Loan	1,321,531.43	B2	B1			40	2220	B+		40	3H
MD America Energy, LLC	2nd Lien Term Loan	1,000,000.00	Caa2	Caa2		Pos	35	6500	B-		15	5H
Metal Services LLC	Term Loan B	1,257,040.56	B1	B2			50	2720	B		30	3L
Methanol Holdings (Trinidad) Limited	Term Loan B	3,000,000.00	Ba3	Ba3			45	1766	BB-		45	NR
MH Sub I, LLC	2nd Lien Term Loan	1,075,000.00	Caa1	B2			15	2720	B		2	6
	1st Lien Term Loan	749,814.69	B1	B2			50	2720	B		40	3H
Midcontinent Communications	Term Loan B	625,213.79	Ba3	B1			50	2220	B+		60	2H
Milacron LLC	Term Loan B	191,697.18	B2	B3			50	3490	B		27	4H
MIP Delaware, LLC	Term Loan B1	669,248.54	Ba1	Ba1			45	940	BBB-		37	NR
Mirror Bidco Corp.	New Term Loan	1,950,300.00	Ba3	B2			60	2720	B		30	3L
Mission Broadcasting, Inc.	Term Loan B2	527,843.59	Ba2	B1			60	2220	B+		65	1
	Term Loan B2	465,463.95	Ba2	B1			60	2220	B+		65	1
Moneygram International, Inc	New Term Loan B	685,399.32	B1	B1			45	2220	B+		30	3L
Murray Energy Corporation	Term Loan B2	2,000,000.00	Ba3	B2		Pos	60	2720	B+		30	3
NAB Holdings LLC	New Term Loan	1,399,264.93	B1	B1			45	2220	BB-		50	2L
National Financial Partners Corp.	New Term Loan B	1,965,160.58	B1	B3		Neg	60	4770	B		30	3L
National Surgical Hospitals, Inc.	2015 Term Loan	447,936.06	B1	B2			50	2720	B		30	3
NN, Inc.	Term Loan B	1,647,390.18	B2	B2			45	2720	B+		30	3L
NRG Energy, Inc.	Refi Term Loan B	1,955,000.00	Baa3	Ba3			60	1766	BB-		65	1
Nuance Communications, Inc.	Term Loan C	2,450,000.00	Baa3	Ba3			60	1766	BB-		65	1

			Moody's						S&P			
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
OCI Beaumont LLC	Term Loan B3	1,064,686.01	B1	B1			45	2220	B		50	2L
Offshore Group Investment Ltd	Term Loan B	1,423,766.54	B3	B3			45	3490	CCC		40	3H
	New Term Loan B	497,960.38	B3	B3			45	3490	CCC		40	3H
Omnitracs, Inc.	1st Lien Term Loan	342,138.90	B1	B2		Neg	50	3490	B		40	3H
Omnova Solutions Inc.	Term Loan B1	2,908,629.44	Ba2	B1			60	2220	B		65	1
ON Assignment, Inc.	2015 Term Loan	704,865.40	Ba2	Ba2			45	1350	BB		30	3L
Orbitz Worldwide Inc.	2014 Term Loan B	531,673.00	B2	B2		Pos	45	2720	BB-	Pos	60	2H
OXEA Finance LLC	USD Term Loan B2	852,907.86	B2	B3			50	3490	B+		30	3L
Ozburn-Hessey Holding Company, LLC	New Term Loan	1,638,865.81	B1	B1	Pos		45	2220	B-		30	3L
Pacific Drilling S.A.	Term Loan B	552,540.61	B3	B3		Neg	45	4770	B		60	2H
Paragon Offshore Finance Company	Term Loan B	505,904.71	Ba1	B2		Neg	60	3490	B		60	2H
Performance Food Group Company	2nd Lien Term Loan	1,262,323.30	B3	B1			15	2220	B		15	5H
PFS Holding Corporation	1st Lien Term Loan	740,625.00	B3	B3			45	4770	B-		27	4H
Phillips-Van Heusen Corporation	USD Term Loan B	1,268,825.30	Ba1	Ba1			45	940	BB+		65	1
Physio-Control International, Inc.	1st Lien Term Loan	435,392.33	B1	B2			50	2720	B		40	3H
Pilot Travel Centers LLC	2014 Term Loan B	471,259.26	Ba2	Ba2			45	1350	BB+		30	3L
Pinnacle Foods Finance LLC	Incremental Term Loan H	3,857,930.51	Ba2	Ba3			50	1766	BB-		65	1
	Term Loan G	2,594,401.85	Ba2	Ba3			50	1766	BB-		65	1
Pinnacle Operating Corp.	Term Loan	1,945,225.00	B1	B2			50	2720	B		50	2L
Ply Gem Industries, Inc.	Term Loan	663,234.62	B1	B2			50	2720	B		50	2L
Polarpak Inc.	USD 1st Lien Canadian Borrower	210,032.90	B1	B2			50	2720	B		30	3L
	USD 1st Lien US Borrower	109,349.42	B1	B2			50	2720	B		30	3L

			Moody's					S&P				
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Post Holdings Inc.	Series A Incremental Term Loan	586,425.90	Ba2	B2			60	2720	B		65	1
PowerTeam Services, LLC	1st Lien Term Loan	400,368.45	B2	B3			50	3490	B		60	2H
	Delayed Draw Term Loan	21,487.09	B2	B3			50	3490	B		60	2H
PRA Holdings, Inc.	New 1st Lien Term Loan	2,329,806.19	B1	B2			50	2720	B		50	2L
Prestige Brands, Inc.	Term Loan B3	619,927.64	B1	B2			50	2720	B+		65	1
Quality Home Brands Holdings, LLC	1st Lien Term Loan	1,234,247.65	B2	B3			50	3490	B-		27	4H
Quikrete Holdings, Inc.	2nd Lien Term Loan	513,265.85	B3	B1			15	2220	B+		2	6
Radnet Management, Inc.	Term Loan B	5,644,914.25	Ba3	B2			60	2720	B		40	3H
Renaissance Learning, Inc.	New 1st Lien Term Loan	997,474.75	B1	B3			60	3490	B-		30	3L
RP Crown Parent, LLC	2013 Term Loan	4,970,278.94	B2	B3		Neg	50	4770	CCC+		50	2L
RPI Finance Trust	Term Loan B4	2,268,593.31	Baa2	Baa3			50	610	BBB-		45	NR
	Term Loan B3	1,906,147.25	Baa2	Baa3			50	610	BBB-		45	NR
Sabre, Inc.	Term Loan B	957,633.59	Ba3	Ba3			45	1766	B+		40	3H
Samchully Midstream 3 LLC	Term Loan B	2,961,305.17	B1	B1			45	2220	B		30	3L
SBA Senior Finance II LLC	Term Loan B1	2,059,414.20	B1	B1			45	2220	BB-		60	2H
Seadrill Partners Finco LLC	Term Loan B	1,994,936.71	Ba3	Ba3		Neg	45	2220	BB-		40	3H
SeaWorld Parks & Entertainment, Inc.	Term Loan B2	2,879,966.84	B1	B1			45	2220	BB-		50	2L
Sedgwick Claims Management Services, Inc.	1st Lien Term Loan	1,975,000.00	B1	B3			60	3490	B		40	3H
	2nd Lien Term Loan	692,094.21	Caa2	B3			15	3490	B		2	6
Select Medical Corporation	Series E Term Loan B	428,549.57	Ba2	B1			60	2220	B+		50	2L
Shearer's Foods, Inc.	1st Lien Term Loan	1,985,000.01	B1	B2		Neg	50	3490	B		30	3L
	2nd Lien Term Loan	1,000,000.00	Caa1	B2		Neg	15	3490	B		2	6

			Moody's						S&P			
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Ship US Bidco, Inc.	Term Loan B2A	1,000,000.00	Ba3	Ba3			45	1766	B		50	2L
	USD Add On Term Loan	586,803.93	Ba3	Ba3			45	1766	B		50	2L
	Term Loan C2	362,604.74	Ba3	Ba3			45	1766	B		50	2L
Silver II US Holdings, LLC	Term Loan	1,661,492.54	B1	B2		Neg	50	3490	B		50	2L
Sinclair Television Group Inc.	Term Loan B	4,912,229.94	Ba1	Ba3			60	1766	BB-		65	1
SkillSoft Corporation	1st Lien Term Loan	1,985,000.00	B2	B3		Neg	50	4770	B-		30	3L
Southcross Energy Partners, L.P.	1st Lien Term Loan	2,470,978.46	B1	B1			45	2220	B		40	3H
Southcross Holdings Borrower LP	Term Loan B	731,847.21	B2	B2			45	2720	B-		40	3H
Southeast PowerGen, LLC	Term Loan B	481,097.80	Ba2	Ba3			50	1766	BB-		60	2H
Southern Graphics, Inc.	New Term Loan B	925,000.00	B1	B2			50	2720	B		40	3H
Spectrum Brands, Inc.	USD Term Loan	3,175,712.84	Ba2	B1			60	2220	B+		65	1
Spencer Gifts LLC	Term Loan B1	3,139,210.69	B1	B2			50	2720	B		27	4H
	2nd Lien Term Loan	1,000,000.00	B3	B2			25	2720	B		37	NR
Springer Science+Business Media Deutschland GmbH	USD Term Loan B9	1,791,808.31	B1	B2			50	2720	B		30	3L
SS&C Technologies Inc.	2015 Term Loan B1	1,410,245.59	Ba3	B1		Pos	50	2220	BB		40	3H
	2015 Term Loan B2	317,692.69	Ba3	B1		Pos	50	2220	BB		40	3H
Staples, Inc.	Term Loan B	1,633,543.66	Baa2	Ba1	Neg		60	1350	BB+	Neg	65	1
Star West Generation LLC	New Term Loan B	510,776.09	Ba3	B1			50	2220	B+		50	2
Steinway Musical Instruments, Inc.	1st Lien Term Loan	3,056,715.48	B2	B2			45	2720	B		30	3L
Sterigenics-Nordion Holdings, LLC	Term Loan B	615,296.80	B1	B2		Neg	50	3490	B		30	3L
STS Operating, Inc.	Term Loan	769,820.22	B2	B2			45	2720	B		40	3H
Syniverse Holdings, Inc.	Delayed Draw Term Loan	1,000,000.00	NR	B2			20	2720	B		50	2L
TCH-2 Holding, LLC	1st Lien Term Loan	513,360.23	B1	B3			60	3490	B-		30	3L

			Moody's						S&P			
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Tecomet Inc.	1st Lien Term Loan	995,000.00	B2	B3			50	3490	B		40	3H
Telecommunications Management, LLC	1st Lien Term Loan	195,758.36	B2	B3			50	3490	B		50	2L
Telesat Canada	USD Term Loan B2	989,873.41	Ba3	B1		Neg	50	2720	BB-		50	2L
The Talbots, Inc.	1st Lien Term Loan	997,474.75	B2	B2	Pos		45	2720	B-		27	4H
TMS International Corp.	New Term Loan B	333,991.95	Ba3	B1			50	2220	B+		30	3L
Total Merchant Services, Inc.	Term Loan	1,391,366.28	B2	B2			45	2720	B		50	2L
TPF II Power, LLC	Term Loan B	2,240,343.40	B1	B2			50	2720	B+		60	2H
Travelport Finance (Luxembourg) S.a.r.l.	2014 Term Loan B	3,590,715.38	B2	B2			45	2720	B		40	3H
Triple Point Technology, Inc.	1st Lien Term Loan	951,760.28	B3	Caa1			50	4770	B-		30	3L
Tronox Pigments (Netherlands) B.V.	2013 Term Loan	627,901.85	Ba3	B1			50	2220	BB		65	1
U.S. Farathane, LLC	Term Loan B	755,859.41	B2	B2			45	2720	B		50	2L
U.S. Security Holdings, Inc.	New Term Loan	1,742,150.72	B2	B3			50	3490	B		30	3L
	Delayed Draw Term Loan	247,522.68	B2	B3			50	3490	B		30	3L
UCI International, Inc.	New Term Loan B	308,137.05	B1	Caa1		Neg	60	6500	CCC+		50	2L
Unifrax Corporation	New Term Loan	415,336.63	B1	B2		Neg	50	3490	B		60	2H
Univar Inc.	2015 Term Loan	1,499,714.65	B2	B2			45	2720	B+		60	2H
Univision Communications Inc.	Term Loan C3	1,954,438.24	B2	B3		Pos	50	3490	B		50	2L
UPC Financing Partnership	USD Term Loan AH	4,000,000.00	Ba3	Ba3			45	1766	BB-		60	2H
USI, Inc.	Term Loan B	1,332,126.37	B1	B3			60	3490	B		30	3L
USIC Holdings, Inc.	1st Lien Term Loan	803,459.76	B2	B3			50	3490	B		50	2L
UTEX Industries Inc.	1st Lien Term loan 2014	532,273.22	B2	B3		Neg	50	4770	B-		40	3H

			Moody's						S&P			
Issuer Name	Facility Name / Ticker	Principal Balance	Rating	Default Probability	Watch	Outlook	Recovery Rate	Rating Factor	Rating	Watch	Recovery Rate	Recovery Rating
Valeant Pharmaceuticals International	Term Loan B F1	1,995,000.00	Ba1	Ba3		Pos	60	1766	BB-		65	1
Vantage Specialty Chemicals, Inc.	Term Loan B	2,833,951.97	B2	B2			45	2720	B-		30	3L
VFH Parent LLC	Extended Term Loan	3,435,605.08	**	**			**	**	**		**	**
ViaWest, Inc.	Term Loan B	585,398.31	B2	B2			45	2720	B+		30	3L
Visteon Corporation	Delayed Draw Term Loan B	1,166,666.66	B1	B1			45	2220	B+		65	1
Vogue International Inc.	Term Loan	2,530,060.05	B2	B2			45	2720	B		30	3L
W/S Packaging Group, Inc.	Term Loan B	758,713.23	B2	B3		Neg	50	4770	B		50	2L
Washington Inventory Service	US Term Loan	367,377.37	**	**			**	**	**		**	**
Wastequip, LLC	Term Loan	875,047.23	B3	B2			40	2720	B		50	2L
Wausau Paper Corp.	Term Loan	1,421,868.76	B2	B2			45	2720	B-		50	2L
WCA Waste Corporation	Term Loan	2,833,104.69	B1	B2			50	2720	B+		30	3L
West Corporation	Term Loan B10	3,410,655.22	Ba3	B1			50	2220	BB-		50	2L
Wilsonart LLC	Term Loan B	975,001.14	B2	B2			45	2720	B+		40	3H
Windstream Corporation	Term Loan B5	2,918,062.48	Ba2	Ba3			50	1766	BB		65	1

Collateral Obligation Debt Structures

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
24 Hour Fitness Worldwide, Inc. Principal Balance: 1,980,000.00	New Term Loan B	LX137112	1,980,000.00	No	No	No	No	Sr. Secured	Quarterly
Academy, Ltd. Principal Balance: 4,000,000.00	2015 Term Loan B	LX144914	4,000,000.00	No	No	No	No	Sr. Secured	Quarterly
Accellent Inc. Principal Balance: 997,474.75	1st Lien Term Loan	LX135434	997,474.75	No	No	No	No	Sr. Secured	Quarterly
Acosta Holdco, Inc. Principal Balance: 995,000.00	2015 Term Loan	LX144231	995,000.00	No	No	No	No	Sr. Secured	Quarterly
ADMI Corp. Principal Balance: 401,104.70	2015 Term Loan B	LX144074	401,104.70	No	No	No	No	Sr. Secured	Quarterly
Advantage Sales & Marketing, Inc. Principal Balance: 1,186,806.98	2014 1st Lien Term Loan	LX138508	893,230.12	No	No	No	No	Sr. Secured	Quarterly
	2014 2nd Lien Term Loan	LX138509	293,576.86	No	No	No	No	Second Lien	Quarterly
AE Europe Holdings, Inc. Principal Balance: 277,964.79	Term Loan	LX126322	277,964.79	No	No	No	No	Sr. Secured	Quarterly
Alison Bidco S.a.r.l. Principal Balance: 1,415,603.67	USD 1st Lien Term Loan B1	LX138127	707,801.84	No	No	No	No	Sr. Secured	Quarterly
	USD 1st Lien Term Loan B2	LX139129	707,801.83	No	No	No	No	Sr. Secured	Quarterly
Alliance Laundry Systems LLC Principal Balance: 240,197.95	Refi Term Loan	LX128446	240,197.95	No	No	No	No	Sr. Secured	Quarterly
Alliant Techsystems Inc. Principal Balance: 1,574,020.10	Term Loan B	LX133191	1,574,020.10	No	No	No	No	Sr. Secured	Quarterly
Allnex (Luxembourg) & Cy S.C.A. Principal Balance: 278,177.07	USD Term Loan B1	LX128618	183,149.57	No	No	No	No	Sr. Secured	Quarterly
	USD Term Loan B2	LX128928	95,027.50	No	No	No	No	Sr. Secured	Quarterly
Amsurg Corp. Principal Balance: 754,133.84	1st Lien Term Loan B	LX137810	754,133.84	No	No	No	No	Sr. Secured	Quarterly
AmWINS Group, LLC Principal Balance: 332,971.36	New Term Loan	LX128545	332,971.36	No	No	No	No	Sr. Secured	Quarterly
Apex Tool Group, LLC Principal Balance: 997,448.98	Term Loan B	LX127865	997,448.98	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Aquilex Holdings LLC Principal Balance: 936,863.16	New Term Loan	LX134338	936,863.16	No	No	No	No	Sr. Secured	Quarterly
Arch Coal Inc. Principal Balance: 2,910,130.20	Term Loan B	LX124057	2,910,130.20	No	No	No	No	Sr. Secured	Quarterly
Astoria Energy LLC Principal Balance: 1,423,739.57	Term Loan B	LX142444	1,423,739.57	No	No	No	No	Sr. Secured	Quarterly
Asurion LLC Principal Balance: 5,708,115.78	New Term Loan B1	LX128480	5,708,115.78	No	No	No	No	Sr. Secured	Quarterly
At Home Holding III Inc. Principal Balance: 1,280,136.68	Term Loan	LX144535	1,280,136.68	No	No	No	No	Sr. Secured	Quarterly
Atlantic Aviation FBO Inc. Principal Balance: 264,642.41	Term Loan B	LX129566	264,642.41	No	No	No	No	Sr. Secured	Quarterly
Aufinco Pty Limited Principal Balance: 340,077.72	1st Lien Term Loan	LX130010	340,077.72	No	No	No	No	Sr. Secured	Quarterly
Avantor Performance Materials Holdings, Inc. Principal Balance: 985,821.15	Term Loan B	LX120026	985,821.15	No	No	No	No	Sr. Secured	Quarterly
AWAS Finance Luxembourg 2012 S.A. Principal Balance: 2,279,128.03	New Term Loan	LX124422	2,279,128.03	No	No	No	No	Sr. Secured	Quarterly
Axiall Holdco, Inc. Principal Balance: 882,550.49	Term Loan B	LX143442	882,550.49	No	No	No	No	Sr. Secured	Quarterly
AZ Chem US Inc. Principal Balance: 980,654.76	1st Lien Term Loan	LX137644	980,654.76	No	No	No	No	Sr. Secured	Quarterly
BakerCorp International, Inc. Principal Balance: 1,165,550.03	New Term Loan	LX128359	1,165,550.03	No	No	No	No	Sr. Secured	Quarterly
Bass Pro Group, LLC Principal Balance: 4,987,500.00	2015 Term Loan	LX144858	4,987,500.00	No	No	No	No	Sr. Secured	Quarterly
BATS Global Markets, Inc. Principal Balance: 1,563,487.42	Term Loan B2	LX134893	838,627.93	No	No	No	No	Sr. Secured	Quarterly
	Term Loan B1	LX143254	724,859.49	No	No	No	No	Sr. Secured	Quarterly
Bayonne Energy Center, LLC Principal Balance: 246,116.34	Term Loan B	LX137822	246,116.34	No	No	No	No	Sr. Secured	Quarterly
Belfor USA Group, Inc. Principal Balance: 780,480.87	Term Loan B	LX118768	780,480.87	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Berry Plastics Holding Corporation Principal Balance: 1,954,999.99	Term Loan D	LX128321	1,954,999.99	No	No	No	No	Sr. Secured	Quarterly
BioScrip, Inc. Principal Balance: 243,702.26	Term Loan B	LX130184	152,313.91	No	No	No	No	Sr. Secured	Quarterly
	Delayed Draw Term Loan	LX131102	91,388.35	No	No	No	No	Sr. Secured	Quarterly
Blue Buffalo Company, Ltd. Principal Balance: 972,693.42	Term Loan B3	LX133874	972,693.42	No	No	No	No	Sr. Secured	Quarterly
Bombardier Recreational Products, Inc. Principal Balance: 1,517,142.86	New Term Loan B	LX128135	1,517,142.86	No	No	No	No	Sr. Secured	Quarterly
Boomerang Tube, LLC Principal Balance: 887,500.02	Term Loan	LX125949	887,500.02	No	No	No	No	Sr. Secured	Quarterly
Booz Allen Hamilton Inc. Principal Balance: 4,529,192.88	New Term Loan	LX131777	4,529,192.88	No	No	No	No	Sr. Secured	Quarterly
Brickman Group Ltd. LLC Principal Balance: 392,851.65	2nd Lien Term Loan	LX134066	392,851.65	No	No	No	No	Second Lien	Quarterly
Brock Holdings III, Inc. Principal Balance: 997,240.86	New Term Loan B	LX118451	997,240.86	No	No	No	No	Sr. Secured	Quarterly
Bronco Midstream Funding LLC Principal Balance: 888,372.09	Term Loan B	LX131945	888,372.09	No	No	No	No	Sr. Secured	Quarterly
BWAY Holding Company, Inc. Principal Balance: 990,000.00	New Term Loan B	LX139952	990,000.00	No	No	No	No	Sr. Secured	Quarterly
Calpine Corporation Principal Balance: 957,690.36	Term Loan B3	LX126204	957,690.36	No	No	No	No	Sr. Secured	Quarterly
Capital Automotive L.P. Principal Balance: 1,886,692.18	New Term Loan B	LX129005	1,375,105.24	No	No	No	No	Sr. Secured	Quarterly
	New 2nd Lien Term Loan	LX129269	511,586.94	No	No	No	No	Second Lien	Quarterly
Caraustar Industries, Inc. Principal Balance: 296,074.87	Term Loan B	LX129122	296,074.87	No	No	No	No	Sr. Secured	Quarterly
CareCore National, LLC Principal Balance: 439,034.57	Term Loan B	LX135345	439,034.57	No	No	No	No	Sr. Secured	Quarterly
Carros Finance Luxembourg S.a.r.l Principal Balance: 1,390,244.74	1st Lien Term Loan	LX137773	1,390,244.74	No	No	No	No	Sr. Secured	Quarterly
CCC Information Services, Inc. Principal Balance: 613,725.03	Term Loan	LX127159	613,725.03	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Charter Communications Operating, LLC Principal Balance: 6,815,912.28	Term Loan F	LX129346	6,815,912.28	No	No	No	No	Sr. Secured	Quarterly
Chemours Company Co. (The) Principal Balance: 874,013.46	Term Loan B	LX144235	874,013.46	No	No	No	No	Sr. Secured	Quarterly
Chrysler Group LLC Principal Balance: 2,448,075.66	2018 Term Loan B	LX135335	1,826,751.81	No	No	No	No	Sr. Secured	Quarterly
	New Term Loan B	LX130711	621,323.85	No	No	No	No	Sr. Secured	Quarterly
CITGO Holding Inc. Principal Balance: 1,359,048.02	2015 Term Loan B	LX143176	1,359,048.02	No	No	No	No	Sr. Secured	Quarterly
Citgo Petroleum Corporation Principal Balance: 3,183,010.32	New Term Loan B	LX139019	3,183,010.32	No	No	No	No	Sr. Secured	Quarterly
CommScope, Inc. Principal Balance: 342,016.98	Term Loan B5	LX143177	342,016.98	No	No	No	No	Sr. Secured	Quarterly
Confie Seguros Holding II Co. Principal Balance: 2,883,546.61	1st Lien Term Loan	LX126492	2,380,210.78	No	No	No	No	Sr. Secured	Quarterly
	2nd Lien Term Loan	LX126494	503,335.83	No	No	No	No	Second Lien	Quarterly
Consolidated Container Company LLC Principal Balance: 1,945,000.00	New Term Loan	LX126769	1,945,000.00	No	No	No	No	Sr. Secured	Quarterly
Container Store, Inc. (The) Principal Balance: 883,004.50	New Term Loan B	LX123563	883,004.50	No	No	No	No	Sr. Secured	Quarterly
Creganna-Tactx Medical Principal Balance: 995,000.00	1st Lien Term Loan	LX141986	995,000.00	No	No	No	No	Sr. Secured	Quarterly
Crown Castle Operating Company Principal Balance: 5,709,604.39	Term Loan B2	LX134517	5,709,604.39	No	No	No	No	Sr. Secured	Quarterly
CTI Foods Holding Co, LLC Principal Balance: 2,456,250.00	New 1st Lien Term Loan	LX130250	2,456,250.00	No	No	No	No	Sr. Secured	Quarterly
Cumulus Media Holdings Inc. Principal Balance: 592,704.93	2013 Term Loan	LX134252	592,704.93	No	No	No	No	Sr. Secured	Quarterly
Cunningham Lindsey U.S. Inc. Principal Balance: 1,582,247.82	1st Lien Term Loan	LX126290	1,426,338.73	No	No	No	No	Sr. Secured	Quarterly
	2nd Lien Term Loan	LX126292	155,909.09	No	No	No	No	Second Lien	Quarterly
DAE Aviation Holdings, Inc. Principal Balance: 341,817.05	2nd Lien Term Loan	LX135216	341,817.05	No	No	No	No	Second Lien	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
David's Bridal, Inc. Principal Balance: 955,445.94	New Term Loan B	LX126185	955,445.94	No	No	No	No	Sr. Secured	Quarterly
DaVita HealthCare Partners, Inc. Principal Balance: 1,008,330.57	Term Loan B	LX137753	1,008,330.57	No	No	No	No	Sr. Secured	Quarterly
Delos Finance Sarl Principal Balance: 1,234,009.99	Term Loan B	LX135579	1,234,009.99	No	No	No	No	Sr. Secured	Quarterly
Delta 2 (LUX) S.a.r.l. Principal Balance: 6,602,117.26	USD Term Loan B3	LX139582	6,602,117.26	No	No	No	No	Sr. Secured	Quarterly
Delta Air Lines, Inc. Principal Balance: 332,859.66	New Term Loan B	LX118876	332,859.66	No	No	No	No	Sr. Secured	Quarterly
Dexter Axle Company Principal Balance: 637,757.95	New Term Loan	LX135534	637,757.95	No	No	No	No	Sr. Secured	Quarterly
DigitalGlobe, Inc. Principal Balance: 413,586.02	New Term Loan B	LX128177	413,586.02	No	No	No	No	Sr. Secured	Quarterly
Doncasters Finance US LLC Principal Balance: 1,322,260.16	USD Term Loan	LX128948	1,322,260.16	No	No	No	No	Sr. Secured	Quarterly
Drumm Investors LLC Principal Balance: 3,363,538.50	Term Loan	LX119023	3,363,538.50	No	No	No	No	Sr. Secured	Quarterly
DynCorp International LLC Principal Balance: 663,612.81	Term Loan B	LX114916	663,612.81	No	No	No	No	Sr. Secured	Quarterly
EFS Cogen Holdings I LLC Principal Balance: 565,045.69	Term Loan B	LX133683	565,045.69	No	No	No	No	Sr. Secured	Quarterly
EIF Channelview Cogeneration, LLC Principal Balance: 254,657.45	Term Loan B	LX129356	254,657.45	No	No	No	No	Sr. Secured	Quarterly
EIG Investors Corp. Principal Balance: 785,702.42	2013 Term Loan	LX133886	785,702.42	No	No	No	No	Sr. Secured	Quarterly
Emdeon Business Services, LLC Principal Balance: 2,925,865.80	Term Loan B2	LX129150	2,925,865.80	No	No	No	No	Sr. Secured	Quarterly
Emerald Performance Materials, LLC Principal Balance: 582,997.22	New 1st Lien Term Loan	LX139053	582,997.22	No	No	No	No	Sr. Secured	Quarterly
Emerald US Inc. Principal Balance: 2,000,000.00	Term Loan B1	LX136868	2,000,000.00	No	No	No	No	Sr. Secured	Quarterly
EMI Music Publishing Limited Principal Balance: 1,159,822.25	Term Loan B	LX123218	1,159,822.25	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Endo Luxembourg Finance Company I S.a r.l. Principal Balance: 864,682.78	2014 Term Loan B	LX133782	864,682.78	No	No	No	No	Sr. Secured	Quarterly
Energy Transfer Equity, L.P. Principal Balance: 6,144,226.31	New Term Loan	LX133675	4,285,402.78	No	No	No	No	Sr. Secured	Quarterly
	2015 Term Loan	LX143455	1,858,823.53	No	No	No	No	Sr. Secured	Quarterly
EP Energy LLC Principal Balance: 253,377.73	Term Loan B2	LX126757	253,377.73	No	No	No	No	Sr. Secured	Quarterly
EP Minerals, LLC Principal Balance: 436,711.15	1st Lien Term Loan	LX139754	436,711.15	No	No	No	No	Sr. Secured	Quarterly
Epiq Systems, Inc. Principal Balance: 732,570.01	Incremental Term Loan B	LX131772	732,570.01	No	No	No	No	Sr. Secured	Quarterly
Essential Power LLC Principal Balance: 2,812,154.16	Term Loan B	LX125098	2,812,154.16	No	No	No	No	Sr. Secured	Quarterly
Evergreen Acqco 1 LP Principal Balance: 931,584.88	New Term Loan	LX126298	931,584.88	No	No	No	No	Sr. Secured	Quarterly
Evertec Group, LLC Principal Balance: 1,576,095.42	New Term Loan B	LX129049	1,576,095.42	No	No	No	No	Sr. Secured	Quarterly
Exgen Renewables I, LLC Principal Balance: 271,534.78	Term Loan	LX134980	271,534.78	No	No	No	No	Sr. Secured	Quarterly
Exopack Holdings S.A Principal Balance: 487,201.23	2015 Term Loan B1	LX133334	487,201.23	No	No	No	No	Sr. Secured	Quarterly
Fairmount Minerals LTD Principal Balance: 1,964,998.82	New Term Loan B2	LX136121	1,964,998.82	No	No	No	No	Sr. Secured	Quarterly
FGI Operating Company, LLC Principal Balance: 1,552,050.88	Term Loan	LX123710	1,552,050.88	No	No	No	No	Sr. Secured	Quarterly
Fieldwood Energy LLC Principal Balance: 1,735,325.41	1st Lien Term Loan	LX132456	1,735,325.41	No	No	No	No	Sr. Secured	Quarterly
First Data Corporation Principal Balance: 8,000,000.00	New 2018 Extended Term Loan	LX139058	7,000,000.00	No	No	No	No	Sr. Secured	Quarterly
	Extended 2021 Term Loan	LX135219	1,000,000.00	No	No	No	No	Sr. Secured	Quarterly
FPC Holdings, Inc. Principal Balance: 1,401,395.63	1st Lien Term Loan	LX126795	1,401,395.63	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Freescale Semiconductor, Inc. Principal Balance: 3,900,369.15	Term Loan B5	LX132434	1,965,000.00	No	No	No	No	Sr. Secured	Quarterly
	Term Loan B4	LX128350	1,935,369.15	No	No	No	No	Sr. Secured	Quarterly
FREIF North American Power I LLC Principal Balance: 3,000,000.00	2015 Term Loan B	LX143614	2,542,372.88	No	No	No	No	Sr. Secured	Quarterly
	2015 Term Loan C	LX143615	457,627.12	No	No	No	No	Sr. Secured	Quarterly
Fullbeauty Brands, Inc. Principal Balance: 2,370,655.32	1st Lien Term Loan	LX135873	2,370,655.32	No	No	No	No	Sr. Secured	Quarterly
Gardner Denver, Inc. Principal Balance: 1,989,873.42	USD Term Loan	LX128915	1,989,873.42	No	No	No	No	Sr. Secured	Quarterly
GCA Services Group, Inc. Principal Balance: 1,743,574.64	New Term Loan B	LX134482	1,743,574.64	No	No	No	No	Sr. Secured	Quarterly
Generic Drug Holdings, Inc. Principal Balance: 1,570,373.59	Term Loan B1	LX126084	1,570,373.59	No	No	No	No	Sr. Secured	Quarterly
GENEX Holdings Inc. Principal Balance: 1,000,000.00	New 2nd Lien Term Loan	LX137310	1,000,000.00	No	No	No	No	Second Lien	Quarterly
Go Daddy Operating Company, LLC Principal Balance: 1,995,851.47	New Term Loan B	LX137075	1,995,851.47	No	No	No	No	Sr. Secured	Quarterly
Goodyear Tire & Rubber Company (The) Principal Balance: 2,500,000.00	New 2nd Lien Term Loan	LX123690	2,500,000.00	No	No	No	No	Second Lien	Quarterly
Grifols Worldwide Operations USA, Inc. Principal Balance: 5,139,631.84	USD Term Loan B	LX135831	5,139,631.84	No	No	No	No	Sr. Secured	Quarterly
GXS Group, Inc. Principal Balance: 1,573,030.65	Term Loan B	LX133772	1,573,030.65	No	No	No	No	Sr. Secured	Quarterly
Hanesbrands, Inc. Principal Balance: 450,160.68	USD Term Loan B	LX144137	450,160.68	No	No	No	No	Sr. Secured	Quarterly
Hargray Communications Group, Inc. Principal Balance: 1,055,968.13	Term Loan B	LX130566	1,055,968.13	No	No	No	No	Sr. Secured	Quarterly
HCA Inc. Principal Balance: 982,500.00	Extended Term Loan B4	LX129274	982,500.00	No	No	No	No	Sr. Secured	Quarterly
Headwaters, Incorporated Principal Balance: 400,274.12	Term Loan B	LX143576	400,274.12	No	No	No	No	Sr. Secured	Quarterly
Heartland Dental, LLC Principal Balance: 1,588,633.10	1st Lien Term Loan	LX134432	1,588,633.10	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Hoffmaster Group, Inc. Principal Balance: 1,363,207.97	New 1st Lien Term Loan	LX136877	1,363,207.97	No	No	No	No	Sr. Secured	Quarterly
Horizon Global Corporation Principal Balance: 1,341,858.82	Term Loan B	LX144619	1,341,858.82	No	No	No	No	Sr. Secured	Quarterly
Houghton International, Inc. Principal Balance: 475,648.23	USD Term Loan B	LX127151	475,648.23	No	No	No	No	Sr. Secured	Quarterly
Houghton Mifflin Harcourt Publishing Company Principal Balance: 1,000,000.00	2015 Term Loan B	LX144372	1,000,000.00	No	No	No	No	Sr. Secured	Quarterly
Hubbard Radio, LLC Principal Balance: 1,843,431.25	2015 Term Loan B	LX144630	1,843,431.25	No	No	No	No	Sr. Secured	Quarterly
Husky Injection Molding Systems Ltd. Principal Balance: 355,043.44	2nd Lien Term Loan	LX137966	355,043.44	No	No	No	No	Second Lien	Quarterly
ImmuCor, Inc. Principal Balance: 4,838,437.52	Refi Term Loan B2	LX128467	4,838,437.52	No	No	No	No	Sr. Secured	Quarterly
INA Beteiligungsgesellschaft mbH Principal Balance: 1,769,230.77	USD Term Loan B	LX141598	1,769,230.77	No	No	No	No	Sr. Secured	Quarterly
Infor (US), Inc. Principal Balance: 2,589,651.69	USD Term Loan B5	LX134487	1,735,119.39	No	No	No	No	Sr. Secured	Quarterly
	USD Term Loan B3	LX130158	854,532.30	No	No	No	No	Sr. Secured	Quarterly
Intelligrated, Inc. Principal Balance: 2,229,802.73	1st Lien Term Loan	LX124534	2,229,802.73	No	No	No	No	Sr. Secured	Quarterly
Intertrust Group Holding B.V. Principal Balance: 1,497,676.43	USD 2nd Lien Term Loan	LX136498	919,827.07	No	No	No	No	Second Lien	Quarterly
	USD Term Loan B5	LX136495	577,849.36	No	No	No	No	Sr. Secured	Quarterly
Jacobs Entertainment, Inc. Principal Balance: 899,903.99	New 1st Lien Term Loan	LX136079	899,903.99	No	No	No	No	Sr. Secured	Quarterly
Jarden Corporation Principal Balance: 813,839.69	Add-On Term Loan B1	LX132682	813,839.69	No	No	No	No	Sr. Secured	Quarterly
Jeld-Wen Inc. Principal Balance: 336,696.89	Incremental Term Loan	LX145258	336,696.89	No	No	No	No	Sr. Secured	Quarterly
Joerns Healthcare LLC Principal Balance: 2,952,149.21	2020 Term Loan	LX136837	2,952,149.21	No	No	No	No	Sr. Secured	Quarterly
Jonah Energy LLC Principal Balance: 1,647,409.58	2nd Lien Term Loan	LX137109	1,647,409.58	No	No	No	No	Second Lien	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Kasima, LLC Principal Balance: 1,154,415.59	New Term Loan B	LX129735	1,154,415.59	No	No	No	No	Sr. Secured	Quarterly
Kenan Advantage Group, Inc. Principal Balance: 483,439.50	Term Loan D	LX134572	483,439.50	No	No	No	No	Sr. Secured	Quarterly
Kindred Healthcare, Inc. Principal Balance: 1,283,945.18	New Term Loan	LX136051	1,283,945.18	No	No	No	No	Sr. Secured	Quarterly
Klockner-Pentaplast of America, Inc. Principal Balance: 439,459.66	USD Term Loan	LX144027	439,459.66	No	No	No	No	Sr. Secured	Quarterly
KP Germany Erste GmbH Principal Balance: 187,803.27	1st Lien Term Loan	LX144293	187,803.27	No	No	No	No	Sr. Secured	Quarterly
Kronos Incorporated Principal Balance: 3,186,367.15	Initial Incremental Term Loan	LX128351	2,913,819.33	No	No	No	No	Sr. Secured	Quarterly
	2nd Lien Term Loan	LX126442	272,547.82	No	No	No	No	Second Lien	Quarterly
Landry's, Inc. Principal Balance: 618,929.44	Term Loan B	LX123782	618,929.44	No	No	No	No	Sr. Secured	Quarterly
Live Nation Entertainment, Inc. Principal Balance: 3,357,387.19	2020 Term Loan B1	LX131844	3,357,387.19	No	No	No	No	Sr. Secured	Quarterly
M/A-COM Technology Solutions Holdings, Inc. Principal Balance: 1,811,004.53	Term Loan	LX136922	1,811,004.53	No	No	No	No	Sr. Secured	Quarterly
Mallinckrodt International Finance S.A. Principal Balance: 1,410,643.71	Incremental Term Loan B1	LX139221	1,410,643.71	No	No	No	No	Sr. Secured	Quarterly
Manitowoc Company, Inc. (The) Principal Balance: 728,828.66	2013 Term Loan B	LX133971	728,828.66	No	No	No	No	Sr. Secured	Quarterly
Marine Acquisition Corp. Principal Balance: 482,951.84	New Term Loan B	LX134958	482,951.84	No	No	No	No	Sr. Secured	Quarterly
MCC Iowa LLC Principal Balance: 1,960,000.00	Term Loan H	LX129953	1,960,000.00	No	No	No	No	Sr. Secured	Quarterly
McJunkin Red Man Corporation Principal Balance: 1,321,531.43	New Term Loan	LX133771	1,321,531.43	No	No	No	No	Sr. Secured	Quarterly
MD America Energy, LLC Principal Balance: 1,000,000.00	2nd Lien Term Loan	LX139385	1,000,000.00	No	No	No	No	Second Lien	Quarterly
Metal Services LLC Principal Balance: 1,257,040.56	Term Loan B	LX134040	1,257,040.56	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Methanol Holdings (Trinidad) Limited Principal Balance: 3,000,000.00	Term Loan B	LX145053	3,000,000.00	No	No	No	No	Sr. Secured	Quarterly
MH Sub I, LLC Principal Balance: 1,824,814.69	2nd Lien Term Loan	LX137921	1,075,000.00	No	No	No	No	Second Lien	Quarterly
	1st Lien Term Loan	LX137918	749,814.69	No	No	No	No	Sr. Secured	Quarterly
Midcontinent Communications Principal Balance: 625,213.79	Term Loan B	LX118392	625,213.79	No	No	No	No	Sr. Secured	Quarterly
Milacron LLC Principal Balance: 191,697.18	Term Loan B	LX144033	191,697.18	No	No	No	No	Sr. Secured	Quarterly
MIP Delaware, LLC Principal Balance: 669,248.54	Term Loan B1	LX120200	669,248.54	No	No	No	No	Sr. Secured	Quarterly
Mirror Bidco Corp. Principal Balance: 1,950,300.00	New Term Loan	LX134996	1,950,300.00	No	No	No	No	Sr. Secured	Quarterly
Mission Broadcasting, Inc. Principal Balance: 993,307.54	Term Loan B2	LX132855	527,843.59	No	No	No	No	Sr. Secured	Quarterly
	Term Loan B2	LX133013	465,463.95	No	No	No	No	Sr. Secured	Quarterly
Moneygram International, Inc Principal Balance: 685,399.32	New Term Loan B	LX128964	685,399.32	No	No	No	No	Sr. Secured	Quarterly
Murray Energy Corporation Principal Balance: 2,000,000.00	Term Loan B2	LX143728	2,000,000.00	No	No	No	No	Sr. Secured	Quarterly
NAB Holdings LLC Principal Balance: 1,399,264.93	New Term Loan	LX137110	1,399,264.93	No	No	No	No	Sr. Secured	Quarterly
National Financial Partners Corp. Principal Balance: 1,965,160.58	New Term Loan B	LX139513	1,965,160.58	No	No	No	No	Sr. Secured	Quarterly
National Surgical Hospitals, Inc. Principal Balance: 447,936.06	2015 Term Loan	LX144394	447,936.06	No	No	No	No	Sr. Secured	Quarterly
NN, Inc. Principal Balance: 1,647,390.18	Term Loan B	LX139612	1,647,390.18	No	No	No	No	Sr. Secured	Quarterly
NRG Energy, Inc. Principal Balance: 1,955,000.00	Refi Term Loan B	LX130181	1,955,000.00	No	No	No	No	Sr. Secured	Quarterly
Nuance Communications, Inc. Principal Balance: 2,450,000.00	Term Loan C	LX120218	2,450,000.00	No	No	No	No	Sr. Secured	Quarterly
OCI Beaumont LLC Principal Balance: 1,064,686.01	Term Loan B3	LX136226	1,064,686.01	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Offshore Group Investment Ltd Principal Balance: 1,921,726.92	Term Loan B	LX128935	1,423,766.54	No	No	No	No	Sr. Secured	Quarterly
	New Term Loan B	LX133875	497,960.38	No	No	No	No	Sr. Secured	Quarterly
Omnitracs, Inc. Principal Balance: 342,138.90	1st Lien Term Loan	LX133212	342,138.90	No	No	No	No	Sr. Secured	Quarterly
Omnova Solutions Inc. Principal Balance: 2,908,629.44	Term Loan B1	LX128642	2,908,629.44	No	No	No	No	Sr. Secured	Quarterly
ON Assignment, Inc. Principal Balance: 704,865.40	2015 Term Loan	LX144602	704,865.40	No	No	No	No	Sr. Secured	Quarterly
Orbitz Worldwide Inc. Principal Balance: 531,673.00	2014 Term Loan B	LX136432	531,673.00	No	No	No	No	Sr. Secured	Quarterly
OXEA Finance LLC Principal Balance: 852,907.86	USD Term Loan B2	LX129946	852,907.86	No	No	No	No	Sr. Secured	Quarterly
Ozburn-Hessey Holding Company, LLC Principal Balance: 1,638,865.81	New Term Loan	LX129717	1,638,865.81	No	No	No	No	Sr. Secured	Quarterly
Pacific Drilling S.A. Principal Balance: 552,540.61	Term Loan B	LX129817	552,540.61	No	No	No	No	Sr. Secured	Quarterly
Paragon Offshore Finance Company Principal Balance: 505,904.71	Term Loan B	LX138205	505,904.71	No	No	No	No	Sr. Secured	Quarterly
Performance Food Group Company Principal Balance: 1,262,323.30	2nd Lien Term Loan	LX129532	1,262,323.30	No	No	No	No	Second Lien	Quarterly
PFS Holding Corporation Principal Balance: 740,625.00	1st Lien Term Loan	LX134882	740,625.00	No	No	No	No	Sr. Secured	Quarterly
Phillips-Van Heusen Corporation Principal Balance: 1,268,825.30	USD Term Loan B	LX127073	1,268,825.30	No	No	No	No	Sr. Secured	Quarterly
Physio-Control International, Inc. Principal Balance: 435,392.33	1st Lien Term Loan	LX144655	435,392.33	No	No	No	No	Sr. Secured	Quarterly
Pilot Travel Centers LLC Principal Balance: 471,259.26	2014 Term Loan B	LX141236	471,259.26	No	No	No	No	Sr. Secured	Quarterly
Pinnacle Foods Finance LLC Principal Balance: 6,452,332.36	Incremental Term Loan H	LX132655	3,857,930.51	No	No	No	No	Sr. Secured	Quarterly
	Term Loan G	LX129188	2,594,401.85	No	No	No	No	Sr. Secured	Quarterly
Pinnacle Operating Corp. Principal Balance: 1,945,225.00	Term Loan	LX129664	1,945,225.00	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Ply Gem Industries, Inc. Principal Balance: 663,234.62	Term Loan	LX135000	663,234.62	No	No	No	No	Sr. Secured	Quarterly
Polarpak Inc. Principal Balance: 319,382.32	USD 1st Lien Canadian Borrower	LX129583	210,032.90	No	No	No	No	Sr. Secured	Quarterly
	USD 1st Lien US Borrower	LX129584	109,349.42	No	No	No	No	Sr. Secured	Quarterly
Post Holdings Inc. Principal Balance: 586,425.90	Series A Incremental Term Loan	LX136829	586,425.90	No	No	No	No	Sr. Secured	Quarterly
PowerTeam Services, LLC Principal Balance: 421,855.54	1st Lien Term Loan	LX129413	400,368.45	No	No	No	No	Sr. Secured	Quarterly
	Delayed Draw Term Loan	LX129682	21,487.09	No	No	No	No	Sr. Secured	Quarterly
PRA Holdings, Inc. Principal Balance: 2,329,806.19	New 1st Lien Term Loan	LX131961	2,329,806.19	No	No	No	No	Sr. Secured	Quarterly
Prestige Brands, Inc. Principal Balance: 619,927.64	Term Loan B3	LX144376	619,927.64	No	No	No	No	Sr. Secured	Quarterly
Quality Home Brands Holdings, LLC Principal Balance: 1,234,247.65	1st Lien Term Loan	LX133621	1,234,247.65	No	No	No	No	Sr. Secured	Quarterly
Quikrete Holdings, Inc. Principal Balance: 513,265.85	2nd Lien Term Loan	LX132087	513,265.85	No	No	No	No	Second Lien	Quarterly
Radnet Management, Inc. Principal Balance: 5,644,914.25	Term Loan B	LX126086	5,644,914.25	No	No	No	No	Sr. Secured	Quarterly
Renaissance Learning, Inc. Principal Balance: 997,474.75	New 1st Lien Term Loan	LX136184	997,474.75	No	No	No	No	Sr. Secured	Quarterly
RP Crown Parent, LLC Principal Balance: 4,970,278.94	2013 Term Loan	LX134441	4,970,278.94	No	No	No	No	Sr. Secured	Quarterly
RPI Finance Trust Principal Balance: 4,174,740.56	Term Loan B4	LX142449	2,268,593.31	No	No	No	No	Sr. Secured	Quarterly
	Term Loan B3	LX133654	1,906,147.25	No	No	No	No	Sr. Secured	Quarterly
Sabre, Inc. Principal Balance: 957,633.59	Term Loan B	LX128407	957,633.59	No	No	No	No	Sr. Secured	Quarterly
Samchully Midstream 3 LLC Principal Balance: 2,961,305.17	Term Loan B	LX141393	2,961,305.17	No	No	No	No	Sr. Secured	Quarterly
SBA Senior Finance II LLC Principal Balance: 2,059,414.20	Term Loan B1	LX135455	2,059,414.20	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Seadrill Partners Finco LLC Principal Balance: 1,994,936.71	Term Loan B	LX135384	1,994,936.71	No	No	No	No	Sr. Secured	Quarterly
SeaWorld Parks & Entertainment, Inc. Principal Balance: 2,879,966.84	Term Loan B2	LX129657	2,879,966.84	No	No	No	No	Sr. Secured	Quarterly
Sedgwick Claims Management Services, Inc. Principal Balance: 2,667,094.21	1st Lien Term Loan	LX135266	1,975,000.00	No	No	No	No	Sr. Secured	Quarterly
	2nd Lien Term Loan	LX135270	692,094.21	No	No	No	No	Second Lien	Quarterly
Select Medical Corporation Principal Balance: 428,549.57	Series E Term Loan B	LX135728	428,549.57	No	No	No	No	Sr. Secured	Quarterly
Shearer's Foods, Inc. Principal Balance: 2,985,000.01	1st Lien Term Loan	LX137740	1,985,000.01	No	No	No	No	Sr. Secured	Quarterly
	2nd Lien Term Loan	LX137741	1,000,000.00	No	No	No	No	Second Lien	Quarterly
Ship US Bidco, Inc. Principal Balance: 1,949,408.67	Term Loan B2A	LX119765	1,000,000.00	No	No	No	No	Sr. Secured	Quarterly
	USD Add On Term Loan	LX133352	586,803.93	No	No	No	No	Sr. Secured	Quarterly
	Term Loan C2	LX129205	362,604.74	No	No	No	No	Sr. Secured	Quarterly
Silver II US Holdings, LLC Principal Balance: 1,661,492.54	Term Loan	LX128299	1,661,492.54	No	No	No	No	Sr. Secured	Quarterly
Sinclair Television Group Inc. Principal Balance: 4,912,229.94	Term Loan B	LX118445	4,912,229.94	No	No	No	No	Sr. Secured	Quarterly
SkillSoft Corporation Principal Balance: 1,985,000.00	1st Lien Term Loan	LX136501	1,985,000.00	No	No	No	No	Sr. Secured	Quarterly
Southcross Energy Partners, L.P. Principal Balance: 2,470,978.46	1st Lien Term Loan	LX139218	2,470,978.46	No	No	No	No	Sr. Secured	Quarterly
Southcross Holdings Borrower LP Principal Balance: 731,847.21	Term Loan B	LX138820	731,847.21	No	No	No	No	Sr. Secured	Quarterly
Southeast PowerGen, LLC Principal Balance: 481,097.80	Term Loan B	LX141908	481,097.80	No	No	No	No	Sr. Secured	Quarterly
Southern Graphics, Inc. Principal Balance: 925,000.00	New Term Loan B	LX133756	925,000.00	No	No	No	No	Sr. Secured	Quarterly
Spectrum Brands, Inc. Principal Balance: 3,175,712.84	USD Term Loan	LX144956	3,175,712.84	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
Spencer Gifts LLC Principal Balance: 4,139,210.69	Term Loan B1	LX145716	3,139,210.69	No	No	No	No	Sr. Secured	Quarterly
	2nd Lien Term Loan	LX145715	1,000,000.00	No	No	No	No	Second Lien	Quarterly
Springer Science+Business Media Deutschland GmbH Principal Balance: 1,791,808.31	USD Term Loan B9	LX143523	1,791,808.31	No	No	No	No	Sr. Secured	Quarterly
SS&C Technologies Inc. Principal Balance: 1,727,938.28	2015 Term Loan B1	LX145794	1,410,245.59	No	No	No	No	Sr. Secured	Quarterly
	2015 Term Loan B2	LX145795	317,692.69	No	No	No	No	Sr. Secured	Quarterly
Staples, Inc. Principal Balance: 1,633,543.66	Term Loan B	LX143953	1,633,543.66	No	No	No	No	Sr. Secured	Quarterly
Star West Generation LLC Principal Balance: 510,776.09	New Term Loan B	LX130195	510,776.09	No	No	No	No	Sr. Secured	Quarterly
Steinway Musical Instruments, Inc. Principal Balance: 3,056,715.48	1st Lien Term Loan	LX132475	3,056,715.48	No	No	No	No	Sr. Secured	Quarterly
Sterigenics-Nordion Holdings, LLC Principal Balance: 615,296.80	Term Loan B	LX144331	615,296.80	No	No	No	No	Sr. Secured	Quarterly
STS Operating, Inc. Principal Balance: 769,820.22	Term Loan	LX135213	769,820.22	No	No	No	No	Sr. Secured	Quarterly
Syniverse Holdings, Inc. Principal Balance: 1,000,000.00	Delayed Draw Term Loan	LX128289	1,000,000.00	No	No	No	No	Sr. Secured	Quarterly
TCH-2 Holding, LLC Principal Balance: 513,360.23	1st Lien Term Loan	LX136891	513,360.23	No	No	No	No	Sr. Secured	Quarterly
Tecomet Inc. Principal Balance: 995,000.00	1st Lien Term Loan	LX140073	995,000.00	No	No	No	No	Sr. Secured	Quarterly
Telecommunications Management, LLC Principal Balance: 195,758.36	1st Lien Term Loan	LX129106	195,758.36	No	No	No	No	Sr. Secured	Quarterly
Telesat Canada Principal Balance: 989,873.41	USD Term Loan B2	LX123463	989,873.41	No	No	No	No	Sr. Secured	Quarterly
The Talbots, Inc. Principal Balance: 997,474.75	1st Lien Term Loan	LX135929	997,474.75	No	No	No	No	Sr. Secured	Quarterly
TMS International Corp. Principal Balance: 333,991.95	New Term Loan B	LX132734	333,991.95	No	No	No	No	Sr. Secured	Quarterly
Total Merchant Services, Inc. Principal Balance: 1,391,366.28	Term Loan	LX142021	1,391,366.28	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
TPF II Power, LLC Principal Balance: 2,240,343.40	Term Loan B	LX140953	2,240,343.40	No	No	No	No	Sr. Secured	Quarterly
Travelport Finance (Luxembourg) S.a.r.l. Principal Balance: 3,590,715.38	2014 Term Loan B	LX139984	3,590,715.38	No	No	No	No	Sr. Secured	Quarterly
Triple Point Technology, Inc. Principal Balance: 951,760.28	1st Lien Term Loan	LX130780	951,760.28	No	No	No	No	Sr. Secured	Quarterly
Tronox Pigments (Netherlands) B.V. Principal Balance: 627,901.85	2013 Term Loan	LX122688	627,901.85	No	No	No	No	Sr. Secured	Quarterly
U.S. Farathane, LLC Principal Balance: 755,859.41	Term Loan B	LX142814	755,859.41	No	No	No	No	Sr. Secured	Quarterly
U.S. Security Holdings, Inc. Principal Balance: 1,989,673.40	New Term Loan	LX120481	1,742,150.72	No	No	No	No	Sr. Secured	Quarterly
	Delayed Draw Term Loan	LX120480	247,522.68	No	No	No	No	Sr. Secured	Quarterly
UCI International, Inc. Principal Balance: 308,137.05	New Term Loan B	LX117688	308,137.05	No	No	No	No	Sr. Secured	Quarterly
Unifrax Corporation Principal Balance: 415,336.63	New Term Loan	LX128279	415,336.63	No	No	No	No	Sr. Secured	Quarterly
Univar Inc. Principal Balance: 1,499,714.65	2015 Term Loan	LX145474	1,499,714.65	No	No	No	No	Sr. Secured	Quarterly
Univision Communications Inc. Principal Balance: 1,954,438.24	Term Loan C3	LX129975	1,954,438.24	No	No	No	No	Sr. Secured	Quarterly
UPC Financing Partnership Principal Balance: 4,000,000.00	USD Term Loan AH	LX129301	4,000,000.00	No	No	No	No	Sr. Secured	Quarterly
USI, Inc. Principal Balance: 1,332,126.37	Term Loan B	LX134269	1,332,126.37	No	No	No	No	Sr. Secured	Quarterly
USIC Holdings, Inc. Principal Balance: 803,459.76	1st Lien Term Loan	LX131356	803,459.76	No	No	No	No	Sr. Secured	Quarterly
UTEX Industries Inc. Principal Balance: 532,273.22	1st Lien Term loan 2014	LX137137	532,273.22	No	No	No	No	Sr. Secured	Quarterly
Valeant Pharmaceuticals International Principal Balance: 1,995,000.00	Term Loan B F1	LX143679	1,995,000.00	No	No	No	No	Sr. Secured	Quarterly
Vantage Specialty Chemicals, Inc. Principal Balance: 2,833,951.97	Term Loan B	LX122820	2,833,951.97	No	No	No	No	Sr. Secured	Quarterly

Issuer Name	Facility Name / Ticker	Asset ID	Principal Balance	Revolver	Delayed Draw	DIP	First Lien Last Out	Seniority	Payment Frequency
VFH Parent LLC Principal Balance: 3,435,605.08	Extended Term Loan	LX133527	3,435,605.08	No	No	No	No	Sr. Secured	Quarterly
ViaWest, Inc. Principal Balance: 585,398.31	Term Loan B	LX143671	585,398.31	No	No	No	No	Sr. Secured	Quarterly
Visteon Corporation Principal Balance: 1,166,666.66	Delayed Draw Term Loan B	LX136263	1,166,666.66	No	No	No	No	Sr. Secured	Quarterly
Vogue International Inc. Principal Balance: 2,530,060.05	Term Loan	LX135247	2,530,060.05	No	No	No	No	Sr. Secured	Quarterly
W/S Packaging Group, Inc. Principal Balance: 758,713.23	Term Loan B	LX131454	758,713.23	No	No	No	No	Sr. Secured	Quarterly
Washington Inventory Service Principal Balance: 367,377.37	US Term Loan	LX127234	367,377.37	No	No	No	No	Sr. Secured	Quarterly
Wastequip, LLC Principal Balance: 875,047.23	Term Loan	LX131601	875,047.23	No	No	No	No	Sr. Secured	Quarterly
Wausau Paper Corp. Principal Balance: 1,421,868.76	Term Loan	LX138931	1,421,868.76	No	No	No	No	Sr. Secured	Quarterly
WCA Waste Corporation Principal Balance: 2,833,104.69	Term Loan	LX129530	2,833,104.69	No	No	No	No	Sr. Secured	Quarterly
West Corporation Principal Balance: 3,410,655.22	Term Loan B10	LX135028	3,410,655.22	No	No	No	No	Sr. Secured	Quarterly
Wilsonart LLC Principal Balance: 975,001.14	Term Loan B	LX126466	975,001.14	No	No	No	No	Sr. Secured	Quarterly
Windstream Corporation Principal Balance: 2,918,062.48	Term Loan B5	LX125163	2,918,062.48	No	No	No	No	Sr. Secured	Quarterly

Collateral Obligations - Bank Loan Obligations

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
24 Hour Fitness Worldwide, Inc.	New Term Loan B (0.49%)	1,980,000.00	1,980,000.00	USA	No	3.750	4.750	1.000	5/28/2021	5.906	Floating
Academy, Ltd.	2015 Term Loan B (1.00%)	4,000,000.00	4,000,000.00	USA	No	4.000	5.000	1.000	6/2/2022	6.919	Floating
Accellent Inc.	1st Lien Term Loan (0.25%)	997,474.75	997,474.75	USA	No	3.500	4.500	1.000	3/12/2021	5.695	Floating
Acosta Holdco, Inc.	2015 Term Loan (0.25%)	995,000.00	995,000.00	USA	No	3.250	4.250	1.000	9/26/2021	6.237	Floating
ADMI Corp.	2015 Term Loan B (0.10%)	401,104.70	401,104.70	USA	No	4.500	5.500	1.000	4/30/2022	6.828	Floating
Advantage Sales & Marketing, Inc.	2014 1st Lien Term Loan (0.22%)	893,230.13	893,230.12	USA	No	3.250	4.250	1.000	7/23/2021	6.059	Floating
	2014 2nd Lien Term Loan (0.07%)	293,576.86	293,576.86	USA	No	6.500	7.500	1.000	7/25/2022	7.064	Floating
AE Europe Holdings, Inc.	Term Loan (0.07%)	277,964.79	277,964.79	USA	No	5.250	6.500	1.250	11/8/2017	2.355	Floating
Alison Bidco S.a.r.l.	USD 1st Lien Term Loan B1 (0.18%)	707,801.84	707,801.84	LUX	No	4.500	5.500	1.000	8/29/2021	6.160	Floating
	USD 1st Lien Term Loan B2 (0.18%)	707,801.83	707,801.83	LUX	No	4.500	5.500	1.000	8/29/2021	6.160	Floating
Alliance Laundry Systems LLC	Refi Term Loan (0.06%)	240,197.95	240,197.95	USA	No	3.000	4.250	1.250	12/10/2018	3.441	Floating
Alliant Techsystems Inc.	Term Loan B (0.39%)	1,574,020.10	1,574,020.10	USA	No	2.750	3.500	0.750	11/1/2020	5.336	Floating
Allnex (Luxembourg) & Cy S.C.A.	USD Term Loan B1 (0.05%)	183,149.57	183,149.57	LUX	No	3.250	4.500	1.250	10/3/2019	4.255	Floating
	USD Term Loan B2 (0.02%)	95,027.50	95,027.50	USA	No	3.250	4.500	1.250	10/3/2019	4.255	Floating
Amsurg Corp.	1st Lien Term Loan B (0.19%)	754,133.84	754,133.84	USA	No	3.000	3.750	0.750	7/16/2021	6.040	Floating
AmWINS Group, LLC	New Term Loan (0.08%)	332,971.36	332,971.36	USA	No	4.250	5.250	1.000	9/6/2019	4.181	Floating
Apex Tool Group, LLC	Term Loan B (0.25%)	997,448.98	997,448.98	USA	No	3.250	4.500	1.250	1/31/2020	4.583	Floating
Aquilex Holdings LLC	New Term Loan (0.23%)	936,863.16	936,863.16	USA	No	3.000	4.000	1.000	12/31/2020	5.500	Floating
Arch Coal Inc.	Term Loan B (0.73%)	2,910,130.20	2,910,130.20	USA	No	5.000	6.250	1.250	5/16/2018	2.872	Floating
Astoria Energy LLC	Term Loan B (0.36%)	1,423,739.57	1,423,739.57	USA	No	4.000	5.000	1.000	12/24/2021	6.480	Floating
Asurion LLC	New Term Loan B1 (1.43%)	5,708,115.78	5,708,115.78	USA	No	3.750	5.000	1.250	5/24/2019	3.893	Floating

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
At Home Holding III Inc.	Term Loan (0.32%)	1,280,136.68	1,280,136.68	USA	No	4.000	5.000	1.000	6/3/2022	6.921	Floating
Atlantic Aviation FBO Inc.	Term Loan B (0.07%)	264,642.41	264,642.41	USA	No	2.500	3.250	0.750	6/1/2020	4.917	Floating
Aufinco Pty Limited	1st Lien Term Loan (0.09%)	340,077.72	340,077.72	AUS	No	3.000	4.000	1.000	5/29/2020	4.909	Floating
Avantor Performance Materials Holdings, Inc.	Term Loan B (0.25%)	985,821.15	985,821.15	USA	No	4.000	5.250	1.250	6/24/2017	1.979	Floating
AWAS Finance Luxembourg 2012 S.A.	New Term Loan (0.57%)	2,279,128.03	2,279,128.03	LUX	No	2.750	3.500	0.750	7/16/2018	3.039	Floating
Axiall Holdco, Inc.	Term Loan B (0.22%)	882,550.49	882,550.49	USA	No	3.250	4.000	0.750	2/27/2022	6.658	Floating
AZ Chem US Inc.	1st Lien Term Loan (0.25%)	980,654.76	980,654.76	USA	No	3.500	4.500	1.000	6/12/2021	5.947	Floating
BakerCorp International, Inc.	New Term Loan (0.29%)	1,165,550.03	1,165,550.03	USA	No	3.000	4.250	1.250	2/14/2020	4.621	Floating
Bass Pro Group, LLC	2015 Term Loan (1.25%)	4,987,500.00	4,987,500.00	USA	No	3.250	4.000	0.750	6/5/2020	4.928	Floating
BATS Global Markets, Inc.	Term Loan B1 (0.18%)	724,859.49	724,859.49	USA	No	3.750	3.940	NA	3/13/2018	2.697	Floating
	Term Loan B2 (0.21%)	838,627.93	838,627.93	USA	No	4.750	5.750	1.000	1/31/2020	4.583	Floating
Bayonne Energy Center, LLC	Term Loan B (0.06%)	246,116.34	246,116.34	USA	No	4.000	5.000	1.000	8/19/2021	6.133	Floating
Belfor USA Group, Inc.	Term Loan B (0.20%)	780,480.87	780,480.87	USA	No	3.000	3.750	0.750	4/10/2019	3.773	Floating
Berry Plastics Holding Corporation	Term Loan D (0.49%)	1,954,999.99	1,954,999.99	USA	No	2.500	3.500	1.000	2/8/2020	4.605	Floating
BioScrip, Inc.	Delayed Draw Term Loan (0.02%)	91,388.35	91,388.35	USA	No	5.250	6.500	1.250	7/31/2020	5.081	Floating
	Term Loan B (0.04%)	152,313.91	152,313.91	USA	No	5.250	6.500	1.250	7/31/2020	5.081	Floating
Blue Buffalo Company, Ltd.	Term Loan B3 (0.24%)	972,693.42	972,693.42	USA	No	2.750	3.750	1.000	8/8/2019	4.101	Floating
Bombardier Recreational Products, Inc.	New Term Loan B (0.38%)	1,517,142.86	1,517,142.86	CAN	No	2.750	3.750	1.000	1/30/2019	3.581	Floating
Boomerang Tube, LLC	Term Loan (0.22%)	887,500.02	887,500.02	USA	No	8.500	10.000	1.500	10/11/2017	2.278	Floating
Booz Allen Hamilton Inc.	New Term Loan (1.13%)	4,529,192.88	4,529,192.88	USA	No	3.000	3.750	0.750	7/31/2019	4.079	Floating
Brickman Group Ltd. LLC	2nd Lien Term Loan (0.10%)	392,851.65	392,851.65	USA	No	6.500	7.500	1.000	12/17/2021	6.461	Floating
Brock Holdings III, Inc.	New Term Loan B (0.25%)	997,240.86	997,240.86	USA	No	4.500	6.000	1.500	3/16/2017	1.706	Floating

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Bronco Midstream Funding LLC	Term Loan B (0.22%)	888,372.09	888,372.09	USA	No	4.000	5.000	1.000	8/15/2020	5.123	Floating
BWAY Holding Company, Inc.	New Term Loan B (0.25%)	990,000.00	990,000.00	USA	No	4.500	5.500	1.000	8/14/2020	5.120	Floating
Calpine Corporation	Term Loan B3 (0.24%)	957,690.36	957,690.36	USA	No	3.000	4.000	1.000	10/9/2019	4.271	Floating
Capital Automotive L.P.	New 2nd Lien Term Loan (0.13%)	511,586.94	511,586.94	USA	No	5.000	6.000	1.000	4/30/2020	4.830	Floating
	New Term Loan B (0.34%)	1,375,105.24	1,375,105.24	USA	No	3.000	4.000	1.000	4/10/2019	3.773	Floating
Caraustar Industries, Inc.	Term Loan B (0.07%)	296,074.87	296,074.87	USA	No	6.750	8.000	1.250	5/1/2019	3.830	Floating
CareCore National, LLC	Term Loan B (0.11%)	439,034.57	439,034.57	USA	No	4.500	5.500	1.000	3/5/2021	5.676	Floating
Carros Finance Luxembourg S.a.r.l	1st Lien Term Loan (0.35%)	1,390,244.74	1,390,244.74	LUX	No	3.500	4.500	1.000	9/30/2021	6.248	Floating
CCC Information Services, Inc.	Term Loan (0.15%)	613,725.03	613,725.03	USA	No	3.000	4.000	1.000	12/20/2019	4.468	Floating
Charter Communications Operating, LLC	Term Loan F (1.70%)	6,815,912.28	6,815,912.28	USA	No	2.250	3.000	0.750	1/3/2021	5.509	Floating
Chemours Company Co. (The)	Term Loan B (0.22%)	874,013.46	874,013.46	USA	No	3.000	3.750	0.750	5/22/2022	6.888	Floating
Chrysler Group LLC	2018 Term Loan B (0.46%)	1,826,751.81	1,826,751.81	USA	No	2.500	3.250	0.750	12/31/2018	3.499	Floating
	New Term Loan B (0.16%)	621,323.85	621,323.85	USA	No	2.750	3.500	0.750	5/24/2017	1.895	Floating
CITGO Holding Inc.	2015 Term Loan B (0.34%)	1,359,048.02	1,359,048.02	USA	No	8.500	9.500	1.000	5/12/2018	2.861	Floating
Citgo Petroleum Corporation	New Term Loan B (0.80%)	3,183,010.32	3,183,010.32	USA	No	3.500	4.500	1.000	7/29/2021	6.075	Floating
CommScope, Inc.	Term Loan B5 (0.09%)	342,016.98	342,016.98	USA	No	3.000	4.000	1.000	12/29/2022	7.493	Floating
Confie Seguros Holding II Co.	1st Lien Term Loan (0.59%)	2,380,210.78	2,380,210.78	USA	No	4.500	5.750	1.250	11/9/2018	3.357	Floating
	2nd Lien Term Loan (0.13%)	503,335.83	503,335.83	USA	No	9.000	10.250	1.250	5/8/2019	3.849	Floating
Consolidated Container Company LLC	New Term Loan (0.49%)	1,945,000.00	1,945,000.00	USA	No	3.750	5.000	1.250	7/3/2019	4.003	Floating
Container Store, Inc. (The)	New Term Loan B (0.22%)	883,004.50	883,004.50	USA	No	3.250	4.250	1.000	4/6/2019	3.762	Floating
Creganna-Tactx Medical	1st Lien Term Loan (0.25%)	995,000.00	995,000.00	USA	No	3.750	4.750	1.000	12/1/2021	6.418	Floating
Crown Castle Operating Company	Term Loan B2 (1.43%)	5,709,604.39	5,709,604.39	USA	No	2.250	3.000	0.750	1/31/2021	5.585	Floating
CTI Foods Holding Co, LLC	New 1st Lien Term Loan (0.61%)	2,456,250.00	2,456,250.00	USA	No	3.500	4.500	1.000	6/29/2020	4.994	Floating

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Cumulus Media Holdings Inc.	2013 Term Loan (0.15%)	592,704.93	592,704.93	USA	No	3.250	4.250	1.000	12/23/2020	5.478	Floating
Cunningham Lindsey U.S. Inc.	1st Lien Term Loan (0.36%)	1,426,338.73	1,426,338.73	USA	No	3.750	5.000	1.250	12/10/2019	4.441	Floating
	2nd Lien Term Loan (0.04%)	155,909.09	155,909.09	USA	No	8.000	9.250	1.250	6/10/2020	4.942	Floating
DAE Aviation Holdings, Inc.	2nd Lien Term Loan (0.09%)	341,817.05	341,817.05	USA	No	5.750	6.750	1.000	8/5/2019	4.093	Floating
David's Bridal, Inc.	New Term Loan B (0.24%)	955,445.94	955,445.94	USA	No	3.750	5.000	1.250	10/11/2019	4.277	Floating
DaVita HealthCare Partners, Inc.	Term Loan B (0.25%)	1,008,330.57	1,008,330.57	USA	No	2.750	3.500	0.750	6/24/2021	5.979	Floating
Delos Finance Sarl	Term Loan B (0.31%)	1,234,009.99	1,234,009.99	LUX	No	2.750	3.500	0.750	3/6/2021	5.678	Floating
Delta 2 (LUX) S.a.r.l.	USD Term Loan B3 (1.65%)	6,602,117.26	6,602,117.26	LUX	No	3.750	4.750	1.000	7/30/2021	6.078	Floating
Delta Air Lines, Inc.	New Term Loan B (0.08%)	332,859.66	332,859.66	USA	No	2.500	3.250	0.750	4/20/2017	1.802	Floating
Dexter Axle Company	New Term Loan (0.16%)	637,757.95	637,757.95	USA	No	3.500	4.500	1.000	2/28/2020	4.660	Floating
DigitalGlobe, Inc.	New Term Loan B (0.10%)	413,586.02	413,586.02	USA	No	2.750	3.750	1.000	1/31/2020	4.583	Floating
Doncasters Finance US LLC	USD Term Loan (0.33%)	1,322,260.16	1,322,260.16	USA	No	3.500	4.500	1.000	4/9/2020	4.772	Floating
Drumm Investors LLC	Term Loan (0.84%)	3,363,538.50	3,363,538.50	USA	No	5.500	6.750	1.250	5/4/2018	2.839	Floating
DynCorp International LLC	Term Loan B (0.17%)	663,612.81	663,612.81	USA	No	4.500	6.250	1.750	7/7/2016	1.016	Floating
EFS Cogen Holdings I LLC	Term Loan B (0.14%)	565,045.69	565,045.69	USA	No	2.750	3.750	1.000	12/17/2020	5.462	Floating
EIF Channelview Cogeneration, LLC	Term Loan B (0.06%)	254,657.45	254,657.45	USA	No	3.250	4.250	1.000	5/8/2020	4.851	Floating
EIG Investors Corp.	2013 Term Loan (0.20%)	785,702.42	785,702.42	USA	No	4.000	5.000	1.000	11/9/2019	4.356	Floating
Emdeon Business Services, LLC	Term Loan B2 (0.73%)	2,925,865.81	2,925,865.80	USA	No	2.500	3.750	1.250	11/2/2018	3.337	Floating
Emerald Performance Materials, LLC	New 1st Lien Term Loan (0.15%)	582,997.22	582,997.22	USA	No	3.500	4.500	1.000	8/1/2021	6.084	Floating
Emerald US Inc.	Term Loan B1 (0.50%)	2,000,000.00	2,000,000.00	GBR	No	4.000	5.000	1.000	5/14/2021	5.867	Floating
EMI Music Publishing Limited	Term Loan B (0.29%)	1,159,822.25	1,159,822.25	USA	No	2.750	3.750	1.000	6/29/2018	2.992	Floating
Endo Luxembourg Finance Company I S.a r.l.	2014 Term Loan B (0.22%)	864,682.78	864,682.78	LUX	No	2.500	3.250	0.750	3/1/2021	5.665	Floating

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Energy Transfer Equity, L.P.	2015 Term Loan (0.46%)	1,858,823.53	1,858,823.53	USA	No	3.250	4.000	0.750	12/2/2019	4.419	Floating
	New Term Loan (1.07%)	4,285,402.78	4,285,402.78	USA	No	2.500	3.250	0.750	12/2/2019	4.419	Floating
EP Energy LLC	Term Loan B2 (0.06%)	253,377.73	253,377.73	USA	No	3.500	4.500	1.000	4/30/2019	3.828	Floating
EP Minerals, LLC	1st Lien Term Loan (0.11%)	436,711.15	436,711.15	USA	No	4.500	5.500	1.000	8/20/2020	5.136	Floating
Epiq Systems, Inc.	Incremental Term Loan B (0.18%)	732,570.01	732,570.01	USA	No	3.750	4.500	0.750	7/16/2020	5.040	Floating
Essential Power LLC	Term Loan B (0.70%)	2,812,154.16	2,812,154.16	USA	No	3.750	4.750	1.000	8/8/2019	4.101	Floating
Evergreen Acqco 1 LP	New Term Loan (0.23%)	931,584.88	931,584.88	USA	No	3.750	5.000	1.250	7/9/2019	4.019	Floating
Evertec Group, LLC	New Term Loan B (0.39%)	1,576,095.42	1,576,095.42	USA	No	2.750	3.500	0.750	4/17/2020	4.794	Floating
Exgen Renewables I, LLC	Term Loan (0.07%)	271,534.78	271,534.78	USA	No	4.250	5.250	1.000	2/8/2021	5.607	Floating
Exopack Holdings S.A	2015 Term Loan B1 (0.12%)	487,201.23	487,201.23	LUX	No	3.500	4.500	1.000	5/8/2019	3.849	Floating
Fairmount Minerals LTD	New Term Loan B2 (0.49%)	1,964,998.82	1,964,998.82	USA	No	3.500	4.500	1.000	9/5/2019	4.178	Floating
FGI Operating Company, LLC	Term Loan (0.39%)	1,552,050.88	1,552,050.88	USA	No	4.250	5.500	1.250	4/19/2019	3.797	Floating
Fieldwood Energy LLC	1st Lien Term Loan (0.43%)	1,735,325.41	1,735,325.41	USA	No	2.875	3.875	1.000	9/28/2018	3.242	Floating
First Data Corporation	Extended 2021 Term Loan (0.25%)	1,000,000.00	1,000,000.00	USA	No	4.000	4.187	NA	3/24/2021	5.728	Floating
	New 2018 Extended Term Loan (1.75%)	7,000,000.00	7,000,000.00	USA	No	3.500	3.687	NA	3/24/2018	2.727	Floating
FPC Holdings, Inc.	1st Lien Term Loan (0.35%)	1,401,395.63	1,401,395.63	USA	No	4.000	5.250	1.250	11/19/2019	4.383	Floating
Freescale Semiconductor, Inc.	Term Loan B4 (0.48%)	1,935,369.15	1,935,369.15	USA	No	3.250	4.250	1.000	2/28/2020	4.660	Floating
	Term Loan B5 (0.49%)	1,965,000.00	1,965,000.00	USA	No	3.750	5.000	1.250	1/15/2021	5.541	Floating
FREIF North American Power I LLC	2015 Term Loan B (0.64%)	2,542,372.88	2,542,372.88	USA	No	3.750	4.750	1.000	3/10/2022	6.689	Floating
	2015 Term Loan C (0.11%)	457,627.12	457,627.12	USA	No	3.750	4.750	1.000	3/10/2022	6.689	Floating
Fullbeauty Brands, Inc.	1st Lien Term Loan (0.59%)	2,370,655.32	2,370,655.32	USA	No	3.750	4.750	1.000	3/18/2021	5.711	Floating
Gardner Denver, Inc.	USD Term Loan (0.50%)	1,989,873.42	1,989,873.42	USA	No	3.250	4.250	1.000	7/30/2020	5.079	Floating
GCA Services Group, Inc.	New Term Loan B (0.44%)	1,743,574.65	1,743,574.64	USA	No	3.250	4.250	1.000	11/1/2019	4.334	Floating

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Generic Drug Holdings, Inc.	Term Loan B1 (0.39%)	1,570,373.59	1,570,373.59	USA	No	3.000	4.000	NA	8/16/2020	5.125	Floating
GENEX Holdings Inc.	New 2nd Lien Term Loan (0.25%)	1,000,000.00	1,000,000.00	USA	No	7.750	8.750	1.000	5/30/2022	6.910	Floating
Go Daddy Operating Company, LLC	New Term Loan B (0.50%)	1,995,851.47	1,995,851.47	USA	No	3.250	4.250	1.000	5/13/2021	5.864	Floating
Goodyear Tire & Rubber Company (The)	New 2nd Lien Term Loan (0.62%)	2,500,000.00	2,500,000.00	USA	No	3.000	3.750	0.750	4/30/2019	3.828	Floating
Grifols Worldwide Operations USA, Inc.	USD Term Loan B (1.28%)	5,139,631.84	5,139,631.84	USA	No	3.000	3.187	NA	2/27/2021	5.659	Floating
GXS Group, Inc.	Term Loan B (0.39%)	1,573,030.65	1,573,030.65	USA	No	2.500	3.250	0.750	1/16/2021	5.544	Floating
Hanesbrands, Inc.	USD Term Loan B (0.11%)	450,160.68	450,160.68	USA	No	2.500	3.250	0.750	4/15/2022	6.787	Floating
Hargray Communications Group, Inc.	Term Loan B (0.26%)	1,055,968.13	1,055,968.13	USA	No	4.250	5.250	1.000	6/26/2019	3.984	Floating
HCA Inc.	Extended Term Loan B4 (0.25%)	982,500.00	982,500.00	USA	No	2.750	3.032	NA	5/1/2018	2.831	Floating
Headwaters, Incorporated	Term Loan B (0.10%)	400,274.12	400,274.12	USA	No	3.500	4.500	1.000	3/24/2022	6.727	Floating
Heartland Dental, LLC	1st Lien Term Loan (0.40%)	1,588,633.10	1,588,633.10	USA	No	4.500	5.500	1.000	12/21/2018	3.472	Floating
Hoffmaster Group, Inc.	New 1st Lien Term Loan (0.34%)	1,363,207.97	1,363,207.97	USA	No	4.250	5.250	1.000	5/9/2020	4.854	Floating
Horizon Global Corporation	Term Loan B (0.34%)	1,341,858.82	1,341,858.82	USA	No	6.000	7.000	1.000	5/11/2022	6.858	Floating
Houghton International, Inc.	USD Term Loan B (0.12%)	475,648.23	475,648.23	USA	No	3.000	4.000	1.000	12/20/2019	4.468	Floating
Houghton Mifflin Harcourt Publishing Company	2015 Term Loan B (0.25%)	1,000,000.00	1,000,000.00	USA	No	3.000	4.000	1.000	5/11/2022	6.858	Floating
Hubbard Radio, LLC	2015 Term Loan B (0.46%)	1,843,431.25	1,843,431.25	USA	No	3.250	4.250	1.000	5/15/2020	4.871	Floating
Husky Injection Molding Systems Ltd.	2nd Lien Term Loan (0.09%)	355,043.44	355,043.44	CAN	No	6.250	7.250	1.000	6/30/2022	6.995	Floating
Immucor, Inc.	Refi Term Loan B2 (1.21%)	4,838,437.52	4,838,437.52	USA	No	3.750	5.000	1.250	8/17/2018	3.127	Floating
INA Beteiligungsgesellschaft mbH	USD Term Loan B (0.44%)	1,769,230.77	1,769,230.77	DEU	No	3.500	4.250	0.750	5/15/2020	4.871	Floating
Infor (US), Inc.	USD Term Loan B3 (0.21%)	854,532.30	854,532.30	USA	No	2.750	3.750	1.000	6/3/2020	4.923	Floating
	USD Term Loan B5 (0.43%)	1,735,119.39	1,735,119.39	USA	No	2.750	3.750	1.000	6/3/2020	4.923	Floating
Intelligrated, Inc.	1st Lien Term Loan (0.56%)	2,229,802.73	2,229,802.73	USA	No	3.500	4.500	1.000	7/30/2018	3.077	Floating

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Intertrust Group Holding B.V.	USD 2nd Lien Term Loan (0.23%)	919,827.07	919,827.07	NLD	No	7.000	8.000	1.000	4/16/2022	6.790	Floating
	USD Term Loan B5 (0.14%)	577,849.36	577,849.36	NLD	No	4.250	4.532	NA	4/16/2021	5.791	Floating
Jacobs Entertainment, Inc.	New 1st Lien Term Loan (0.22%)	899,903.99	899,903.99	USA	No	4.250	5.250	1.000	10/29/2018	3.326	Floating
Jarden Corporation	Add-On Term Loan B1 (0.20%)	813,839.69	813,839.69	USA	No	2.750	2.937	NA	9/30/2020	5.248	Floating
Jeld-Wen Inc.	Incremental Term Loan (0.08%)	336,696.89	336,696.89	USA	No	4.000	5.000	1.000	6/18/2022	6.962	Floating
Joerns Healthcare LLC	2020 Term Loan (0.74%)	2,952,149.21	2,952,149.21	USA	No	5.000	6.000	1.000	5/9/2020	4.854	Floating
Jonah Energy LLC	2nd Lien Term Loan (0.41%)	1,647,409.58	1,647,409.58	USA	No	6.500	7.500	1.000	5/12/2021	5.862	Floating
Kasima, LLC	New Term Loan B (0.29%)	1,154,415.59	1,154,415.59	USA	No	2.500	3.250	0.750	5/17/2021	5.875	Floating
Kenan Advantage Group, Inc.	Term Loan D (0.12%)	483,439.50	483,439.50	USA	No	2.750	3.750	1.000	6/11/2016	0.945	Floating
Kindred Healthcare, Inc.	New Term Loan (0.32%)	1,283,945.18	1,283,945.18	USA	No	3.250	4.250	1.000	4/9/2021	5.771	Floating
Klockner-Pentaplast of America, Inc.	USD Term Loan (0.11%)	439,459.66	439,459.66	USA	No	4.000	5.000	1.000	4/28/2020	4.824	Floating
KP Germany Erste GmbH	1st Lien Term Loan (0.05%)	187,803.27	187,803.27	DEU	No	4.000	5.000	1.000	4/22/2020	4.808	Floating
Kronos Incorporated	2nd Lien Term Loan (0.07%)	272,547.82	272,547.82	USA	No	8.500	9.750	1.250	4/30/2020	4.830	Floating
	Initial Incremental Term Loan (0.73%)	2,913,819.33	2,913,819.33	USA	No	3.500	4.500	1.000	10/30/2019	4.329	Floating
Landry's, Inc.	Term Loan B (0.15%)	618,929.44	618,929.44	USA	No	3.000	4.000	1.000	4/24/2018	2.812	Floating
Live Nation Entertainment, Inc.	2020 Term Loan B1 (0.84%)	3,357,387.19	3,357,387.19	USA	No	2.750	3.500	0.750	8/16/2020	5.125	Floating
M/A-COM Technology Solutions Holdings, Inc.	Term Loan (0.45%)	1,811,004.53	1,811,004.53	USA	No	3.750	4.500	0.750	5/7/2021	5.848	Floating
Mallinckrodt International Finance S.A.	Incremental Term Loan B1 (0.35%)	1,410,643.71	1,410,643.71	LUX	No	2.750	3.500	0.750	3/19/2021	5.714	Floating
Manitowoc Company, Inc. (The)	2013 Term Loan B (0.18%)	728,828.66	728,828.66	USA	No	2.500	3.250	0.750	1/3/2021	5.509	Floating
Marine Acquisition Corp.	New Term Loan B (0.12%)	482,951.84	482,951.84	USA	No	4.250	5.250	1.000	1/30/2021	5.582	Floating
MCC Iowa LLC	Term Loan H (0.49%)	1,960,000.00	1,960,000.00	USA	No	2.500	3.250	0.750	1/29/2021	5.580	Floating
McJunkin Red Man Corporation	New Term Loan (0.33%)	1,321,531.43	1,321,531.43	USA	No	4.000	5.000	1.000	11/8/2019	4.353	Floating

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MD America Energy, LLC	2nd Lien Term Loan (0.25%)	1,000,000.00	1,000,000.00	USA	No	8.500	9.500	1.000	8/4/2019	4.090	Floating
Metal Services LLC	Term Loan B (0.31%)	1,257,040.56	1,257,040.56	USA	No	5.000	6.000	1.000	6/30/2017	1.996	Floating
Methanol Holdings (Trinidad) Limited	Term Loan B (0.75%)	3,000,000.00	3,000,000.00	USA	No	3.500	4.250	0.750	6/2/2022	6.919	Floating
MH Sub I, LLC	1st Lien Term Loan (0.19%)	749,814.69	749,814.69	USA	No	3.750	4.750	1.000	7/8/2021	6.018	Floating
	2nd Lien Term Loan (0.27%)	1,075,000.00	1,075,000.00	USA	No	7.500	8.500	1.000	7/8/2022	7.017	Floating
Midcontinent Communications	Term Loan B (0.16%)	625,213.79	625,213.79	USA	No	2.750	3.500	0.750	7/30/2020	5.079	Floating
Milacron LLC	Term Loan B (0.05%)	191,697.18	191,697.18	USA	No	3.500	4.500	1.000	9/28/2020	5.243	Floating
MIP Delaware, LLC	Term Loan B1 (0.17%)	669,248.54	669,248.54	USA	No	3.000	4.000	1.000	3/9/2020	4.687	Floating
Mirror Bidco Corp.	New Term Loan (0.49%)	1,950,300.00	1,950,300.00	USA	No	3.250	4.250	1.000	12/28/2019	4.490	Floating
Mission Broadcasting, Inc.	Term Loan B2 (0.12%)	465,463.95	465,463.95	USA	No	2.750	3.750	1.000	10/1/2020	5.251	Floating
	Term Loan B2 (0.13%)	527,843.59	527,843.59	USA	No	2.750	3.750	1.000	10/1/2020	5.251	Floating
Moneygram International, Inc	New Term Loan B (0.17%)	685,399.32	685,399.32	USA	No	3.250	4.250	1.000	3/27/2020	4.736	Floating
Murray Energy Corporation	Term Loan B2 (0.50%)	2,000,000.00	2,000,000.00	USA	No	6.500	7.500	1.000	3/19/2021	5.714	Floating
NAB Holdings LLC	New Term Loan (0.35%)	1,399,264.93	1,399,264.93	USA	No	3.750	4.750	1.000	5/21/2021	5.886	Floating
National Financial Partners Corp.	New Term Loan B (0.49%)	1,965,160.58	1,965,160.58	USA	No	3.500	4.500	1.000	7/1/2020	4.999	Floating
National Surgical Hospitals, Inc.	2015 Term Loan (0.11%)	447,936.06	447,936.06	USA	No	3.500	4.500	1.000	6/1/2022	6.916	Floating
NN, Inc.	Term Loan B (0.41%)	1,647,390.18	1,647,390.18	USA	No	5.000	6.000	1.000	8/27/2021	6.155	Floating
NRG Energy, Inc.	Refi Term Loan B (0.49%)	1,955,000.00	1,955,000.00	USA	No	2.000	2.750	0.750	7/2/2018	3.001	Floating
Nuance Communications, Inc.	Term Loan C (0.61%)	2,450,000.00	2,450,000.00	USA	No	2.750	2.940	NA	8/7/2019	4.099	Floating
OCI Beaumont LLC	Term Loan B3 (0.27%)	1,064,686.01	1,064,686.01	USA	No	4.500	5.500	1.000	8/20/2019	4.134	Floating
Offshore Group Investment Ltd	New Term Loan B (0.12%)	497,960.38	497,960.38	USA	No	4.000	5.000	1.000	10/25/2017	2.316	Floating
	Term Loan B (0.36%)	1,423,766.54	1,423,766.54	USA	No	4.500	5.750	1.250	3/28/2019	3.737	Floating
Omnitracs, Inc.	1st Lien Term Loan (0.09%)	342,138.90	342,138.90	USA	No	3.750	4.750	1.000	11/25/2020	5.402	Floating

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
Omnova Solutions Inc.	Term Loan B1 (0.73%)	2,908,629.44	2,908,629.44	USA	No	3.000	4.250	1.250	5/31/2018	2.913	Floating
ON Assignment, Inc.	2015 Term Loan (0.18%)	704,865.40	704,865.40	USA	No	3.000	3.750	0.750	5/19/2022	6.880	Floating
Orbitz Worldwide Inc.	2014 Term Loan B (0.13%)	531,673.00	531,673.00	USA	No	3.500	4.500	1.000	4/15/2021	5.788	Floating
OXEA Finance LLC	USD Term Loan B2 (0.21%)	852,907.86	852,907.86	USA	No	3.250	4.250	1.000	1/15/2020	4.539	Floating
Ozburn-Hessey Holding Company, LLC	New Term Loan (0.41%)	1,638,865.81	1,638,865.81	USA	No	5.500	6.750	1.250	5/23/2019	3.890	Floating
Pacific Drilling S.A.	Term Loan B (0.14%)	552,540.61	552,540.61	LUX	No	3.500	4.500	1.000	6/3/2018	2.921	Floating
Paragon Offshore Finance Company	Term Loan B (0.13%)	505,904.71	505,904.71	USA	No	2.750	3.750	1.000	7/18/2021	6.045	Floating
Performance Food Group Company	2nd Lien Term Loan (0.32%)	1,262,323.30	1,262,323.30	USA	No	5.250	6.250	1.000	11/14/2019	4.370	Floating
PFS Holding Corporation	1st Lien Term Loan (0.19%)	740,625.00	740,625.00	USA	No	3.500	4.500	1.000	1/31/2021	5.585	Floating
Phillips-Van Heusen Corporation	USD Term Loan B (0.32%)	1,268,825.30	1,268,825.30	USA	No	2.500	3.250	0.750	2/13/2020	4.619	Floating
Physio-Control International, Inc.	1st Lien Term Loan (0.11%)	435,392.33	435,392.33	USA	No	4.500	5.500	1.000	6/6/2022	6.930	Floating
Pilot Travel Centers LLC	2014 Term Loan B (0.12%)	471,259.26	471,259.26	USA	No	3.250	4.250	1.000	10/1/2021	6.251	Floating
Pinnacle Foods Finance LLC	Incremental Term Loan H (0.96%)	3,857,930.51	3,857,930.51	USA	No	2.250	3.000	0.750	4/29/2020	4.827	Floating
	Term Loan G (0.65%)	2,594,401.85	2,594,401.85	USA	No	2.250	3.000	0.750	4/29/2020	4.827	Floating
Pinnacle Operating Corp.	Term Loan (0.49%)	1,945,225.00	1,945,225.00	USA	No	3.750	4.750	1.000	11/15/2018	3.373	Floating
Ply Gem Industries, Inc.	Term Loan (0.17%)	663,234.62	663,234.62	USA	No	3.000	4.000	1.000	2/1/2021	5.588	Floating
Polarpak Inc.	USD 1st Lien Canadian Borrower (0.05%)	210,032.90	210,032.90	CAN	No	3.250	4.500	1.250	6/7/2020	4.934	Floating
	USD 1st Lien US Borrower (0.03%)	109,349.42	109,349.42	USA	No	3.250	4.500	1.250	6/7/2020	4.934	Floating
Post Holdings Inc.	Series A Incremental Term Loan (0.15%)	586,425.90	586,425.90	USA	No	3.000	3.750	0.750	6/2/2021	5.919	Floating
PowerTeam Services, LLC	1st Lien Term Loan (0.10%)	400,368.45	400,368.45	USA	No	3.250	4.250	1.000	5/6/2020	4.846	Floating
	Delayed Draw Term Loan (0.01%)	21,487.09	21,487.09	USA	No	3.250	4.250	1.000	5/6/2020	4.846	Floating
PRA Holdings, Inc.	New 1st Lien Term Loan (0.58%)	2,329,806.19	2,329,806.19	USA	No	3.500	4.500	1.000	9/23/2020	5.229	Floating
Prestige Brands, Inc.	Term Loan B3 (0.15%)	619,927.64	619,927.64	USA	No	2.750	3.500	0.750	9/3/2021	6.174	Floating

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
Quality Home Brands Holdings, LLC	1st Lien Term Loan (0.31%)	1,234,247.65	1,234,247.65	USA	No	6.500	7.500	1.000	5/25/2018	2.897	Floating
Quikrete Holdings, Inc.	2nd Lien Term Loan (0.13%)	513,265.85	513,265.85	USA	No	6.000	7.000	1.000	3/26/2021	5.733	Floating
Radnet Management, Inc.	Term Loan B (1.41%)	5,644,914.25	5,644,914.25	USA	No	3.250	4.250	1.000	10/10/2018	3.274	Floating
Renaissance Learning, Inc.	New 1st Lien Term Loan (0.25%)	997,474.75	997,474.75	USA	No	3.500	4.500	1.000	4/9/2021	5.771	Floating
RP Crown Parent, LLC	2013 Term Loan (1.24%)	4,970,278.94	4,970,278.94	USA	No	5.000	6.000	1.000	12/21/2018	3.472	Floating
RPI Finance Trust	Term Loan B3 (0.48%)	1,906,147.25	1,906,147.25	USA	No	2.500	3.250	0.750	11/9/2018	3.357	Floating
	Term Loan B4 (0.57%)	2,268,593.31	2,268,593.31	USA	No	2.750	3.500	0.750	11/9/2020	5.358	Floating
Sabre, Inc.	Term Loan B (0.24%)	957,633.59	957,633.59	USA	No	3.000	4.000	1.000	2/19/2019	3.636	Floating
Samchully Midstream 3 LLC	Term Loan B (0.74%)	2,961,305.17	2,961,305.17	USA	No	4.750	5.750	1.000	10/20/2021	6.303	Floating
SBA Senior Finance II LLC	Term Loan B1 (0.51%)	2,059,414.20	2,059,414.20	USA	No	2.500	3.250	0.750	3/24/2021	5.728	Floating
Seadrill Partners Finco LLC	Term Loan B (0.50%)	1,994,936.71	1,994,936.71	USA	No	3.000	4.000	1.000	2/21/2021	5.643	Floating
SeaWorld Parks & Entertainment, Inc.	Term Loan B2 (0.72%)	2,879,966.84	2,879,966.84	USA	No	2.250	3.000	0.750	5/14/2020	4.868	Floating
Sedgwick Claims Management Services, Inc.	1st Lien Term Loan (0.49%)	1,975,000.00	1,975,000.00	USA	No	2.750	3.750	1.000	3/1/2021	5.665	Floating
	2nd Lien Term Loan (0.17%)	692,094.21	692,094.21	USA	No	5.750	6.750	1.000	2/28/2022	6.661	Floating
Select Medical Corporation	Series E Term Loan B (0.11%)	428,549.57	428,549.57	USA	No	1.750	2.750	1.000	6/1/2018	2.916	Floating
Shearer's Foods, Inc.	1st Lien Term Loan (0.50%)	1,985,000.01	1,985,000.01	USA	No	3.500	4.500	1.000	6/30/2021	5.996	Floating
	2nd Lien Term Loan (0.25%)	1,000,000.00	1,000,000.00	USA	No	6.750	7.750	1.000	6/30/2022	6.995	Floating
Ship US Bidco, Inc.	Term Loan B2A (0.25%)	1,000,000.00	1,000,000.00	USA	No	4.000	5.250	1.250	11/30/2019	4.413	Floating
	Term Loan C2 (0.09%)	362,604.74	362,604.74	USA	No	3.500	4.750	1.250	11/29/2019	4.411	Floating
	USD Add On Term Loan (0.15%)	586,803.93	586,803.93	USA	No	3.500	4.500	1.000	11/30/2019	4.413	Floating
Silver II US Holdings, LLC	Term Loan (0.42%)	1,661,492.54	1,661,492.54	USA	No	3.000	4.000	1.000	12/13/2019	4.449	Floating
Sinclair Television Group Inc.	Term Loan B (1.23%)	4,912,229.94	4,912,229.94	USA	No	2.250	3.000	0.750	4/9/2020	4.772	Floating
SkillSoft Corporation	1st Lien Term Loan (0.50%)	1,985,000.00	1,985,000.00	USA	No	4.750	5.750	1.000	4/28/2021	5.823	Floating
Southcross Energy Partners, L.P.	1st Lien Term Loan (0.62%)	2,470,978.46	2,470,978.46	USA	No	4.250	5.250	1.000	8/4/2021	6.092	Floating

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
Southcross Holdings Borrower LP	Term Loan B (0.18%)	731,847.21	731,847.21	USA	No	5.000	6.000	1.000	8/4/2021	6.092	Floating
Southeast PowerGen, LLC	Term Loan B (0.12%)	481,097.80	481,097.80	USA	No	3.500	4.500	1.000	12/2/2021	6.420	Floating
Southern Graphics, Inc.	New Term Loan B (0.23%)	925,000.00	925,000.00	USA	No	3.250	4.250	1.000	10/17/2019	4.293	Floating
Spectrum Brands, Inc.	USD Term Loan (0.79%)	3,175,712.84	3,175,712.84	USA	No	3.000	3.750	0.750	6/9/2022	6.938	Floating
Spencer Gifts LLC	2nd Lien Term Loan (0.25%)	1,000,000.00	1,000,000.00	USA	No	8.250	9.250	1.000	11/12/2021	6.366	Floating
	Term Loan B1 (0.78%)	3,139,210.69	3,139,210.69	USA	No	3.250	4.250	1.000	6/12/2021	5.947	Floating
Springer Science+Business Media Deutschland GmbH	USD Term Loan B9 (0.45%)	1,791,808.31	1,791,808.31	DEU	No	3.750	4.750	1.000	8/14/2020	5.120	Floating
SS&C Technologies Inc.	2015 Term Loan B1 (0.35%)	1,410,245.59	1,410,245.59	USA	No	3.250	4.000	0.750	6/23/2022	6.976	Floating
	2015 Term Loan B2 (0.08%)	317,692.69	317,692.69	USA	No	3.250	4.000	0.750	6/23/2022	6.976	Floating
Staples, Inc.	Term Loan B (0.41%)	1,633,543.66	1,633,543.66	USA	No	2.750	3.500	0.750	4/7/2021	5.766	Floating
Star West Generation LLC	New Term Loan B (0.13%)	510,776.09	510,776.09	USA	No	3.250	4.250	1.000	3/13/2020	4.698	Floating
Steinway Musical Instruments, Inc.	1st Lien Term Loan (0.76%)	3,056,715.48	3,056,715.48	USA	No	3.750	4.750	1.000	9/19/2019	4.216	Floating
Sterigenics-Nordion Holdings, LLC	Term Loan B (0.15%)	615,296.80	615,296.80	USA	No	3.250	4.250	1.000	5/15/2022	6.869	Floating
STS Operating, Inc.	Term Loan (0.19%)	769,820.22	769,820.22	USA	No	3.750	4.750	1.000	2/12/2021	5.618	Floating
Syniverse Holdings, Inc.	Delayed Draw Term Loan (0.25%)	1,000,000.00	1,000,000.00	USA	No	3.000	4.000	1.000	4/23/2019	3.808	Floating
TCH-2 Holding, LLC	1st Lien Term Loan (0.13%)	513,360.23	513,360.23	USA	No	4.500	5.500	1.000	5/6/2021	5.845	Floating
Tecomet Inc.	1st Lien Term Loan (0.25%)	995,000.00	995,000.00	USA	No	4.750	5.750	1.000	12/5/2021	6.428	Floating
Telecommunications Management, LLC	1st Lien Term Loan (0.05%)	195,758.36	195,758.36	USA	No	3.750	4.750	1.000	4/30/2020	4.830	Floating
Telesat Canada	USD Term Loan B2 (0.25%)	989,873.41	989,873.41	CAN	No	2.750	3.500	0.750	3/28/2019	3.737	Floating
The Talbots, Inc.	1st Lien Term Loan (0.25%)	997,474.75	997,474.75	USA	No	4.500	5.500	1.000	3/19/2020	4.715	Floating
TMS International Corp.	New Term Loan B (0.08%)	333,991.95	333,991.95	USA	No	3.500	4.500	1.000	10/16/2020	5.292	Floating
Total Merchant Services, Inc.	Term Loan (0.35%)	1,391,366.28	1,391,366.28	USA	No	5.500	6.500	1.000	12/5/2020	5.429	Floating

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
TPF II Power, LLC	Term Loan B (0.56%)	2,240,343.40	2,240,343.40	USA	No	4.500	5.500	1.000	10/2/2021	6.253	Floating
Travelport Finance (Luxembourg) S.a.r.l.	2014 Term Loan B (0.90%)	3,590,715.38	3,590,715.38	LUX	No	4.750	5.750	1.000	9/2/2021	6.171	Floating
Triple Point Technology, Inc.	1st Lien Term Loan (0.24%)	951,760.28	951,760.28	USA	No	4.250	5.250	1.000	7/10/2020	5.024	Floating
Tronox Pigments (Netherlands) B.V.	2013 Term Loan (0.16%)	627,901.85	627,901.85	NLD	No	3.250	4.250	1.000	3/19/2020	4.715	Floating
U.S. Farathane, LLC	Term Loan B (0.19%)	755,859.41	755,859.41	USA	No	5.750	6.750	1.000	12/23/2021	6.478	Floating
U.S. Security Holdings, Inc.	Delayed Draw Term Loan (0.06%)	247,522.68	247,522.68	USA	No	5.000	6.250	1.250	7/28/2017	2.073	Floating
	New Term Loan (0.44%)	1,742,150.72	1,742,150.72	USA	No	5.000	6.250	1.250	7/28/2017	2.073	Floating
UCI International, Inc.	New Term Loan B (0.08%)	308,137.05	308,137.05	USA	No	4.000	5.500	1.500	7/26/2017	2.067	Floating
Unifrax Corporation	New Term Loan (0.10%)	415,336.63	415,336.63	USA	No	3.250	4.250	1.000	11/28/2018	3.409	Floating
Univar Inc.	2015 Term Loan (0.37%)	1,499,714.65	1,499,714.65	USA	No	3.250	4.250	1.000	7/1/2022	6.998	Floating
Univision Communications Inc.	Term Loan C3 (0.49%)	1,954,438.24	1,954,438.24	USA	No	3.000	4.000	1.000	3/1/2020	4.665	Floating
UPC Financing Partnership	USD Term Loan AH (1.00%)	4,000,000.00	4,000,000.00	USA	No	2.500	3.250	0.750	6/30/2021	5.996	Floating
USI, Inc.	Term Loan B (0.33%)	1,332,126.37	1,332,126.37	USA	No	3.250	4.250	1.000	12/27/2019	4.487	Floating
USIC Holdings, Inc.	1st Lien Term Loan (0.20%)	803,459.76	803,459.76	USA	No	3.000	4.000	1.000	7/10/2020	5.024	Floating
UTEX Industries Inc.	1st Lien Term loan 2014 (0.13%)	532,273.22	532,273.22	USA	No	4.000	5.000	1.000	5/22/2021	5.889	Floating
Valeant Pharmaceuticals International	Term Loan B F1 (0.50%)	1,995,000.00	1,995,000.00	USA	No	3.250	4.000	0.750	4/1/2022	6.749	Floating
Vantage Specialty Chemicals, Inc.	Term Loan B (0.71%)	2,833,951.97	2,833,951.97	USA	No	3.750	5.000	1.250	2/10/2019	3.611	Floating
VFH Parent LLC	Extended Term Loan (0.86%)	3,435,605.08	3,435,605.08	USA	No	4.000	5.250	1.250	11/6/2019	4.348	Floating
ViaWest, Inc.	Term Loan B (0.15%)	585,398.31	585,398.31	USA	No	3.500	4.500	1.000	3/11/2022	6.691	Floating
Visteon Corporation	Delayed Draw Term Loan B (0.29%)	1,166,666.66	1,166,666.66	USA	No	2.750	3.500	0.750	4/9/2021	5.771	Floating
Vogue International Inc.	Term Loan (0.63%)	2,530,060.05	2,530,060.05	USA	No	4.750	5.750	1.000	2/14/2020	4.621	Floating
W/S Packaging Group, Inc.	Term Loan B (0.19%)	758,713.23	758,713.23	USA	No	4.000	5.000	1.000	8/9/2019	4.104	Floating

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
Washington Inventory Service	US Term Loan (0.09%)	367,377.37	367,377.37	USA	No	4.500	5.750	1.250	12/20/2018	3.469	Floating
Wastequip, LLC	Term Loan (0.22%)	875,047.23	875,047.23	USA	No	4.500	5.500	1.000	8/9/2019	4.104	Floating
Wausau Paper Corp.	Term Loan (0.36%)	1,421,868.76	1,421,868.76	USA	No	5.500	6.500	1.000	7/30/2020	5.079	Floating
WCA Waste Corporation	Term Loan (0.71%)	2,833,104.69	2,833,104.69	USA	No	3.000	4.000	1.000	3/23/2018	2.724	Floating
West Corporation	Term Loan B10 (0.85%)	3,410,655.22	3,410,655.22	USA	No	2.500	3.250	0.750	6/30/2018	2.995	Floating
Wilsonart LLC	Term Loan B (0.24%)	975,001.14	975,001.14	USA	No	3.000	4.000	1.000	10/31/2019	4.331	Floating
Windstream Corporation	Term Loan B5 (0.73%)	2,918,062.48	2,918,062.48	USA	No	2.750	3.500	0.750	8/8/2019	4.101	Floating
Bank Loan Obligations:			396,281,521.84	99.05% (CPA)							

Collateral Obligations - Bond Obligations

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
There currently are no Bond Obligations											

Collateral Obligations - Structured Finance Obligations

Issuer Name	Facility Name / Ticker	Par Balance Deal Currency	Principal Balance	Country	Bridge Loan	Spread	Coupon	Libor Floor	Maturity Date	Life to Maturity	Coupon Type
There currently are no Structured Finance Obligations											

Collateral Obligations - Equity Securities

Issuer Name	Facility Name / Ticker	Shares
There currently are no Equity Securities		

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
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Expense Reserve Account

06/10/2015	06/10/2015	Transfer From Interest to Expense Reserve	Transfer In	818,255.77
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Expense Reserve Account Transactions:	818,255.77
June 04, 2015 Beginning Balance:	0.00
July 03, 2015 Ending Balance:	818,255.77

Interest Account

06/03/2015	06/04/2015	Midcontinent Communications-New TLB	LIBOR Interest	5,606.45
06/03/2015	06/04/2015	PowerTeam Services, LLC-1st Ln TL	Amendment Fee	301.04
06/03/2015	06/04/2015	PowerTeam Services, LLC-DDTL	Amend Fee	16.12
06/03/2015	06/04/2015	Prepayment Fee Transfer (Websence)	Transfer Out	(10,682.59)
06/05/2015	06/05/2015	Alliance Healthcare Services, Inc.-New TLB	LIBOR Interest	3,819.93
06/05/2015	06/05/2015	Alliance Laundry Systems LLC-NTL	LIBOR Interest	23.12
06/05/2015	06/05/2015	Hubbard Radio, LLC-TL	Markit Fee	(15.71)
06/05/2015	06/05/2015	Sterigenics-Nordion Holdings, LLC-TLB	Markit Fee	(9.17)
06/05/2015	06/05/2015	Tecomet Inc.-1st Ln TL	LIBOR Interest	14,657.70
06/05/2015	06/05/2015	Virgin Media Bristol LLC-TL B	OID Fee	20,199.64
06/05/2015	06/08/2015	Bass Pro Group, LLC-NTL	LIBOR Interest	7,658.82
06/08/2015	06/08/2015	BWAY Holding Company, Inc.-New TLB	LIBOR Interest	381.94
06/09/2015	06/09/2015	At Home Holding III Inc.-TL	Markit Fee	(6.11)
06/09/2015	06/09/2015	Cequel Communications, LLC-TLB	Amendment Fee	13,915.43
06/08/2015	06/09/2015	Cequel Communications, LLC-TLB	LIBOR Interest	29,783.55
06/09/2015	06/09/2015	NOTE PAYMENT - INTEREST	Transfer Out	(588,242.43)
06/09/2015	06/10/2015	Note Payment Transfer to Interest	Transfer In	588,242.43
06/09/2015	06/10/2015	Transfer From Interest to Expense Reserve	Transfer Out	(818,255.77)
06/10/2015	06/11/2015	EMI Music Publishing Limited-TLB	LIBOR Interest	11,114.96
06/10/2015	06/11/2015	Polarpak Inc.-USD 1st Ln CAD	LIBOR Interest	2,421.54
06/11/2015	06/11/2015	Vantage Specialty Chemicals, Inc.-TLB	Markit Fee	(11.00)
06/11/2015	06/11/2015	Vantage Specialty Chemicals, Inc.-TLB	Cost of Carry	(25.86)
06/10/2015	06/11/2015	WNA Holdings Inc.-USD 1st Ln	LIBOR Interest	943.27
06/12/2015	06/12/2015	Bayonne Energy Center, LLC-TLB	LIBOR Interest	238.12
06/11/2015	06/12/2015	McJunkin Red Man Corporation-NTL	Prime Interest	1,388.63
06/11/2015	06/12/2015	McJunkin Red Man Corporation-NTL	Amendment Fee	1,326.48
06/12/2015	06/12/2015	National Surgical Hospitals, Inc.-TL	Markit Fee	(11.00)

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/11/2015	06/12/2015	Vantage Specialty Chemicals, Inc.-TLB	Delayed Compensation	711.86
06/12/2015	06/12/2015	Visteon Corporation-DDTL B	LIBOR Interest	15,438.88
06/11/2015	06/12/2015	Visteon Corporation-DDTL B	Consent Fee	2,916.66
06/12/2015	06/15/2015	Endo Luxembourg Finance Company I S.a r.l.-TL B	Amendment Fee	2,167.17
06/15/2015	06/15/2015	Houghton Mifflin Harcourt Publishing Company-TL	Markit Fee	(5.50)
06/15/2015	06/15/2015	Unifrax Corporation-NTL	LIBOR Interest	806.11
06/15/2015	06/16/2015	Alliance Healthcare Services, Inc.-New TLB	LIBOR Interest	3,111.35
06/16/2015	06/16/2015	Brock Holdings III, Inc.-New TLB	Markit Fee	(19.00)
06/15/2015	06/16/2015	Milacron LLC-TLB	LIBOR Interest	943.57
06/16/2015	06/16/2015	United Surgical Partners International Inc.-Inc. TL	LIBOR Interest	5,838.28
06/16/2015	06/17/2015	Goodyear Tire & Rubber Company (The)-2nd Lien TL	LIBOR Interest	8,906.25
06/17/2015	06/17/2015	MD America Energy, LLC-2nd Ln TL	Loan Closing Fee	2,500.00
06/17/2015	06/17/2015	Shearer's Foods, Inc.-2nd Ln TL	Markit Fee	(19.00)
06/17/2015	06/17/2015	Windstream Corporation-TL B5	LIBOR Interest	8,511.01
06/18/2015	06/18/2015	Brickman Group Ltd. LLC-2nd Ln TL	LIBOR Interest	2,537.16
06/17/2015	06/18/2015	Phillips-Van Heusen Corporation-TLB	LIBOR Interest	44.26
06/18/2015	06/18/2015	Renaissance Learning, Inc.-N1st Lien TL	Markit Fee	(19.00)
06/18/2015	06/18/2015	Seadrill Partners Finco LLC-TLB	Markit Fee	(19.00)
06/18/2015	06/18/2015	Southcross Energy Partners, L.P.-1st Lien	Markit Fee	(19.00)
06/18/2015	06/18/2015	The Talbots, Inc.-1st Ln TL	Markit Fee	(19.00)
06/18/2015	06/18/2015	TMS International Corp.-New TLB	LIBOR Interest	1,294.21
06/19/2015	06/19/2015	Freescale Semiconductor, Inc.-TL B4	Markit Fee	(19.00)
06/19/2015	06/19/2015	Royal Adhesives and Sealants, LLC-1st Ln TL	LIBOR Interest	1,262.30
06/18/2015	06/19/2015	Southcross Holdings Borrower LP-TLB	LIBOR Interest	11,249.99
06/22/2015	06/22/2015	Bass Pro Group, LLC-2015 TL	Markit Fee	(5.50)
06/19/2015	06/22/2015	Freescale Semiconductor, Inc.-TL B4	Cost of Carry	56.73
06/19/2015	06/22/2015	Freescale Semiconductor, Inc.-TL B4	delayed compensation	(1,298.61)
06/22/2015	06/22/2015	Physio-Control International, Inc.-1st Ln TL	Markit Fee	(10.00)
06/23/2015	06/23/2015	Fieldwood Energy LLC-1st Ln TL	delayed compensation	538.19
06/23/2015	06/23/2015	Fieldwood Energy LLC-1st Ln TL	Markit Fee	(19.00)
06/23/2015	06/23/2015	Fieldwood Energy LLC-1st Ln TL	Cost of Carry	(24.79)
06/23/2015	06/23/2015	Southcross Energy Partners, L.P.-1st Lien	Markit Fee	(19.00)
06/23/2015	06/23/2015	Washington Inventory Service-US TL	LIBOR Interest	5,394.58

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/24/2015	06/24/2015	Apex Tool Group, LLC-TL B	delayed compensation	750.00
06/24/2015	06/24/2015	Apex Tool Group, LLC-TL B	Markit Fee	(19.00)
06/24/2015	06/24/2015	Apex Tool Group, LLC-TL B	Cost of Carry	(30.88)
06/24/2015	06/24/2015	First Data Corporation-Ext 2021 TL	LIBOR Interest	3,371.04
06/24/2015	06/24/2015	First Data Corporation-NEW 2018 TL	LIBOR Interest	20,777.89
06/24/2015	06/24/2015	Fullbeauty Brands, Inc.-N1st Lien TL	LIBOR Interest	28,777.12
06/24/2015	06/24/2015	ON Assignment, Inc.-TL	Markit Fee	(6.88)
06/23/2015	06/24/2015	PRA Holdings, Inc.-N1st Lien TL	LIBOR Interest	27,367.72
06/24/2015	06/24/2015	Visteon Corporation-DDTL B	LIBOR Interest	1,361.11
06/24/2015	06/25/2015	Hanesbrands, Inc.-TLB	LIBOR Interest	1,140.75
06/22/2015	06/25/2015	Milacron LLC-TLB	LIBOR Interest	254.03
06/25/2015	06/25/2015	Univision Communications Inc.-TL	LIBOR Interest	15.56
06/26/2015	06/26/2015	DynCorp International LLC-T/L B	LIBOR Interest	18,347.26
06/26/2015	06/26/2015	Jonah Energy LLC-2nd Ln TL	LIBOR Interest	10,639.52
06/26/2015	06/26/2015	Quikrete Holdings, Inc.-2nd Ln TL	LIBOR Interest	2,732.66
06/26/2015	06/26/2015	Wastequip, LLC-TL	LIBOR Interest	4,154.89
06/29/2015	06/29/2015	Delta Air Lines, Inc.-New TLB	LIBOR Interest	964.09
06/29/2015	06/29/2015	Hubbard Radio, LLC-TL	LIBOR Interest	5,296.62
06/26/2015	06/29/2015	Landry's, Inc.-TL B	LIBOR Interest	4,156.55
06/29/2015	06/29/2015	Quikrete Holdings, Inc.-2nd Ln TL	LIBOR Interest	4,725.12
06/29/2015	06/29/2015	Rexnord LLC-1st Ln TLB	LIBOR Interest	2,472.93
06/29/2015	06/29/2015	Spencer Gifts LLC-TLB	Amendment/Waiver Fee	2,848.03
06/30/2015	06/30/2015	Alison Bidco S.a.r.l.-1st Ln TL	LIBOR Interest	9,865.19
06/30/2015	06/30/2015	Alison Bidco S.a.r.l.-USD 1st B2	LIBOR Interest	9,865.19
06/30/2015	06/30/2015	Alliant Techsystems Inc.-TLB	LIBOR Interest	4,909.38
06/30/2015	06/30/2015	Allnex (Luxembourg) & Cy S.C.A.-TL B	LIBOR Interest	2.03
06/30/2015	06/30/2015	Allnex USA, Inc.-TL B2	LIBOR Interest	1.05
06/30/2015	06/30/2015	Amsurg Corp.-1st Ln TLB	LIBOR Interest	7,166.61
06/30/2015	06/30/2015	AmWINS Group, LLC-NTL	LIBOR Interest	1,389.89
06/30/2015	06/30/2015	Arch Coal Inc.-TL B	LIBOR Interest	46,094.23
06/30/2015	06/30/2015	Asurion LLC-New TLB1	LIBOR Interest	72,333.82
06/30/2015	06/30/2015	Atlantic Aviation FBO Inc.-TLB	LIBOR Interest	766.47
06/30/2015	06/30/2015	Avantor Performance Materials Holdings, Inc.-TLB	LIBOR Interest	4,600.49

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/30/2015	06/30/2015	Axiall Holdco, Inc.-TLB	LIBOR Interest	3,145.84
06/30/2015	06/30/2015	BATS Global Markets, Inc.-2015 TL	LIBOR Interest	2,707.86
06/30/2015	06/30/2015	BATS Global Markets, Inc.-TL B2	LIBOR Interest	4,375.17
06/30/2015	06/30/2015	Belfor USA Group, Inc.-TLB	LIBOR Interest	2,606.64
06/30/2015	06/30/2015	Berry Plastics Holding Corporation-TLD	LIBOR Interest	24.30
06/30/2015	06/30/2015	Blue Buffalo Company, Ltd.-TL B3	LIBOR Interest	9,243.78
06/30/2015	06/30/2015	Brock Holdings III, Inc.-New TLB	LIBOR Interest	2,333.33
06/30/2015	06/30/2015	BWAY Holding Company, Inc.-New TLB	LIBOR Interest	12.98
06/30/2015	06/30/2015	Calpine Corporation-T/L B3	LIBOR Interest	9,708.20
06/30/2015	06/30/2015	Capital Automotive L.P.-2nd Lien TL	LIBOR Interest	2,728.46
06/30/2015	06/30/2015	Capital Automotive L.P.-New TLB	LIBOR Interest	4,902.42
06/30/2015	06/30/2015	Caraustar Industries, Inc.-TL B	LIBOR Interest	5,987.29
06/30/2015	06/30/2015	CareCore National, LLC-TLB	LIBOR Interest	2,151.82
06/30/2015	06/30/2015	Carros Finance Luxembourg S.a.r.l.-1st Ln TL	LIBOR Interest	15,853.86
06/30/2015	06/30/2015	CCC Information Services, Inc.-TL	LIBOR Interest	6,221.35
06/30/2015	06/30/2015	Charter Communications Operating, LLC-TLF	LIBOR Interest	51,819.19
06/30/2015	06/30/2015	Chemours Company Co. (The)-TLB	LIBOR Interest	3,732.76
06/30/2015	06/30/2015	Chrysler Group LLC-New TLB	LIBOR Interest	9.91
06/30/2015	06/30/2015	CITGO Holding Inc.-TL	LIBOR Interest	32,718.02
06/30/2015	06/30/2015	Citgo Petroleum Corporation-New TLB	LIBOR Interest	36,297.94
06/30/2015	06/30/2015	Confie Seguros Holding II Co.-TL	LIBOR Interest	10,718.20
06/30/2015	06/30/2015	Confie Seguros Holding II Co.-TL	Prime Interest	5,041.51
06/30/2015	06/30/2015	Creganna-Tactx Medical-1st Ln TL	LIBOR Interest	12,849.73
06/30/2015	06/30/2015	Crown Castle Operating Company-TLB2	LIBOR Interest	15,264.25
06/30/2015	06/30/2015	Cumulus Media Holdings Inc.-2013 TL	LIBOR Interest	6,367.46
06/30/2015	06/30/2015	Cunningham Lindsey U.S. Inc.-1st Lien TL	LIBOR Interest	18,074.50
06/30/2015	06/30/2015	Cunningham Lindsey U.S. Inc.-2nd Ln TL	LIBOR Interest	3,645.45
06/30/2015	06/30/2015	DAE Aviation Holdings, Inc.-2nd Ln TL	LIBOR Interest	2,354.73
06/30/2015	06/30/2015	David's Bridal, Inc.-New TLB	LIBOR Interest	12,394.25
06/30/2015	06/30/2015	DaVita HealthCare Partners, Inc.-TLB	LIBOR Interest	3,144.95
06/30/2015	06/30/2015	Delos Finance Sarl-TL B	LIBOR Interest	10,917.56
06/30/2015	06/30/2015	Delta 2 (LUX) S.a.r.l.-USD TL B3	LIBOR Interest	157,671.39
06/30/2015	06/30/2015	Dexter Axle Company-NTL	LIBOR Interest	7,272.86

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Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/30/2015	06/30/2015	Doncasters Finance US LLC-TL	LIBOR Interest	15,080.11
06/30/2015	06/30/2015	Drumm Investors LLC-TL	LIBOR Interest	20,244.66
06/30/2015	06/30/2015	EFS Cogen Holdings I LLC-TLB	LIBOR Interest	5,577.78
06/30/2015	06/30/2015	EIF Channelview Cogeneration, LLC-TL B	LIBOR Interest	977.14
06/30/2015	06/30/2015	EIG Investors Corp.-2013 TL	LIBOR Interest	8.88
06/30/2015	06/30/2015	Emerald Performance Materials, LLC-N1st Lien TL	LIBOR Interest	2,337.86
06/30/2015	06/30/2015	Endo Luxembourg Finance Company I S.a r.l.-TL B	LIBOR Interest	2,504.29
06/30/2015	06/30/2015	Exopack Holdings S.A-TL B1	LIBOR Interest	2,381.13
06/30/2015	06/30/2015	Fairmount Minerals LTD-New TLB2	LIBOR Interest	11,327.49
06/30/2015	06/30/2015	FGI Operating Company, LLC-TL	LIBOR Interest	7,607.27
06/30/2015	06/30/2015	Fieldwood Energy LLC-1st Ln TL	LIBOR Interest	284.07
06/30/2015	06/30/2015	FPC Holdings, Inc.-1st Ln TL	LIBOR Interest	18,645.37
06/30/2015	06/30/2015	Freescale Semiconductor, Inc.-T/L B5	LIBOR Interest	20.13
06/30/2015	06/30/2015	Freescale Semiconductor, Inc.-TL B4	LIBOR Interest	22.19
06/30/2015	06/30/2015	Gardner Denver, Inc.-TL	LIBOR Interest	10,320.67
06/30/2015	06/30/2015	GENEX Holdings Inc.-2nd Lien TL	LIBOR Interest	22,118.05
06/30/2015	06/30/2015	Go Daddy Operating Company, LLC-New TLB	LIBOR Interest	22,148.75
06/30/2015	06/30/2015	Grifols Worldwide Operations USA, Inc.-T/L B	LIBOR Interest	14,589.30
06/30/2015	06/30/2015	GXS Group, Inc.-TLB	LIBOR Interest	12,955.68
06/30/2015	06/30/2015	Hargray Communications Group, Inc.-TLB	LIBOR Interest	14,013.56
06/30/2015	06/30/2015	HCA Inc.-Extnd TL B4	LIBOR Interest	7,532.82
06/30/2015	06/30/2015	Headwaters, Incorporated-TL B	LIBOR Interest	4,202.87
06/30/2015	06/30/2015	Hoffmaster Group, Inc.-N1st Lien TL	LIBOR Interest	18,136.58
06/29/2015	06/30/2015	Houghton Mifflin Harcourt Publishing Company-TL	LIBOR Interest	1,555.55
06/30/2015	06/30/2015	Immucor, Inc.-Refi TL B2	LIBOR Interest	61,309.27
06/30/2015	06/30/2015	INA Beteiligungsgesellschaft mbH-USD TLB	LIBOR Interest	7,555.55
06/30/2015	06/30/2015	Infor (US), Inc.-TL B3	LIBOR Interest	8,121.26
06/30/2015	06/30/2015	Infor (US), Inc.-USD TL B5	LIBOR Interest	16,489.99
06/30/2015	06/30/2015	Intertrust Group Holding B.V.-USD 2nd Lien	LIBOR Interest	18,600.94
06/30/2015	06/30/2015	Intertrust Group Holding B.V.-USD TL B	LIBOR Interest	6,610.13
06/30/2015	06/30/2015	Jacobs Entertainment, Inc.-N1st Lien TL	LIBOR Interest	11,973.53
06/30/2015	06/30/2015	Jarden Corporation-Add B1	LIBOR Interest	2,128.87
06/30/2015	06/30/2015	Joerns Healthcare LLC-2020 TL	LIBOR Interest	34,564.84

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Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/30/2015	06/30/2015	Kasima, LLC-New TLB	LIBOR Interest	9,483.84
06/30/2015	06/30/2015	Kenan Advantage Group, Inc.-TLD	LIBOR Interest	1,615.56
06/30/2015	06/30/2015	Live Nation Entertainment, Inc.-New TLB	LIBOR Interest	29,779.13
06/30/2015	06/30/2015	M/A-COM Technology Solutions Holdings, Inc.-TL	LIBOR Interest	44.58
06/30/2015	06/30/2015	Manitowoc Company, Inc. (The)-2013 TL	LIBOR Interest	2,105.50
06/30/2015	06/30/2015	Marine Acquisition Corp.-NEW TL B	LIBOR Interest	2,056.48
06/30/2015	06/30/2015	McJunkin Red Man Corporation-NTL	LIBOR Interest	4,675.56
06/30/2015	06/30/2015	McJunkin Red Man Corporation-NTL	Prime Interest	1,504.00
06/30/2015	06/30/2015	Metal Services LLC-TLB	LIBOR Interest	19,113.50
06/30/2015	06/30/2015	Milacron LLC-TLB	LIBOR Interest	290.32
06/30/2015	06/30/2015	MIP Delaware, LLC-TL	LIBOR Interest	6,766.84
06/30/2015	06/30/2015	Mirror Bidco Corp.-NTL	LIBOR Interest	21,005.35
06/30/2015	06/30/2015	Mission Broadcasting, Inc.-TLB2	LIBOR Interest	1,554.65
06/30/2015	06/30/2015	Moneygram International, Inc-TLB	LIBOR Interest	7,382.11
06/30/2015	06/30/2015	NAB Holdings LLC-NTL	LIBOR Interest	16,843.31
06/30/2015	06/30/2015	National Financial Partners Corp.-New TLB	LIBOR Interest	22,409.96
06/30/2015	06/30/2015	Nexstar Broadcasting, Inc.-TLB2	LIBOR Interest	1,763.00
06/30/2015	06/30/2015	NN, Inc.-TLB	LIBOR Interest	25,310.50
06/30/2015	06/30/2015	NRG Energy, Inc.-Add on TLB	LIBOR Interest	13,624.72
06/30/2015	06/30/2015	Nuance Communications, Inc.-TL C	LIBOR Interest	6,419.00
06/30/2015	06/30/2015	Offshore Group Investment Ltd-New TLB	LIBOR Interest	9,049.44
06/30/2015	06/30/2015	Offshore Group Investment Ltd-TLB	LIBOR Interest	20,746.97
06/30/2015	06/30/2015	Omnova Solutions Inc.-TL	LIBOR Interest	10,988.15
06/30/2015	06/30/2015	Orbitz Worldwide Inc.-TL B	LIBOR Interest	2,126.69
06/30/2015	06/30/2015	Ozburn-Hessey Holding Company, LLC-NTL	Prime Interest	28.40
06/30/2015	06/30/2015	Paragon Offshore Finance Company-TLB	LIBOR Interest	3,788.74
06/30/2015	06/30/2015	Performance Food Group Company-2nd Lien TL	LIBOR Interest	19,993.82
06/30/2015	06/30/2015	Phillips-Van Heusen Corporation-TLB	LIBOR Interest	3,665.48
06/30/2015	06/30/2015	Pilot Travel Centers LLC-2014 TLB	LIBOR Interest	1,780.31
06/30/2015	06/30/2015	Pinnacle Foods Finance LLC-Incrmntl H	LIBOR Interest	9,992.49
06/30/2015	06/30/2015	Pinnacle Operating Corp.-TL	LIBOR Interest	8,234.17
06/30/2015	06/30/2015	Ply Gem Industries, Inc.-TL	LIBOR Interest	6,723.01
06/30/2015	06/30/2015	PowerTeam Services, LLC-1st Ln TL	LIBOR Interest	4,312.14

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Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/30/2015	06/30/2015	PowerTeam Services, LLC-DDTL	LIBOR Interest	230.83
06/30/2015	06/30/2015	PRA Holdings, Inc.-N1st Lien TL	LIBOR Interest	43.74
06/30/2015	06/30/2015	RP Crown Parent, LLC-2013 TL	LIBOR Interest	75,573.89
06/30/2015	06/30/2015	RPI Finance Trust-T/L B3	LIBOR Interest	15,699.37
06/30/2015	06/30/2015	RPI Finance Trust-TL B4	LIBOR Interest	10,613.36
06/30/2015	06/30/2015	Sabre, Inc.-TLB	LIBOR Interest	9,707.56
06/30/2015	06/30/2015	Samchully Midstream 3 LLC-TLB	LIBOR Interest	43,149.89
06/30/2015	06/30/2015	SBA Senior Finance II LLC-TL B1	LIBOR Interest	16,961.37
06/30/2015	06/30/2015	Seadrill Partners Finco LLC-TLB	LIBOR Interest	2,666.66
06/30/2015	06/30/2015	SeaWorld Parks & Entertainment, Inc.-TL B	LIBOR Interest	14,678.05
06/30/2015	06/30/2015	Sedgwick Claims Management Services, Inc.-1st Ln TL	LIBOR Interest	18,768.75
06/30/2015	06/30/2015	Sedgwick Claims Management Services, Inc.-2nd Ln TL	LIBOR Interest	11,808.85
06/30/2015	06/30/2015	Select Medical Corporation-Ser E TL B	Prime Interest	5.29
06/30/2015	06/30/2015	Shearer's Foods, Inc.-1st Ln TL	LIBOR Interest	22,636.25
06/30/2015	06/30/2015	Shearer's Foods, Inc.-2nd Ln TL	LIBOR Interest	2,798.61
06/30/2015	06/30/2015	Silver II US Holdings, LLC-TL	LIBOR Interest	16,984.14
06/30/2015	06/30/2015	Sinclair Television Group Inc.-TLB	LIBOR Interest	13,132.71
06/30/2015	06/30/2015	Southcross Holdings Borrower LP-TLB	LIBOR Interest	3.69
06/30/2015	06/30/2015	Southeast PowerGen, LLC-TLB	LIBOR Interest	5,486.23
06/30/2015	06/30/2015	Southern Graphics, Inc.-New TLB	LIBOR Interest	9,848.76
06/29/2015	06/30/2015	Spencer Gifts LLC-TLB	LIBOR Interest	10,268.71
05/01/2015	06/30/2015	Spencer Gifts LLC-TLB	Process Receivable	1,740.46
06/30/2015	06/30/2015	STS Operating, Inc.-TL	Prime Interest	15.69
06/30/2015	06/30/2015	TCH-2 Holding, LLC-1st Ln TL	LIBOR Interest	2,515.93
06/30/2015	06/30/2015	Tecomet Inc.-1st Ln TL	Prime Interest	11.98
06/30/2015	06/30/2015	The Talbots, Inc.-1st Ln TL	LIBOR Interest	1,833.33
06/30/2015	06/30/2015	Total Merchant Services, Inc.-TL	LIBOR Interest	22,918.36
06/30/2015	06/30/2015	TPF II Power, LLC-TL B	LIBOR Interest	31,225.25
06/30/2015	06/30/2015	Triple Point Technology, Inc.-1st Ln TL	LIBOR Interest	12,951.12
06/30/2015	06/30/2015	Tronox Pigments (Netherlands) B.V.-2013 TL	LIBOR Interest	6,758.41
06/30/2015	06/30/2015	U.S. Farathane, LLC-TLB	LIBOR Interest	14,222.14
06/30/2015	06/30/2015	UCI International, Inc.-New TLB	LIBOR Interest	25.13
06/30/2015	06/30/2015	Unifrax Corporation-NTL	LIBOR Interest	4,475.72

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/30/2015	06/30/2015	Univision Communications Inc.-TL	LIBOR Interest	6,949.11
06/30/2015	06/30/2015	USIC Holdings, Inc.-TL	LIBOR Interest	8,144.59
06/30/2015	06/30/2015	Valeant Pharmaceuticals International-TL B F1	LIBOR Interest	16.11
06/30/2015	06/30/2015	Vantage Specialty Chemicals, Inc.-TLB	LIBOR Interest	11,471.22
06/30/2015	06/30/2015	VFH Parent LLC-Ext TL	LIBOR Interest	46,629.13
06/30/2015	06/30/2015	Vogue International Inc.-TL	LIBOR Interest	12,964.15
06/30/2015	06/30/2015	Wall Street Systems Delaware, Inc.-TLB	LIBOR Interest	6,762.22
06/30/2015	06/30/2015	Wastequip, LLC-TL	LIBOR Interest	1.36
06/30/2015	06/30/2015	WCA Waste Corporation-TL	LIBOR Interest	34.16
06/30/2015	06/30/2015	West Corporation-TL B10	LIBOR Interest	27,711.57
06/30/2015	06/30/2015	Wilsonart LLC-TL	LIBOR Interest	9,883.62
06/30/2015	06/30/2015	Windstream Corporation-TL B5	LIBOR Interest	30.96
06/30/2015	06/30/2015	WireCo WorldGroup, Inc.-NTL	LIBOR Interest	5,315.41
06/30/2015	07/01/2015	24 Hour Fitness Worldwide, Inc.-New TLB	LIBOR Interest	23,833.78
06/30/2015	07/01/2015	ADMI Corp.-TLB	LIBOR Interest	540.02
06/30/2015	07/01/2015	Alliance Laundry Systems LLC-NTL	Prime Interest	7.73
06/30/2015	07/01/2015	Aquilex Holdings LLC-NTL	LIBOR Interest	4,173.13
06/30/2015	07/01/2015	Aquilex Holdings LLC-NTL	Prime Interest	4.44
06/30/2015	07/01/2015	Astoria Energy LLC-TLB	LIBOR Interest	18,123.33
06/30/2015	07/01/2015	Bayonne Energy Center, LLC-TLB	LIBOR Interest	3,167.25
06/30/2015	07/01/2015	BioScrip, Inc.-DDTL	LIBOR Interest	1,501.56
06/30/2015	07/01/2015	BioScrip, Inc.-TLB	LIBOR Interest	2,502.60
06/30/2015	07/01/2015	Cequel Communications, LLC-TLB	LIBOR Interest	31.42
06/30/2015	07/01/2015	Consolidated Container Company LLC-NTL	LIBOR Interest	24,645.82
06/30/2015	07/01/2015	Container Store, Inc. (The)-New TLB	LIBOR Interest	9,512.75
06/30/2015	07/01/2015	CTI Foods Holding Co, LLC-N1st Lien TL	LIBOR Interest	28,010.93
06/30/2015	07/01/2015	DigitalGlobe, Inc.-New TLB	LIBOR Interest	1,382.14
06/30/2015	07/01/2015	Emdeon Business Services, LLC-TLB2	LIBOR Interest	27,805.69
06/30/2015	07/01/2015	Epiq Systems, Inc.-Inc T/L B	LIBOR Interest	2,937.52
06/30/2015	07/01/2015	Essential Power LLC-TLB	LIBOR Interest	11,904.80
06/30/2015	07/01/2015	Evertec Group, LLC-New TL B	LIBOR Interest	32.44
06/30/2015	07/01/2015	Fieldwood Energy LLC-1st Ln TL	LIBOR Interest	7,715.23
07/01/2015	07/01/2015	Freescale Semiconductor, Inc.-T/L B5	LIBOR Interest	8,187.50

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
07/01/2015	07/01/2015	Freescall Semiconductor, Inc.-TL B4	LIBOR Interest	8,974.05
06/30/2015	07/01/2015	Heartland Dental, LLC-1st Ln TL	LIBOR Interest	22,141.90
06/30/2015	07/01/2015	Houghton International, Inc.-New TLB	LIBOR Interest	4,821.66
06/30/2015	07/01/2015	Husky Injection Molding Systems Ltd.-2nd Ln TL	LIBOR Interest	6,513.96
06/30/2015	07/01/2015	Husky Injection Molding Systems Ltd.-2nd Ln TL	Process Receivable	0.99
06/30/2015	07/01/2015	Intelligrated, Inc.-1st Ln TL	LIBOR Interest	25,364.00
07/01/2015	07/01/2015	INTEREST INCOME-SHORT TERM AT BUY RATE9ICW MONTHLY SWEEP INTEREST	MANUAL ENTRY	1,647.15
06/30/2015	07/01/2015	Landry's, Inc.-TL B	LIBOR Interest	2.02
06/30/2015	07/01/2015	MCC Iowa LLC-TL H	LIBOR Interest	5,676.66
06/30/2015	07/01/2015	MH Sub I, LLC-1st Ln TL	LIBOR Interest	9,187.53
06/30/2015	07/01/2015	Midcontinent Communications-New TLB	Prime Interest	5.89
06/30/2015	07/01/2015	ON Assignment, Inc.-TL	LIBOR Interest	454.30
06/30/2015	07/01/2015	PFS Holding Corporation-1st Lien TL	LIBOR Interest	2,970.00
06/30/2015	07/01/2015	Polarpak Inc.-USD 1st Ln CAD	Prime Interest	1.61
06/30/2015	07/01/2015	Post Holdings Inc.-Ser INC A TL	LIBOR Interest	4.31
06/30/2015	07/01/2015	Prestige Brands, Inc.-T/L B3	LIBOR Interest	1,928.66
06/30/2015	07/01/2015	Protection One, Inc.-TL	LIBOR Interest	47,024.92
06/30/2015	07/01/2015	Quality Home Brands Holdings, LLC-1st Ln TL	LIBOR Interest	24,240.62
06/30/2015	07/01/2015	Radnet Management, Inc.-TLB	Prime Interest	1,383.64
06/30/2015	07/01/2015	Renaissance Learning, Inc.-N1st Lien TL	LIBOR Interest	1,500.00
06/30/2015	07/01/2015	Southcross Energy Partners, L.P.-1st Lien	LIBOR Interest	9,103.91
07/01/2015	07/01/2015	Spectrum Brands, Inc.-T/L	Markit Fee	(7.33)
06/30/2015	07/01/2015	Springer Science+Business Media Deutschland GmbH-USD TL	LIBOR Interest	11,139.50
06/30/2015	07/01/2015	Sterigenics-Nordion Holdings, LLC-TLB	LIBOR Interest	1,815.98
06/30/2015	07/01/2015	Telesat Canada-TLB	LIBOR Interest	8,780.02
06/30/2015	07/01/2015	U.S. Security Holdings, Inc.-DDTL	LIBOR Interest	3,920.61
06/30/2015	07/01/2015	U.S. Security Holdings, Inc.-New TL	LIBOR Interest	27,595.03
07/01/2015	07/01/2015	UCI International, Inc.-New TLB	LIBOR Interest	9,901.88
07/01/2015	07/01/2015	UPC Financing Partnership-USD Term Loan AH	LIBOR Interest	65,000.00
06/30/2015	07/01/2015	USI, Inc.-TLB	LIBOR Interest	14,347.52
06/30/2015	07/01/2015	UTEX Industries Inc.-N1st Lien TL	LIBOR Interest	2,371.63
06/30/2015	07/01/2015	W/S Packaging Group, Inc.-TL B	LIBOR Interest	9,628.38
06/30/2015	07/01/2015	W/S Packaging Group, Inc.-TL B	Prime Interest	0.80

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Interest Account				
06/30/2015	07/01/2015	Washington Inventory Service-US TL	Prime Interest	4.37
06/30/2015	07/01/2015	Wausau Paper Corp.-TL	LIBOR Interest	23,430.98
06/30/2015	07/01/2015	WNA Holdings Inc.-USD 1st Ln	LIBOR Interest	264.38
06/30/2015	07/02/2015	Aufinco Pty Limited-1st Ln TL	LIBOR Interest	3,447.33
07/01/2015	07/02/2015	Generic Drug Holdings, Inc.-TL B1	LIBOR Interest	19,898.40
06/30/2015	07/02/2015	Omnitracs, Inc.-1st Ln TL	LIBOR Interest	4,118.45
07/02/2015	07/02/2015	Post Holdings Inc.-Ser INC A TL	LIBOR Interest	1,832.58
06/30/2015	07/02/2015	Rexnord LLC-1st Ln TLB	LIBOR Interest	160.94
07/02/2015	07/02/2015	Select Medical Corporation-Ser E TL B	LIBOR Interest	4,058.17
Interest Account Transactions:				1,890, 358.24
June 04, 2015 Beginning Balance:				776, 298.43
July 03, 2015 Ending Balance:				2,666, 656.67

Principal Account				
06/03/2015	06/04/2015	Prepayment Fee Transfer (Websense)	Transfer In	10,682.59
06/05/2015	06/05/2015	Hubbard Radio, LLC-TL	Upfront Fee (Buy)	4,673.49
06/05/2015	06/05/2015	Hubbard Radio, LLC-TL	Principal (Buy)	(1,869,398.18)
06/05/2015	06/05/2015	Sterigenics-Nordion Holdings, LLC-TLB	Upfront Fee (Buy)	1,538.24
06/05/2015	06/05/2015	Sterigenics-Nordion Holdings, LLC-TLB	Principal (Buy)	(615,296.80)
06/05/2015	06/08/2015	Bass Pro Group, LLC-NTL	LIBOR Paydown	5,251,767.90
06/05/2015	06/08/2015	Virgin Media Bristol LLC-TL B	Principal (Sale)	2,693,284.94
06/05/2015	06/08/2015	Virgin Media Bristol LLC-TL B	Upfront Fee (Sale)	(7,729.72)
06/05/2015	06/08/2015	Virgin Media Investment Holdings Limited-2015 TL	Upfront Fee (Buy)	7,729.72
06/05/2015	06/08/2015	Virgin Media Investment Holdings Limited-2015 TL	Principal (Buy)	(2,693,284.94)
06/09/2015	06/09/2015	A P CLO NOTE PAYABLENOTE PAYMENT - PRINCIPAL 9ICW	Transfer Out	(369,000,000.00)
06/09/2015	06/09/2015	At Home Holding III Inc.-TL	Upfront Fee (Buy)	12,801.36
06/09/2015	06/09/2015	At Home Holding III Inc.-TL	Principal (Buy)	(1,280,136.68)
06/09/2015	06/09/2015	PAID IN SURPLUS SUBSCRIPTIONSNOTE PAYMENT INCOME NOTES - 9ICW - TRUSTEE FEES	Transfer In	369,588,242.43
06/09/2015	06/10/2015	Note Payment Transfer to Interest	Transfer Out	(588,242.43)
06/11/2015	06/11/2015	McJunkin Red Man Corporation-NTL	Prime Paydown	623,818.56
06/11/2015	06/11/2015	Vantage Specialty Chemicals, Inc.-TLB	Principal (Buy)	(640,669.57)
06/12/2015	06/12/2015	Bayonne Energy Center, LLC-TLB	LIBOR Paydown	23,486.25
06/12/2015	06/12/2015	National Surgical Hospitals, Inc.-TL	Upfront Fee (Buy)	2,239.68

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/12/2015	06/12/2015	National Surgical Hospitals, Inc.-TL	Principal (Buy)	(447,936.06)
06/11/2015	06/12/2015	Vantage Specialty Chemicals, Inc.-TLB	Upfront Fee (Buy)	8,008.36
06/15/2015	06/15/2015	AE Europe Holdings, Inc.-TL	LIBOR Paydown	8,231.23
06/15/2015	06/15/2015	Houghton Mifflin Harcourt Publishing Company-TL	Upfront Fee (Buy)	5,000.00
06/15/2015	06/15/2015	Houghton Mifflin Harcourt Publishing Company-TL	Principal (Buy)	(1,000,000.00)
06/15/2015	06/15/2015	Unifrax Corporation-NTL	LIBOR Paydown	89,845.52
06/12/2015	06/15/2015	Visteon Corporation-DDTL B	LIBOR Paydown	818,333.32
06/16/2015	06/16/2015	Brock Holdings III, Inc.-New TLB	Upfront Fee (Buy)	2,500.00
06/16/2015	06/16/2015	Brock Holdings III, Inc.-New TLB	Principal (Buy)	(1,000,000.00)
06/16/2015	06/16/2015	United Surgical Partners International Inc.-Inc. TL	LIBOR Paydown	2,458,225.00
06/17/2015	06/17/2015	Shearer's Foods, Inc.-2nd Ln TL	Upfront Fee (Buy)	2,500.00
06/17/2015	06/17/2015	Shearer's Foods, Inc.-2nd Ln TL	Principal (Buy)	(1,000,000.00)
06/17/2015	06/18/2015	Phillips-Van Heusen Corporation-TLB	LIBOR Paydown	25,804.42
06/18/2015	06/18/2015	Renaissance Learning, Inc.-N1st Lien TL	Upfront Fee (Buy)	12,500.00
06/18/2015	06/18/2015	Renaissance Learning, Inc.-N1st Lien TL	Principal (Buy)	(1,000,000.00)
06/18/2015	06/18/2015	Seadrill Partners Finco LLC-TLB	Upfront Fee (Buy)	392,500.00
06/18/2015	06/18/2015	Seadrill Partners Finco LLC-TLB	Principal (Buy)	(2,000,000.00)
06/18/2015	06/18/2015	Southcross Energy Partners, L.P.-1st Lien	Principal (Buy)	(1,000,000.00)
06/18/2015	06/18/2015	The Talbots, Inc.-1st Ln TL	Upfront Fee (Buy)	17,500.00
06/18/2015	06/18/2015	The Talbots, Inc.-1st Ln TL	Principal (Buy)	(1,000,000.00)
06/19/2015	06/19/2015	Royal Adhesives and Sealants, LLC-1st Ln TL	LIBOR Paydown	393,444.83
06/22/2015	06/22/2015	Bass Pro Group, LLC-2015 TL	Upfront Fee (Buy)	12,500.00
06/22/2015	06/22/2015	Bass Pro Group, LLC-2015 TL	Principal (Buy)	(5,000,000.00)
06/19/2015	06/22/2015	Freescale Semiconductor, Inc.-TL B4	Principal (Sale)	1,000,000.00
06/19/2015	06/22/2015	Freescale Semiconductor, Inc.-TL B4	Upfront Fee (Sale)	3,750.00
06/22/2015	06/22/2015	Physio-Control International, Inc.-1st Ln TL	Upfront Fee (Buy)	2,176.96
06/22/2015	06/22/2015	Physio-Control International, Inc.-1st Ln TL	Principal (Buy)	(435,392.33)
06/23/2015	06/23/2015	Fieldwood Energy LLC-1st Ln TL	Upfront Fee (Buy)	42,500.00
06/23/2015	06/23/2015	Fieldwood Energy LLC-1st Ln TL	Principal (Buy)	(1,000,000.00)
06/23/2015	06/23/2015	Southcross Energy Partners, L.P.-1st Lien	Upfront Fee (Buy)	3,750.00
06/23/2015	06/23/2015	Southcross Energy Partners, L.P.-1st Lien	Principal (Buy)	(1,000,000.00)
06/24/2015	06/24/2015	Apex Tool Group, LLC-TL B	Upfront Fee (Buy)	7,500.00
06/24/2015	06/24/2015	Apex Tool Group, LLC-TL B	Principal (Buy)	(1,000,000.00)

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/24/2015	06/24/2015	ON Assignment, Inc.-TL	Upfront Fee (Buy)	3,634.46
06/24/2015	06/24/2015	ON Assignment, Inc.-TL	Principal (Buy)	(726,892.44)
06/25/2015	06/25/2015	Univision Communications Inc.-TL	LIBOR Paydown	5,187.25
06/29/2015	06/29/2015	Intelligrated, Inc.-1st Ln TL	Prime Paydown	5,703.94
06/29/2015	06/29/2015	Spencer Gifts LLC-TL B1	Upfront Fee (Buy)	2,848.02
06/29/2015	06/29/2015	Spencer Gifts LLC-TL B1	Principal (Buy)	(1,139,210.69)
06/29/2015	06/29/2015	Spencer Gifts LLC-TLB	Principal (Sale)	1,139,210.69
06/29/2015	06/29/2015	Spencer Gifts LLC-TLB	Upfront Fee (Sale)	(2,848.02)
06/30/2015	06/30/2015	Advantage Sales & Marketing, Inc.-1st Lien	LIBOR Paydown	2,249.95
06/30/2015	06/30/2015	Alison Bidco S.a.r.l.-1st Ln TL	LIBOR Paydown	1,782.87
06/30/2015	06/30/2015	Alison Bidco S.a.r.l.-USD 1st B2	LIBOR Paydown	1,782.87
06/30/2015	06/30/2015	Alliant Techsystems Inc.-TLB	LIBOR Paydown	3,994.97
06/30/2015	06/30/2015	Allnex (Luxembourg) & Cy S.C.A.-TL B	LIBOR Paydown	478.23
06/30/2015	06/30/2015	Allnex USA, Inc.-TL B2	LIBOR Paydown	248.13
06/30/2015	06/30/2015	Amsurg Corp.-1st Ln TLB	LIBOR Paydown	1,904.37
06/30/2015	06/30/2015	AmWINS Group, LLC-NTL	LIBOR Paydown	852.48
06/30/2015	06/30/2015	Arch Coal Inc.-TL B	LIBOR Paydown	7,483.02
06/30/2015	06/30/2015	Asurion LLC-New TLB1	LIBOR Paydown	15,000.00
06/30/2015	06/30/2015	Atlantic Aviation FBO Inc.-TLB	LIBOR Paydown	674.12
06/30/2015	06/30/2015	Axiall Holdco, Inc.-TLB	LIBOR Paydown	2,217.45
06/30/2015	06/30/2015	BATS Global Markets, Inc.-2015 TL	LIBOR Paydown	48,323.96
06/30/2015	06/30/2015	BATS Global Markets, Inc.-TL B2	LIBOR Paydown	17,384.67
06/30/2015	06/30/2015	Belfor USA Group, Inc.-TLB	LIBOR Paydown	1,512.80
06/30/2015	06/30/2015	Berry Plastics Holding Corporation-TLD	LIBOR Paydown	5,000.00
06/30/2015	06/30/2015	Blue Buffalo Company, Ltd.-TL B3	LIBOR Paydown	2,475.04
06/30/2015	06/30/2015	Brock Holdings III, Inc.-New TLB	LIBOR Paydown	2,759.14
06/30/2015	06/30/2015	BWAY Holding Company, Inc.-New TLB	LIBOR Paydown	2,500.00
06/30/2015	06/30/2015	Calpine Corporation-T/L B3	LIBOR Paydown	2,461.92
06/30/2015	06/30/2015	Capital Automotive L.P.-New TLB	LIBOR Paydown	3,700.83
06/30/2015	06/30/2015	CareCore National, LLC-TLB	LIBOR Paydown	1,111.45
06/30/2015	06/30/2015	Carros Finance Luxembourg S.a.r.l-1st Ln TL	LIBOR Paydown	3,501.87
06/30/2015	06/30/2015	CCC Information Services, Inc.-TL	LIBOR Paydown	1,573.65
06/30/2015	06/30/2015	Charter Communications Operating, LLC-TLF	LIBOR Paydown	17,387.53

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/30/2015	06/30/2015	Chrysler Group LLC-New TLB	LIBOR Paydown	1,618.03
06/30/2015	06/30/2015	CITGO Holding Inc.-TL	LIBOR Paydown	3,414.69
06/30/2015	06/30/2015	Citgo Petroleum Corporation-New TLB	LIBOR Paydown	8,017.65
06/30/2015	06/30/2015	Confie Seguros Holding II Co.-TL	LIBOR Paydown	5,392.14
06/30/2015	06/30/2015	Creganna-Tactx Medical-1st Ln TL	LIBOR Paydown	2,500.00
06/30/2015	06/30/2015	Crown Castle Operating Company-TLB2	LIBOR Paydown	14,491.38
06/30/2015	06/30/2015	Cunningham Lindsey U.S. Inc.-1st Lien TL	LIBOR Paydown	3,732.30
06/30/2015	06/30/2015	DaVita HealthCare Partners, Inc.-TLB	LIBOR Paydown	2,546.28
06/30/2015	06/30/2015	Dexter Axle Company-NTL	LIBOR Paydown	1,614.57
06/30/2015	06/30/2015	Doncasters Finance US LLC-TL	LIBOR Paydown	3,464.66
06/30/2015	06/30/2015	Drumm Investors LLC-TL	LIBOR Paydown	10,572.27
06/30/2015	06/30/2015	EFS Cogen Holdings I LLC-TLB	LIBOR Paydown	23,379.73
06/30/2015	06/30/2015	EIF Channelview Cogeneration, LLC-TL B	LIBOR Paydown	3,998.00
06/30/2015	06/30/2015	EIG Investors Corp.-2013 TL	LIBOR Paydown	1,999.24
06/30/2015	06/30/2015	Emerald Performance Materials, LLC-N1st Lien TL	LIBOR Paydown	1,468.50
06/30/2015	06/30/2015	Endo Luxembourg Finance Company I S.a r.l.-TL B	LIBOR Paydown	2,189.07
06/30/2015	06/30/2015	Exopack Holdings S.A-TL B1	LIBOR Paydown	1,236.55
06/30/2015	06/30/2015	Fairmount Minerals LTD-New TLB2	LIBOR Paydown	4,999.99
06/30/2015	06/30/2015	FGI Operating Company, LLC-TL	LIBOR Paydown	3,983.31
06/30/2015	06/30/2015	Fieldwood Energy LLC-1st Ln TL	LIBOR Paydown	4,413.09
06/30/2015	06/30/2015	FPC Holdings, Inc.-1st Ln TL	LIBOR Paydown	3,593.32
06/30/2015	06/30/2015	Freescale Semiconductor, Inc.-T/L B5	LIBOR Paydown	5,000.00
06/30/2015	06/30/2015	Freescale Semiconductor, Inc.-TL B4	LIBOR Paydown	4,912.10
06/30/2015	06/30/2015	Gardner Denver, Inc.-TL	LIBOR Paydown	5,063.29
06/30/2015	06/30/2015	Go Daddy Operating Company, LLC-New TLB	LIBOR Paydown	5,040.02
06/30/2015	06/30/2015	Grifols Worldwide Operations USA, Inc.-T/L B	LIBOR Paydown	13,011.72
06/30/2015	06/30/2015	GXS Group, Inc.-TLB	LIBOR Paydown	3,992.46
06/30/2015	06/30/2015	HCA Inc.-Extnd TL B4	LIBOR Paydown	2,500.00
06/30/2015	06/30/2015	Heartland Dental, LLC-1st Ln TL	LIBOR Paydown	3,991.54
06/30/2015	06/30/2015	Hoffmaster Group, Inc.-N1st Lien TL	LIBOR Paydown	3,442.44
06/30/2015	06/30/2015	Immucoor, Inc.-Refi TL B2	LIBOR Paydown	12,406.25
06/30/2015	06/30/2015	INA Beteiligungsgesellschaft mbH-USD TLB	LIBOR Paydown	230,769.23
06/30/2015	06/30/2015	Infor (US), Inc.-TL B3	LIBOR Paydown	2,216.84

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/30/2015	06/30/2015	Infor (US), Inc.-USD TL B5	LIBOR Paydown	4,484.36
06/30/2015	06/30/2015	Jacobs Entertainment, Inc.-N1st Lien TL	LIBOR Paydown	2,340.23
06/30/2015	06/30/2015	Jarden Corporation-Add B1	LIBOR Paydown	2,070.83
06/30/2015	06/30/2015	Kenan Advantage Group, Inc.-TLD	LIBOR Paydown	1,230.12
06/30/2015	06/30/2015	Live Nation Entertainment, Inc.-New TLB	LIBOR Paydown	8,542.96
06/30/2015	06/30/2015	M/A-COM Technology Solutions Holdings, Inc.-TL	LIBOR Paydown	4,573.24
06/30/2015	06/30/2015	Marine Acquisition Corp.-NEW TL B	LIBOR Paydown	3,311.12
06/30/2015	06/30/2015	McJunkin Red Man Corporation-NTL	Prime Paydown	4,950.00
06/30/2015	06/30/2015	Metal Services LLC-TLB	LIBOR Paydown	3,190.45
06/30/2015	06/30/2015	Milacron LLC-TLB	LIBOR Paydown	98,632.57
06/30/2015	06/30/2015	Mirror Bidco Corp.-NTL	LIBOR Paydown	4,950.00
06/30/2015	06/30/2015	Mission Broadcasting, Inc.-TLB2	LIBOR Paydown	932.69
06/30/2015	06/30/2015	Moneygram International, Inc-TLB	LIBOR Paydown	1,752.93
06/30/2015	06/30/2015	NAB Holdings LLC-NTL	LIBOR Paydown	3,532.50
06/30/2015	06/30/2015	National Financial Partners Corp.-New TLB	LIBOR Paydown	4,946.30
06/30/2015	06/30/2015	Nexstar Broadcasting, Inc.-TLB2	LIBOR Paydown	1,057.68
06/30/2015	06/30/2015	NN, Inc.-TLB	LIBOR Paydown	21,434.44
06/30/2015	06/30/2015	NRG Energy, Inc.-Add on TLB	LIBOR Paydown	5,000.00
06/30/2015	06/30/2015	Nuance Communications, Inc.-TL C	LIBOR Paydown	6,250.00
06/30/2015	06/30/2015	OCI Beaumont LLC-TL B3	LIBOR Paydown	2,695.40
06/30/2015	06/30/2015	Offshore Group Investment Ltd-New TLB	LIBOR Paydown	25,650.58
06/30/2015	06/30/2015	Offshore Group Investment Ltd-TLB	LIBOR Paydown	3,641.34
06/30/2015	06/30/2015	Omnitracs, Inc.-1st Ln TL	LIBOR Paydown	867.07
06/30/2015	06/30/2015	Ozburn-Hessey Holding Company, LLC-NTL	Prime Paydown	4,180.78
06/30/2015	06/30/2015	Paragon Offshore Finance Company-TLB	LIBOR Paydown	1,274.31
06/30/2015	06/30/2015	Performance Food Group Company-2nd Lien TL	LIBOR Paydown	3,220.21
06/30/2015	06/30/2015	Pinnacle Foods Finance LLC-Incrmntl H	LIBOR Paydown	9,816.61
06/30/2015	06/30/2015	Pinnacle Operating Corp.-TL	LIBOR Paydown	4,975.00
06/30/2015	06/30/2015	Ply Gem Industries, Inc.-TL	LIBOR Paydown	1,679.07
06/30/2015	06/30/2015	PowerTeam Services, LLC-1st Ln TL	LIBOR Paydown	1,021.34
06/30/2015	06/30/2015	PRA Holdings, Inc.-N1st Lien TL	LIBOR Paydown	49,995.84
06/30/2015	06/30/2015	RP Crown Parent, LLC-2013 TL	LIBOR Paydown	12,614.92
06/30/2015	06/30/2015	RPI Finance Trust-T/L B3	LIBOR Paydown	4,850.24

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/30/2015	06/30/2015	RPI Finance Trust-TL B4	LIBOR Paydown	5,699.98
06/30/2015	06/30/2015	Sabre, Inc.-TLB	LIBOR Paydown	2,455.47
06/30/2015	06/30/2015	Samchully Midstream 3 LLC-TLB	LIBOR Paydown	7,440.46
06/30/2015	06/30/2015	SBA Senior Finance II LLC-TL B1	LIBOR Paydown	5,200.54
06/30/2015	06/30/2015	Seadrill Partners Finco LLC-TLB	LIBOR Paydown	5,063.29
06/30/2015	06/30/2015	SeaWorld Parks & Entertainment, Inc.-TL B	LIBOR Paydown	7,518.79
06/30/2015	06/30/2015	Sedgwick Claims Management Services, Inc.-1st Ln TL	LIBOR Paydown	5,000.00
06/30/2015	06/30/2015	Shearer's Foods, Inc.-1st Ln TL	LIBOR Paydown	5,000.00
06/30/2015	06/30/2015	Sinclair Television Group Inc.-TLB	LIBOR Paydown	12,538.58
06/30/2015	06/30/2015	Southcross Holdings Borrower LP-TLB	LIBOR Paydown	1,848.09
06/30/2015	06/30/2015	Southeast PowerGen, LLC-TLB	LIBOR Paydown	1,208.78
06/30/2015	06/30/2015	STS Operating, Inc.-TL	Prime Paydown	1,948.91
06/30/2015	06/30/2015	TCH-2 Holding, LLC-1st Ln TL	LIBOR Paydown	1,263.22
06/30/2015	06/30/2015	Tecomet Inc.-1st Ln TL	Prime Paydown	2,500.00
06/30/2015	06/30/2015	Telecommunications Management, LLC-1st Ln TL	LIBOR Paydown	498.50
06/30/2015	06/30/2015	The Talbots, Inc.-1st Ln TL	LIBOR Paydown	2,525.25
06/30/2015	06/30/2015	Total Merchant Services, Inc.-TL	LIBOR Paydown	3,495.89
06/30/2015	06/30/2015	TPF II Power, LLC-TL B	LIBOR Paydown	5,629.00
06/30/2015	06/30/2015	Triple Point Technology, Inc.-1st Ln TL	LIBOR Paydown	15,187.12
06/30/2015	06/30/2015	Tronox Pigments (Netherlands) B.V.-2013 TL	LIBOR Paydown	1,601.79
06/30/2015	06/30/2015	U.S. Farathane, LLC-TLB	LIBOR Paydown	9,690.50
06/30/2015	06/30/2015	UCI International, Inc.-New TLB	LIBOR Paydown	5,141.38
06/30/2015	06/30/2015	Unifrax Corporation-NTL	LIBOR Paydown	1,278.98
06/30/2015	06/30/2015	USIC Holdings, Inc.-TL	LIBOR Paydown	2,049.64
06/30/2015	06/30/2015	Valeant Pharmaceuticals International-TL B F1	LIBOR Paydown	5,000.00
06/30/2015	06/30/2015	Vantage Specialty Chemicals, Inc.-TLB	LIBOR Paydown	7,345.31
06/30/2015	06/30/2015	VFH Parent LLC-Ext TL	LIBOR Paydown	2,488.18
06/30/2015	06/30/2015	Vogue International Inc.-TL	LIBOR Paydown	6,405.21
06/30/2015	06/30/2015	Wastequip, LLC-TL	LIBOR Paydown	2,232.26
06/30/2015	06/30/2015	WCA Waste Corporation-TL	LIBOR Paydown	7,320.68
06/30/2015	06/30/2015	Wilsonart LLC-TL	LIBOR Paydown	2,499.87
06/30/2015	06/30/2015	Windstream Corporation-TL B5	LIBOR Paydown	7,406.25
06/30/2015	07/01/2015	24 Hour Fitness Worldwide, Inc.-New TLB	LIBOR Paydown	5,000.00

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/30/2015	07/01/2015	Alliance Laundry Systems LLC-NTL	Prime Paydown	2,152.31
06/30/2015	07/01/2015	Aquilex Holdings LLC-NTL	Prime Paydown	2,377.82
06/30/2015	07/01/2015	Astoria Energy LLC-TLB	LIBOR Paydown	10,194.56
06/30/2015	07/01/2015	Aufinco Pty Limited-1st Ln TL	LIBOR Paydown	867.54
06/30/2015	07/01/2015	Bass Pro Group, LLC-2015 TL	LIBOR Paydown	12,500.00
06/30/2015	07/01/2015	Bayonne Energy Center, LLC-TLB	LIBOR Paydown	4,479.40
06/30/2015	07/01/2015	Cequel Communications, LLC-TLB	LIBOR Paydown	14,694.51
06/30/2015	07/01/2015	Chrysler Group LLC-TLB	LIBOR Paydown	4,624.68
06/30/2015	07/01/2015	Consolidated Container Company LLC-NTL	LIBOR Paydown	5,000.00
06/30/2015	07/01/2015	Container Store, Inc. (The)-New TLB	LIBOR Paydown	2,475.00
06/30/2015	07/01/2015	CTI Foods Holding Co, LLC-N1st Lien TL	LIBOR Paydown	6,250.00
06/30/2015	07/01/2015	Delta Air Lines, Inc.-New TLB	LIBOR Paydown	866.82
06/30/2015	07/01/2015	DigitalGlobe, Inc.-New TLB	LIBOR Paydown	1,057.76
06/30/2015	07/01/2015	Emdeon Business Services, LLC-TLB2	LIBOR Paydown	7,483.02
06/30/2015	07/01/2015	Epiq Systems, Inc.-Inc T/L B	LIBOR Paydown	1,811.45
06/30/2015	07/01/2015	Essential Power LLC-TLB	LIBOR Paydown	7,405.68
06/30/2015	07/01/2015	Evertec Group, LLC-New TL B	LIBOR Paydown	4,020.65
06/30/2015	07/01/2015	Hanesbrands, Inc.-TLB	LIBOR Paydown	1,128.22
06/30/2015	07/01/2015	Houghton International, Inc.-New TLB	LIBOR Paydown	1,219.61
06/30/2015	07/01/2015	Hubbard Radio, LLC-TL	LIBOR Paydown	25,966.92
06/30/2015	07/01/2015	Joerns Healthcare LLC-2020 TL	Prime Paydown	5,740.55
06/30/2015	07/01/2015	Kindred Healthcare, Inc.-NTL	LIBOR Paydown	3,242.28
06/30/2015	07/01/2015	Landry's, Inc.-TL B	LIBOR Paydown	4,554.38
06/30/2015	07/01/2015	MCC Iowa LLC-TL H	LIBOR Paydown	5,000.00
06/30/2015	07/01/2015	MH Sub I, LLC-1st Ln TL	LIBOR Paydown	1,892.66
06/30/2015	07/01/2015	Midcontinent Communications-New TLB	Prime Paydown	1,594.93
06/30/2015	07/01/2015	ON Assignment, Inc.-TL	LIBOR Paydown	22,027.04
06/30/2015	07/01/2015	PFS Holding Corporation-1st Lien TL	LIBOR Paydown	1,875.00
06/30/2015	07/01/2015	Polarpak Inc.-USD 1st Ln CAD	Prime Paydown	536.49
06/30/2015	07/01/2015	Post Holdings Inc.-Ser INC A TL	LIBOR Paydown	1,479.21
06/30/2015	07/01/2015	Protection One, Inc.-TL	LIBOR Paydown	11,244.01
06/30/2015	07/01/2015	Quality Home Brands Holdings, LLC-1st Ln TL	LIBOR Paydown	3,132.60
06/30/2015	07/01/2015	Radnet Management, Inc.-TLB	Prime Paydown	75,265.52

Cash Transactions

Effective Date	Processed Date	Description	Transaction Type	Amount
Principal Account				
06/30/2015	07/01/2015	Renaissance Learning, Inc.-N1st Lien TL	LIBOR Paydown	2,525.25
06/30/2015	07/01/2015	Southcross Energy Partners, L.P.-1st Lien	LIBOR Paydown	6,239.84
07/01/2015	07/01/2015	Spectrum Brands, Inc.-T/L	Upfront Fee (Buy)	7,939.28
07/01/2015	07/01/2015	Spectrum Brands, Inc.-T/L	Principal (Buy)	(3,175,712.84)
06/30/2015	07/01/2015	Springer Science+Business Media Deutschland GmbH-USD TL	LIBOR Paydown	4,490.71
06/30/2015	07/01/2015	Telesat Canada-TLB	LIBOR Paydown	2,531.64
06/30/2015	07/01/2015	U.S. Security Holdings, Inc.-DDTL	LIBOR Paydown	639.59
06/30/2015	07/01/2015	U.S. Security Holdings, Inc.-New TL	LIBOR Paydown	4,523.70
07/01/2015	07/01/2015	UCI International, Inc.-New TLB	LIBOR Paydown	1,655,873.23
06/30/2015	07/01/2015	USI, Inc.-TLB	LIBOR Paydown	3,389.63
06/30/2015	07/01/2015	UTEX Industries Inc.-N1st Lien TL	LIBOR Paydown	1,344.12
06/30/2015	07/01/2015	W/S Packaging Group, Inc.-TL B	LIBOR Paydown	2,017.58
06/30/2015	07/01/2015	Wausau Paper Corp.-TL	LIBOR Paydown	3,590.55
07/01/2015	07/02/2015	Generic Drug Holdings, Inc.-TL B1	LIBOR Paydown	4,006.05

Principal Account Transactions:	(4,968,779.86)
June 04, 2015 Beginning Balance:	21,539,022.92
July 03, 2015 Ending Balance:	16,570,243.06

Revolver Funding Account

There have not been any Revolver Funding Account transactions during the current period

Revolver Funding Account Transactions:	0.00
June 04, 2015 Beginning Balance:	0.00
July 03, 2015 Ending Balance:	0.00

The Notes may be beneficially owned only by Persons that (a) (i) are not U.S. persons (within the meaning of Regulation S under the United States Securities Act of 1933, as amended) and are purchasing their beneficial interest in an offshore transaction or (ii) are (A) Qualified Institutional Buyers or (solely in the case of the Subordinated Notes) Accredited Investors and (B) Qualified Purchasers (or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either a Qualified Purchaser) and (b) can make the representations set forth in Section 2.5 of the Indenture or the appropriate Exhibit to the Indenture. Beneficial ownership interests in the Rule 144A Global Secured Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Secured Notes that does not meet the qualifications set forth in the preceding sentence to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.11.

Each holder receiving this report agrees to keep all non-public information herein confidential and not to use such information for any purpose other than its evaluation of its investment in the Notes, *provided* that any holder may provide such information on a confidential basis to any prospective purchaser of such holder's Notes that is permitted by the terms of the Indenture to acquire such holder's Notes and that agrees to keep such information confidential in accordance with the terms of the Indenture.

This report is for the purposes of information only, that certain information included in the report is estimated, approximated or projected and that it is provided without any representation or warranties as to the accuracy of completeness thereof and that none of the Collateral Administrator, the Trustee, the Issuer or the Investment Manager will have any liability for estimates, approximations or projections contained therein.

ANNEX D

PART 2A OF FORM ADV OF BABSON CAPITAL MANAGEMENT LLC

FORM ADV Part 2A Firm Brochure as of March 31, 2015

Babson Capital Management LLC

1500 Main Street
PO Box 15189
Springfield, MA 01115

Christopher A. DeFrancis
Co-General Counsel, Chief Compliance Officer, Secretary and Managing Director
(413) 226-1058

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This brochure provides information about the qualifications and business practices of Babson Capital Management LLC. If you have any questions about the contents of this firm brochure, please contact us at (413) 226-1000 or at BabsonCapitalADV@babsoncapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Babson Capital Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Babson Capital Management LLC’s registration with the SEC as an investment adviser is required based on the amount of assets under Babson Capital Management LLC’s management. Such registration does not imply that Babson Capital Management LLC possesses any certain level of skill or training.

Form ADV Part 2A – Firm Brochure

Applicant: Babson Capital Management LLC

SEC File Number: 801-241

Date: March 31, 2015

Item 2 – Material Changes

This March 31, 2015 Form ADV Part 2A Firm Brochure amendment contains material changes from Babson Capital Management LLC's last annual amendment, which was filed March 31, 2014. Material changes include:

- Item 4: Updated Investment Activity descriptions; update Regulatory Assets Under Management
- Item 5: Updated Fee Schedule for Advisory Fees
- Item 6: Updated description of Short Sales conflict of interest
- Item 8: Added Equity and Strategic Investments investment strategies; updated Investment Grade, Global Private Finance and Emerging Markets investment strategies; updated Material Risks
- Item 10: Updated description of Babson Capital Management LLC's financial industry activities; updated description of Babson Capital Securities LLC's financial industry activities; updated legal name of Babson Capital Management (Australia) Pty Ltd (f/k/a Babson Capital Australia Pty Ltd); updated legal name of Babson Capital Management (UK) Limited (f/k/a Babson Capital Europe Limited); updated description of Babson Capital Japan KK; updated description of Babson Capital Finance LLC; updated Massachusetts Mutual Life Insurance Company's financial industry activities
- Item 11: Updated Code of Ethics
- Item 12: Updated Research and Other Soft Dollar Benefits

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SEC File Number: 801-241

Date: March 31, 2015

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Item 4 – Advisory Business

Babson Capital Management LLC (“Babson”) is a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”) and a member of the MassMutual Financial Group. The MassMutual Financial Group is a family of financial services companies providing investment management services and individual protection insurance to clients worldwide.

Established in 1940, Babson is one of the oldest investment management firms in the United States. Babson was acquired by MassMutual in 1995 and on January 1, 2000, the Investment Management Division of MassMutual was consolidated into Babson. References to Babson throughout this Firm Brochure also refer to the activities of its predecessor, David L. Babson & Company, and those of MassMutual’s former Investment Management Division.

Babson provides a broad range of investment advisory and management services to sophisticated investors, including among others, pension plans, endowments, foundations, government entities and agencies, insurance companies, banks, private investment funds such as hedge funds, private equity funds and structured funds, registered investment companies, large family offices and other capital markets participants. Babson also provides investment advisory and management services to its ultimate parent company, MassMutual, and certain of MassMutual’s subsidiaries and affiliates. Babson’s investment activities are divided as follows:

- A. **GLOBAL FIXED INCOME** consists of three separate investment strategies: **INVESTMENT GRADE**, **HIGH YIELD** and **PRIVATE FINANCE**. Global Fixed Income manages portfolios of fixed and floating income rate assets and highly diverse corporate debt and private equity portfolios. Global Fixed Income invests in a variety of instruments, industries, credit qualities, maturities and financing arrangements in North America, Europe, and the Asia Pacific region. Investment capabilities include the management and trading of domestic and international senior secured loans, second lien loans, high yield bonds, unitranche, mezzanine and private equity securities, limited partnerships, private placements, government and agency obligations, mortgage and asset-backed securities, collateralized mortgage obligations, corporate debt securities, structured credit securities, municipal bonds, money market instruments, U.S. dollar and non-U.S. dollar denominated bonds, derivative instruments, and convertible securities in a variety of structures, including structured vehicles, commingled funds, separate accounts and other vehicles.
- B. **STRATEGIC INVESTMENTS** manages private equity portfolios by offering access to corporate and real assets instruments through customized portfolios designed to achieve specific investment objectives. Investment capabilities include fund investment in real and corporate private equity securities, equity co-investment, and direct investment in energy and infrastructure opportunities and financial services.
- C. **QUANTITATIVE PUBLIC EQUITY** manages equity funds and separate accounts focused on quantitative, absolute return and relative return strategies.

Babson provides investment advice regarding the purchase and sale of interests in partnerships, limited liability companies and other private funds (including hedge funds, private equity funds and other structured funds) with various investment strategies. The underlying assets of these interests include a broad range of debt and equity securities, as well as derivatives and other instruments.

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In addition to the investments mentioned elsewhere in this Firm Brochure, Babson may invest in any security or financial instrument consistent with a client's investment policies and restrictions. Examples of the other types of securities or instruments in which Babson may invest include, without limitation, the following: senior secured loans; asset-backed securities ("ABS"); mortgage-backed securities ("MBS"); collateralized debt obligations ("CDOs"); equity in CDO funds; emerging market debt instruments; fixed income instruments; international (non-U.S.) government, agency or corporate securities; money market instruments; derivatives such as options, caps/floors, interest rate swaps, other swap types (e.g., credit default and total return swaps); futures; private placements; commercial mortgage-backed securities ("CMBS"); private equity; preferred stocks; mezzanine; convertible securities; and repurchase agreements.

Babson provides investment management and advisory services in standard and customized specific account formats. These services are provided pursuant to a written investment advisory agreement between Babson and the client under which Babson agrees to manage the client's funds in accordance with client-mandated investment objectives. Babson tailors services based on the client's individual needs. For example, depending on the client's individual needs, Babson may create a separately managed account for the client's investment and will allow the client to provide specific investment objectives and guidelines for that account. Babson may also allow the client to impose specific restrictions on investments, including types of investments within a separately managed account.

Assets Under Management:

Babson's regulatory assets under management as of December 31, 2014 (rounded to the nearest dollar):

Discretionary:	\$ 151,924,188,220
Non-Discretionary:	\$ <u>4,332,712,634</u>
Total:	\$ 156,256,900,854

Item 5 – Fees and Compensation

Advisory Fees:

I. Institutional Separate Accounts

Generally, fee schedules for standard institutional separate accounts are as follows:

A. Investment Grade

Active Short Duration (minimum account size: \$100 million)*:

Dollar Amount Managed	Annual Fee Amount
First \$100 million	\$1.90 per \$1,000 (0.19%)
Next \$150 million	\$1.40 per \$1,000 (0.14%)
Thereafter	\$1.10 per \$1,000 (0.11%)

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Core Fixed Income (minimum account size: \$100 million)*:

Dollar Amount Managed	Annual Fee Amount
First \$100 million	\$1.90 per \$1,000 (0.19%)
Next \$150 million	\$1.40 per \$1,000 (0.14%)
Thereafter	\$1.10 per \$1,000 (0.11%)

Core-Plus Fixed Income (minimum account size: \$100 million)*:

Dollar Amount Managed	Annual Fee Amount
First \$100 million	\$2.50 per \$1,000 (0.25%)
Next \$150 million	\$2.00 per \$1,000 (0.20%)
Thereafter	\$1.70 per \$1,000 (0.17%)

B. Global High Yield

High Yield Bonds (minimum account size: \$100 million)*:

Dollar Amount Managed	Annual Fee Amount
First \$100 million	\$4.75 per \$1,000 (0.475%)
Next \$150 million	\$4.25 per \$1,000 (0.425%)
Thereafter	\$3.75 per \$1,000 (0.375%)

Senior Secured Loans (minimum account size: \$100 million)*:

Dollar Amount Managed	Annual Fee Amount
First \$100 million	\$5.00 per \$1,000 (0.50%)
Next \$150 million	\$4.50 per \$1,000 (0.45%)
Thereafter	\$4.00 per \$1,000 (0.40%)

* Additional administrative fees may apply depending on reporting requirements.

Fee rates for standard institutional separate accounts may be negotiated from time to time on a case-by-case basis. Fees for institutional separate accounts are generally billed by invoice directly to the client by Babson and payable quarterly in arrears based on the quarter-end market value or average value for the quarter. If a client terminates the relationship prior to the end of the quarter, the fee is generally prorated for the number of days of the quarter prior to termination. A client may terminate its relationship with Babson pursuant to the termination provisions in the investment advisory agreement between Babson and the client.

In addition to standard institutional separate accounts, Babson offers investment advice to institutional clients in customized mandates and private loan accounts and funds. Fees for customized mandates are negotiated on a case-by-case basis, but generally are based on the assets being managed by Babson, payable on a quarterly basis in arrears. Fees for these accounts are billed by invoice directly to the client by Babson. Like fees, other terms of the investment advisory agreement, such as termination and notice requirements, are negotiated on a case-by-case basis.

Fee rates for private loan accounts and funds may be negotiated on a case-by-case basis, but are generally based on the level of account or fund complexity, asset mix and target geography. Fees for private loan

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accounts and funds are generally payable quarterly in arrears and billed by invoice by Babson directly to the client. These accounts are managed by Babson subject to an investment advisory agreement or fund guidelines and include additional terms, such as termination and notice requirements, as negotiated between Babson and the client.

Babson also offers investment advice to private investment fund clients. These services are provided pursuant to written investment advisory agreements between Babson and the client. Fees for these accounts are described below under Section IV. Private Investment Funds of this Item 5.

Clients of Babson may enter into agreements with other service providers which include, but are not limited to, custodians, trade reporting repositories or administrators, and such service providers may charge the clients additional fees. Investors in private funds or registered investment funds managed or sub-advised by Babson will pay additional fund related fees. Clients may also pay certain brokerage and transaction fees in connection with investment activity in their portfolios. For a discussion of these brokerage and transaction fees, please refer to Item 12 – Brokerage Practices.

Babson does not have any arrangements whereby it or its supervised persons are paid for the sale of securities or other products.

II. Affiliate Accounts

Babson manages certain investment portfolios of its ultimate parent company, MassMutual, and certain of MassMutual's subsidiaries and other affiliated companies. Babson typically charges asset-based fees as may be negotiated between MassMutual and affiliate accounts, although certain of these affiliates are charged a cost-based fee, reimbursing Babson for expenses incurred in providing services to such accounts. Additionally, as is more fully described in Sections III and IV of this Item 5 below, Babson acts as investment adviser or sub-adviser to certain investment funds sponsored by MassMutual, in which MassMutual or an affiliate has invested and/or for which MassMutual or an affiliate serves as investment manager.

III. Investment Funds

Babson serves as investment adviser or sub-adviser to open-end and closed-end investment companies registered with the SEC, as well as funds exempted from the definition of an investment company under the Investment Company Act of 1940, as amended ("private investment funds"). Complete information concerning each SEC-registered open-end investment company, including advisory and sub-advisory fees, minimum account requirements (if any) and termination provisions, is disclosed in the prospectus and/or statement of additional information of that SEC-registered open-end fund.

- A. For each SEC-registered open-end investment company sponsored by MassMutual for which Babson serves as sub-adviser, MassMutual pays Babson a sub-advisory fee calculated as a percentage of average daily net assets (ranging from 0.05% to 0.25% annually).
- B. For each SEC-registered open-end investment company for which Babson serves as investment adviser, Babson receives an advisory fee calculated monthly as a percentage of the average daily net assets (ranging from 0.65% to 0.75% annually).
- C. For each SEC-registered closed-end investment company for which Babson serves as investment adviser, Babson receives advisory and/or administrative fees calculated quarterly as a percentage

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of net assets (ranging from 0.225% quarterly to 0.3125% quarterly) or a monthly fee as a percentage of the average daily managed assets during the month (approximately 1% annually).

- D. For each SEC-registered closed-end investment company for which Babson serves as co-manager, Babson receives 10% of the advisory fee paid to the investment adviser (ranging from 1% to 5% annually of total available capital) and either 10% or 10.67% of the carried interest (in each case, 20% of amounts distributed to common shareholders in excess of an 8% hurdle) payable by the fund.

IV. Private Investment Funds

Babson provides investment advisory and management services to a variety of private investment funds or other investment or finance entities, including hedge funds, private equity funds and structured funds. Management services for these accounts may include Babson serving as adviser, sub-adviser, collateral manager, portfolio manager or co-manager. Fees and other terms are negotiated on a fund-by-fund basis and for certain funds and entities include fees based on the performance of the private investment fund. Fees for these accounts are calculated and deducted by the third party administrator in accordance with the investment advisory agreement and are generally payable in arrears. Fees can be calculated monthly, quarterly or semi-annually pursuant to the investment advisory agreement. Performance fees are generally billed and payable annually. Fees (including performance fees) for each private investment fund managed by Babson are disclosed in the offering materials for each private investment fund.

Item 6 – Performance-Based Fees and Side-By-Side Management

Babson may receive a performance fee relating to the performance of certain private investment funds that it manages, such as CDOs, hedge funds or private equity funds. In addition, Babson and its affiliates may have an ownership or economic interest in certain private investment funds managed by Babson. In order to attract and retain investment professionals and meet the expectations of investors in private investment funds, Babson has determined that it is appropriate, in certain circumstances, to permit its investment professionals to have an ownership or economic interest in certain private investment funds it manages.

Babson recognizes that such arrangements may create potential conflicts of interest. To address these conflicts, Babson has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy to identify and describe the manner in which Babson addresses the conflicts of interest that can arise when Babson, its affiliates and/or investment professionals have an ownership or economic interest in a private investment fund managed by Babson, including through a performance fee, and may potentially have an incentive to favor the private investment fund over its other advisory clients.

Potential Conflicts of Interest with Clients:

Investment Allocations: Allocation of aggregate trades, particularly trades that are only partially filled as a result of the limited availability of desired securities, could be viewed as creating a potential conflict of interest, as Babson can have an incentive to allocate securities to certain clients, such as private investment funds that provide Babson with performance-based compensation fees, or in which Babson, its affiliates and/or its investment professionals have an economic or ownership interest. In order to address this potential conflict of interest, all allocations of investment opportunities and allocations of aggregated trades for client accounts are required to be made in accordance with Babson's Investment Allocation Policy, which is summarized below in Item 12 – Brokerage Practices, Trade Aggregation.

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Cross Trading: Babson may affect cross-trades on behalf of its advisory clients whereby one advisory client buys securities or other investments from or sells securities or other investments to another advisory client. Babson may also effect cross-trades involving advisory accounts or funds in which it or its affiliates, including MassMutual, and their respective employees, have an ownership interest or for which Babson is entitled to earn a performance fee. When Babson effects cross-trades there is an inherent conflict of interest since Babson may have an incentive to favor the advisory client or fund in which it or its affiliate has an ownership or economic interest and/or is entitled to a performance fee. In order to address this potential conflict of interest, cross trades involving advisory client accounts are required to comply with Babson's Transactions with Affiliates Policy, which ensures any affiliated transaction is consistent with all applicable regulatory requirements governing such transactions and with Babson's fiduciary obligations to the clients involved in any such transactions.

Short Sales: Babson could be viewed as having a potential conflict of interest if it sells short certain securities in a client account while holding the same securities long in other client accounts. Conversely, Babson could be viewed as harming the performance of its clients who hold long position in the same security or other similar securities (e.g. securities in the same sector as the security sold short) for the benefit of its clients who are selling the security short if the short-selling transactions cause the market value of the security or similar securities to decline. In order to address this potential conflict of interest, all short sales executed in client accounts by Babson are required to comply with Babson's Short Sales Policy, which ensures that all short sales are executed in accordance with Babson's fiduciary duties to its clients as well as satisfying applicable regulatory requirements.

Potential Conflicts of Interest with Private Investment Fund Investors:

Potential conflicts of interest can exist between an investment professional and other private investment fund investors as a result of the investment professional's ownership or economic interest in the private investment fund. The following policies are designed to address these potential conflicts of interest.

Personal Securities Transactions and Trading in Private Investment Fund Securities: All investment professionals are required to comply with Babson's Global Code of Ethics and Personal Securities Transactions Policy, which is summarized below in Item 11 – Code of Ethics, and Babson's Employee Co-Investment Policy, which ensures that any co-investment by a Babson employee is consistent with Babson's Global Code of Ethics and Personal Securities Transactions Policy.

Work-outs: Investment professionals involved in attempts made on behalf of Babson to "workout" a troubled investment held in a private investment fund through an out-of-court restructuring or a formal bankruptcy court proceeding, must:

- Be disinterested (i.e., the investment professional must have no ownership or economic interest in the private investment fund holding the troubled investment); or
- Disclose ownership or economic interest to management of the respective investment group prior to engaging in the workout. Management of the respective investment group will determine whether a potential conflict of interest exists between the investment professional and the private investment fund's other investors. If the investment professional's interest conflicts with those of the private investment fund's investors, management of the respective investment group will appoint another investment professional to lead the workout effort.

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Monitoring Responsibilities: The management of each investment group within Babson is responsible for periodically monitoring the performance, portfolio composition and trading activity of all its client accounts. It is also the responsibility of management to pay particular attention to client accounts where investment professionals who manage private investment funds in which Babson, its affiliates and/or the investment professional has an ownership or economic interest to ensure that there is no pattern suggesting that the investment professional (i) inappropriately favored such private investment fund(s) with respect to the time and resources expended in managing such fund(s) or the allocation of investment opportunities; or (ii) purchased or sold securities in other client accounts for the purpose of benefiting the positions held by the private investment fund.

Item 7 – Types of Clients

Babson provides a broad range of investment advisory and management services to sophisticated investors, including among others, pension plans, endowments, foundations, government entities and agencies, insurance companies, banks, private investment funds such as hedge funds, private equity funds and structured funds, registered investment companies, large family offices and other capital markets participants. Babson's institutional investment strategies typically have minimum investment requirements. In general, for separate or individually-managed institutional accounts, the minimum investment requirement is \$25-100 million. Babson also offers commingled investment vehicles for some of its strategies; the minimum investment requirement for these vehicles is generally \$1-5 million. Babson may waive the minimum investment requirement in its sole discretion. To the extent a minimum investment requirement is waived, there may not be a waiver of the minimum fee detailed in that investment strategy's fee schedule. For smaller accounts, this could result in a substantially higher percentage fee than is indicated on the respective fee schedule.

Customer Identification Program Notice:

To help fight the funding of terrorism and money laundering activities, U.S. federal law requires financial institutions to obtain, verify and record information that identifies each person who opens an account on behalf of an investor. This means that Babson may request from the client its name, address, date of birth, social security or other government issued identification number and other information that will allow Babson to identify the client. Babson may also ask for identifying documents so that it can verify the client's identity and may also verify the client's identity through non-documentary means, such as through the comparison of the information provided by the client with information provided by public databases or other sources. If the client refuses to provide the information requested, Babson may not be able to manage assets for the client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

Babson uses economic, fundamental, technical and quantitative analyses. Economic analysis emphasizes daily and historical review of economic and financial data that impact short, intermediate and long-term interest rates. Fundamental analysis examines qualitative and quantitative factors to determine an issuer's current financial strength and expected future performance. Factors examined often include: historic and projected company financial results, credit metrics, capital structure, management assessment, financial discipline, competitive forces, economic analysis and life cycle analysis. Technical analysis involves a daily analysis of yields relative to other asset classes and other indicators as deemed appropriate in the marketplace. Quantitative analysis involves a daily analysis of the risk and return characteristics of

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securities and portfolios. Babson may use proprietary models as well as models developed by third parties to enhance its analysis of securitized instruments (e.g., interest rate and prepayment characteristics) and to augment its risk analytic and performance attribution systems. For its enhanced equity index investment strategies, Babson utilizes a proprietary, quantitative multi-factor model.

Sources of Information:

Babson, particularly with respect to private placement investments and senior secured loans, often relies on information supplied directly by the issuers, private equity sponsors, banks or agents. Babson may also use media sources including, but not limited to, Bloomberg, ILX (real-time market data), FactSet, Thomson One /Street Events, Assay Research, Accounting Technique Analysis, Lipper, LexisNexis, Factiva, Morningstar, Credit Sights, Value Line, sell-side research, DBRS, SEDAR, CNN Money, Google Finance, Yahoo Finance, Private Placement Monitor, Private Placement Newsletter, Wall Street Journal, A.M. Best, TradeWeb, BondEdge, Intex, KMV, Capital IQ, Compustat and Debtwire. Babson may also use services such as Moody's Global Credit Research (including Global Corporate, Global Banking, Sovereign and CDO Research), Moody's Municipal Credit Research, S&P's Ratings Direct Global Issuers, S&P's Ratings Direct Public Finance and Structured Finance, S&P's Commercial Paper Ratings Guide, S&P's Leveraged Commentary and Data, Fitch Global Corporates and CMBS, Fitch Ratings, Thomson Financial's Municipal Market Data, Barclay's Live, Markit Hub and Loan Pricing Corporation.

Investment Strategies:

Equity

Babson's equity strategies seek to exploit market inefficiencies, identify mispricing and anomalies to drive outperformance, and produce excess returns by overweighting high ranked stocks, underweighting low ranked stocks and applying strict risk control criteria. These strategies use a disciplined approach to understand a company's value and growth prospects. Babson's equity strategies consist of a top-down, macroeconomic view established by senior portfolio managers, along with a bottom-up perspective driven by rigorous and detailed fundamental analysis in security selection.

Investment Grade

Babson's investment grade strategies consist of a top-down, macroeconomic view established by senior portfolio managers, coupled with a bottom-up perspective driven by rigorous fundamental credit analysis and security selection. The goal of this process is to produce portfolios that consistently provide positive excess returns, regardless of where markets are in the economic cycle. The primary investments include U.S. government and agency securities, domestic and foreign corporate bonds, residential mortgage-backed securities ("RMBS"), CMBS, ABS, convertible securities and money market securities, including commercial paper. These strategies may invest in securities rated below-investment grade though they are primarily focused on instruments rated BBB- or higher. Derivative use within these strategies incorporates certain options, futures contracts, options on futures contracts, forward contracts, swaps, caps, floors, collars, structured notes, indexed securities, options on indexed securities and other derivative instruments to mitigate or modify risk and exposures, such as duration, sector and issuer exposures, term structure and volatility. Babson utilizes top-down, as well as bottom-up strategies to construct investment grade portfolios. Babson utilizes a risk management process designed to challenge portfolio managers through both scheduled meetings and ad hoc review of analytical and data risk

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tolerances. This process utilizes both qualitative and quantitative measurements, such as tracking error, to frame the basis for constructing and reviewing portfolios from a risk and volatility perspective.

Global High Yield

Babson's global high yield efforts are managed by teams in the United States and Europe. Babson's strategy is to invest primarily in senior secured loans and high yield bonds in North America and Western Europe. Babson's portfolio management strategy is based upon building diversified portfolios of issuers and industries. Babson manages portfolios to a total return, typically looking to generate high current income and, where appropriate, capital appreciation. Babson bases its credit decisions on fundamental bottom-up analysis incorporating industry trends and broad economic themes as appropriate.

Global Private Finance

Babson's global private finance efforts are undertaken with its teams in the North America, Europe and the Asia Pacific region. Babson's global private finance strategies include investing in private investment-grade and non-investment grade senior secured leveraged loans, unitranche, second lien loans, leases, mezzanine, and equity. Babson's strategy is to target these asset classes which generally have constrained supply, are difficult for investors to access directly and have a favorable supply/demand imbalance. Babson's investment and portfolio management approach is built on sound fundamental credit analyses where each investment is unique and separately negotiated. Babson seeks to create well diversified portfolios, thus limiting exposure to any particular company, industry or geography.

Structured Products

Babson's structured credit investment strategy revolves around investments in collateralized loan obligations ("CLOs") backed by corporate loans; CDOs backed by non-agency RMBS and CMBS; and collateralized bond obligations backed by high yield and investment grade bonds. These investments are also managed in synthetic form. In analyzing structured credit products, Babson focuses on three main investment principles: (i) underlying corporate credits must be well diversified from both an issuer and industry perspective; (ii) ultimate performance is directly tied to the portfolio of assets being securitized; and (iii) limit investments to those with underlying assets classes where Babson has independent knowledge and experience. In selecting an investment, Babson performs three key levels of analysis: (i) assessing the current and future fundamental/credit health of the underlying collateral; (ii) understanding the impact of the structural mechanics; and (iii) assessing the impact of the manager of the investment. Babson uses third party, such as Intex, Bloomberg and CDO World, and proprietary models to perform cash flow and yield projections.

Alternatives

Babson's alternative investments business consists of strategies managed within hedge fund structures and looks to provide absolute returns in all market cycles. Babson provides non-traditional, long/short investment funds to complement equity and fixed income portfolios for qualified clients. Babson utilizes an event driven approach that strives to identify investment opportunities in small capitalization firms that are not widely followed, creating an opportunity to uncover misunderstood situations. This strategy employs a catalyst-driven investment approach and invests across the capital structure of companies with leveraged balance sheets. Babson's event driven strategy is managed by experienced investment professionals who leverage the greater Babson organization for its deep infrastructure, research and trading capabilities.

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Emerging Markets

Babson's emerging markets investment strategies revolve around investments in debt securities issued in the currencies of emerging market countries, as well as debt denominated in U.S. dollar and European currencies from sovereign, quasi-sovereign agency, supranational and subnational government issuers, MBS, ABS, corporate debt securities, loan participation securities and credit and index-linked derivatives, as well as other fixed and floating-rate debt securities. The emerging markets strategies may buy and sell exchange-traded and over-the-counter derivatives instruments, including bond futures, currency, interest rate, total rate of return and credit default swaps, currency, bond and swap options, deliverable and non-deliverable currency forward contracts, exchange-traded funds or exchange-traded products that seek to track the relevant index and other derivative instruments to enhance portfolio management efficiency. These strategies may hold outright short positions in these instruments for hedging purposes and otherwise in pursuit of the strategies' investment goals. The emerging markets investment strategies will include investment in both investment grade and non-investment grade debt securities ("high yield bonds").

Babson's Emerging Markets Corporate Debt strategy seeks to exploit market imperfections by seeking to identify favorable secular and cyclical credit stories, capitalizing on relative opportunities and avoiding credit events. This strategy leverages Babson's disciplined bottom-up approach to credit underwriting and structured evaluation of security selection opportunities to identify and act on inefficiencies as they are presented in the market. Babson's sovereign debt team provides macroeconomic and sovereign insights to compliment the bottom-up approach to credit underwriting.

Babson's Emerging Markets Sovereign Hard Currency strategy seeks to achieve maximum total return, consistent with preservation of capital and prudent investment management by investing primarily in a diversified portfolio of hard currency bonds issued by emerging markets sovereigns. This strategy's investment philosophy is to identify favorable secular and cyclical credit stories, capitalize on relative value opportunities and market volatility, and avoid credit events. Babson's Emerging Markets Sovereign investment team analyzes each country in detail and combines the country analysis with peer group analysis and cross-country quantitative modeling to form high convictions on investments with a medium-term horizon. The investment process also involves comprehensive and timely monitoring of sovereign credit developments that allow the investment team to spot and exploit opportunities quickly.

Babson's Emerging Markets Debt Blended Total Return strategy seeks maximum total return, consistent with preservation of capital and prudent investment management, through high current income generation and, where appropriate, capital appreciation. This strategy leverages Babson's Emerging Markets Corporate Debt's disciplined bottom-up approach to credit underwriting, Babson's emerging markets sovereign debt's bottom-up fundamental research on emerging market sovereign countries, and Babson's Emerging Markets Local Debt strategy which focuses on the economic lifecycle of the specific country rather than the credit worthiness. In addition, this strategy uses quantitative models to analyze trends and forecast, country by country, gross domestic product, growth inflation policy rates and exchange rates.

Babson's Emerging Markets Debt Short Duration strategy seeks maximum total return, consistent with preservation of capital and prudent investment management, through high current income generation and, where appropriate, capital appreciation. This strategy leverages Babson's disciplined bottom-up approach to credit underwriting and structured evaluation of security selection opportunities to identify and act on inefficiencies as they are presented in the market. Babson's sovereign debt team provides

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macroeconomic and sovereign insight to compliment the bottom-up approach to credit underwriting and investment selection.

Babson's Emerging Markets Local Debt strategy focuses on the economic cycle of the specific country rather than the creditworthiness. In selecting an investment, Babson uses proprietary models to analyze and forecast, country by country, gross domestic product growth, inflation, policy rates and exchange rates. The model output is paired with an investable security universe and then analyzed by the portfolio management team to build a portfolio.

Strategic Investments

Babson's strategic investments efforts revolve around investments in customized private equity portfolios through direct or secondary fund investing, co-investing and direct investing in real assets, corporate private equity, energy and infrastructure and financial services. This strategy seeks to achieve attractive risk/reward characteristics in globally diversified portfolios by using a top-down macroeconomic analysis and a bottom-up analysis. Babson uses fundamental research and analysis, market mapping, source and access to proactively manage each portfolio. Babson's strategic investments strategy is managed by a dedicated team of experienced investment professionals who can also leverage the greater Babson organization for its deep experience in specific industries and research capabilities.

Material Risks:

Complexity Risk (a material risk for the following investment strategies: Structured Products and Emerging Markets Sovereign Hard Currency): Investment in structured credit products is complex. A small change can have a significant impact on performance. Some factors that could have an impact on performance are interest rates, currency exchange rates, market, financial or legal uncertainties, general availability of liquidity, prices at which underlying assets are purchased, defaults of the underlying assets, timing of defaults and subsequent recoveries, timing of acquisitions of underlying assets and the effectiveness of hedges, among others.

Concentration of Holdings (a material risk for the following investment strategies: Equity, Investment Grade, Global High Yield, Global Private Finance, Emerging Markets Sovereign Hard Currency and Emerging Markets Debt Blended Total Return): It is possible that investments selected may be concentrated in a particular market or industry, or in a limited number or type of security. The limited diversity could expose a portfolio to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Convertible Security Risk (a material risk for the following investment strategies: Investment Grade, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration and Emerging Markets Local Debt): These strategies may invest in convertible securities, which include corporate notes or preferred stock, but are ordinary long-term debt obligations of the issuer convertible at the stated exchange rate into common stock of the issuer. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying the convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying security common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and may not depreciate to the same extent as the underlying

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common stock. Convertible securities generally rank senior to common stocks in the issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security.

Credit Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance, Alternatives, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return and Emerging Markets Debt Short Duration): Investments in bank loans and fixed income securities may involve risk exposure tied to the credit risk of the obligor in the case of bank loans and the issuer in the case of purchased securities, which is determined by the obligor's or issuer's, as applicable, ability to make required interest and principal payments.

Currency Risk (a material risk for the following investment strategies: Equity, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration, Emerging Markets Local Debt and Strategic Investments): These strategies may take currency exposure to multiple currencies on an opportunistic basis, including, but not limited to, the Argentine Peso, Australian Dollar, Brazil Real, Canadian Dollar, Chilean Peso, Chinese Yuan, Columbian Peso, Euro, Hungarian Forint, Indonesian Rupiah, Japanese Yen, Kenyan Shilling, Korean Won, Malaysian Ringgit, Mexican Peso, New Zealand Dollar, Nigerian Naira, Peruvian Nuevo Sol, Polish Zloty, Romanian Leu, Russian Ruble, Singapore Dollar, South African Rand, Thai Baht, Turkish Lira, Taiwan New Dollar and Sterling. Currency exposure to both emerging markets and developed countries, including cross-currency positions, which are not related to bond and cash equivalent positions, may be assumed. Currency hedging activities and active currency positions will be implemented using spot and forward foreign currency exchange contracts and currency futures, options and swaps.

Default Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance, Structured Products, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return and Emerging Markets Debt Short Duration): The market value of debt securities will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the obligors. Therefore, if an event of default occurs with respect to the debt securities, there can be no assurance that (i) on the sale of the security in respect of which the event of default has occurred, the sale price for such security will equal the value at which such security has been held in a particular portfolio or (ii) the owner of such debt security will receive the full amount of principal and interest owed with respect to such debt securities.

Default Risk/Subordination of MBS and ABS (a material risk for the following investment strategies: Investment Grade, Structured Products and Emerging Markets Sovereign Hard Currency): Investments in subordinated MBS and ABS involve greater credit risk of default than other securities. Default risks may be further pronounced in the case of MBS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities ("first loss securities") absorb all losses from default before any other class of securities is at risk. First loss securities generally are exposed to greater risk of loss if such securities have been issued with little to no credit enhancement or equity.

Derivative/Counterparty Risk (a material risk for the following investment strategies: Equity, Investment Grade, Global High Yield, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard

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Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration and Emerging Markets Local Debt): Some swap contracts, contracts for differences and other over-the-counter derivatives are not cleared through clearinghouses, rather banks, dealers and other market participants act as principals in these markets. As a result, uncleared derivatives are subject to the risk of the inability or refusal of a counterparty to perform with respect to such contracts. In the event of default, adverse market movements may occur while replacement transactions are executed. Over-the-counter derivatives may also expose participants to additional liquidity risks. Cleared derivative contracts are also subject to the risk of default by a clearinghouse or futures commission merchant.

Emerging Markets (a material risk for the following investment strategies: Equity, Investment Grade, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Sort Duration, Emerging Markets Local Debt and Strategic Investments): There are greater risks involved in emerging markets than in developed foreign markets. Specifically, the economic structures in emerging markets are less diverse and mature than those in developed countries and their political systems are less stable. Investments in emerging markets may be affected by national policies that restrict foreign investment. Information about emerging market issuers may not be readily available and reporting and disclosure requirements may be less sophisticated than in developed markets. Emerging markets may have less developed structures and the small size of their securities markets and low trading volume can make investments illiquid and more volatile than investments in developed countries. As a result, the emerging markets strategies may be required to establish special custody or other arrangements before investing.

Equity Market Risk (a material risk for the following investment strategies: Equity, Alternatives, Emerging Markets Sovereign Hard Currency and Strategic Investments): Public and private equity securities may involve substantial risk and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses.

Illiquidity of Investments (a material risk for the following strategies: Global Private Finance, Emerging Markets Sovereign Hard Currency and Strategic Investments): Private securities investments consist of private, illiquid securities. There is either a limited or no readily available after-market to sell private securities investments and Babson typically relies on the issuer or private equity sponsors to refinance or to sell a company for realizations.

Interest Rate Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance, Alternatives, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return and Emerging Markets Debt Short Duration): Interest rate changes may affect the value of a debt security indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of securities whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt security and falling interest rates will have a positive effect on price. Adjustable rate securities also react to interest rate changes in a similar manner although generally to a lesser degree (depending on the characteristics of the reset terms, including the index chosen, frequency of reset and reset cap and floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in securities with uncertain payment or prepayment schedules.

Investing in Loans (a material risk for the following investment strategies: Global High Yield, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration, Emerging Markets Local Debt): These strategies may invest in fixed and floating-rate loans from one or more financial institutions to a borrower by way of

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(i) assignment/transfer of or (ii) participation in the whole or part of the loan amount outstanding. These strategies will only invest in loans that qualify as money market instruments in accordance with the requirements of the Central Bank.

Investing in Sub-Investment Grade Corporate Debt Instruments (a material risk for the following investment strategies: Investment Grade, Global High Yield, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return and Emerging Markets Debt Short Duration): Investments will be predominantly in sub-investment grade corporate debt instruments such as leveraged loans and high yield bonds, which carry greater credit and liquidity risk than investment grade instruments. Sub-investment grade corporate debt instruments are considered predominantly speculative by traditional investment standards. In some cases, these investments may be highly speculative and have poor prospects for reaching investment grade standing. Sub-investment grade corporate debt instruments are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the financial markets generally and less secondary market liquidity. Babson will consider both credit risk and market risk in making investment decisions.

Investments are Subordinated (a material risk for the following investment strategies: Global High Yield, Global Private Finance, Emerging Markets Sovereign Hard Currency and Strategic Investments): High yield bonds, mezzanine and private equity securities are generally unsecured and subordinate to certain other obligations of a company. High yield bonds, mezzanine and private equity rights and remedies are generally limited and can be delayed pursuant to contractual agreements with a senior lender.

Leverage Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance, Alternatives, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration, Emerging Markets Local Debt and Strategic Investments): Depending on market conditions, investments may be significantly leveraged to enhance returns. Additionally, investments may be pledged in order to borrow additional funds for investment purposes. Leverage may also be utilized through repurchase agreements, reverse repurchase agreements and forward purchase agreements, as well as through swaps, structured notes and other derivatives. The amount of borrowings outstanding at any time may be substantial in relationship to its capital. While leverage presents opportunities for increasing the total return of investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent it is leveraged.

Nature of Private Securities (a material risk for the following investment strategies: Global Private Finance, Emerging Markets Sovereign Hard Currency and Strategic Investments): Investing in private securities includes a possibility that adverse changes in the general economic conditions of a company may adversely affect a company's ability to pay principal and interest on its debt obligations. Also, companies are generally leveraged and specific developments, such as reduced cash flow from operations or the inability to refinance debt at maturity, may adversely affect a company's ability to meet its debt service obligations.

Political and/or Regulatory Risk (a material risk for the following investment strategies: Equity, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration and Emerging Markets Local Debt): The value of assets may be affected by uncertainties, such as international political developments,

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changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which the assets are exposed through investment.

Potential Conflicts of Interest Involving Babson (a material risk for the following investment strategies: Equity, Investment Grade, Global High Yield, Global Private Finance, Structured Products, Alternatives, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration, Emerging Markets Local Debt and Strategic Investments): Babson is involved in a broad spectrum of asset management and financial services. In providing these services, the interests of Babson and its investment professionals may interfere with, or have the potential to interfere with, Babson's fiduciary obligations to its investment advisory clients, resulting in a conflict of interest. To prevent these potential conflicts of interest, Babson manages its client accounts in a manner that is consistent with the client's best interest and attempts to avoid and/or manage situations where there can be a potential conflict of interest. Babson has also adopted policies and procedures to address these potential conflicts of interest in a manner that is fair and equitable to clients and does not disadvantage a client relative to Babson.

Prepayment Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance, Structured Products and Emerging Markets Sovereign Hard Currency): The frequency at which prepayments occur are affected by a variety of factors including interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, prepayments occur on fixed rate obligations when prevailing interest rates fall below coupon rates and on floating rate obligations when spreads narrow. There are three possible adverse effects of prepayments: (i) investments may experience outright losses, (ii) investments may underperform relative to hedges that may have been constructed for these markets, industries or securities, and (iii) there may be an inability to reinvest the proceeds of prepayments into investments with the same or higher yields as the prepaid investments.

Prepayment Risk of MBS and ABS (a material risk for the following investment strategies: Investment Grade, Structured Products and Emerging Markets Sovereign Hard Currency): Prepayments on MBS and ABS result from, among other things, voluntary prepayments by obligors and liquidations due to defaults and foreclosures. The frequency at which prepayment occurs on loans underlying MBS and ABS are affected by a variety of factors, including the prevailing interest rates as well as economic, demographic, tax, social, legal and other factors. Generally, mortgage obligors tend to prepay their mortgages when prevailing mortgage loan rates fall below the interest rates on their mortgage loans. Although ABS are generally less likely to experience substantial prepayments, certain factors that affect the rate of prepayments on MBS also affect the rate of prepayments on ABS. There are three possible adverse effects of prepayments: (i) in the case of prepayments associated with liquidation due to default, investments may experience outright loss of principal, (ii) investments may underperform relative to hedges that may have been constructed for these markets, industries or securities, and (iii) there may be an inability to reinvest the proceeds of prepayments into investments with the same or higher yields as the prepaid investments.

Regulatory Reform Risk (a material risk for the following investment strategies: Equity, Investment Grade, Global High Yield, Global Private Finance, Alternatives, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration, Emerging Markets Local Debt and Strategic Investments): Regulatory reform of the financial markets, both in the U.S. and elsewhere, could have an impact on the ways in which Babson's clients trade in certain financial instruments. Babson cannot predict the effects of any

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new governmental regulation that may be implemented on the ability of Babson's clients to use certain instruments that are affected by any such new regulation. Further, there can be no assurance that any new governmental regulation will not adversely effect Babson's clients' ability to achieve their investment objectives. For example, there is existing and pending regulatory reform in many jurisdictions relating to derivatives that may have a significant impact on Babson's investment advisory business, and which may limit the availability of derivatives, or may otherwise adversely effect the value or performance of derivatives, in Babson's clients' portfolios. For instance, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "DFA") was signed into law in the U.S. The DFA is expansive in its scope, and requires the adoption of numerous regulations and the making of numerous regulatory decisions by U.S. federal regulators including, but not limited to, the SEC and the U.S. Commodities Futures and Trading Commission (the "CFTC"). The DFA may change Babson's operating environment for certain clients that have derivatives as part of their strategies. Additionally, the financial markets may, as a result of the implementation of the DFA, be impacted in unpredictable ways. The U.S. is not the only country that has proposed, or proposes to, adopt legislation that regulates derivatives, and it is not possible to predict the ultimate effects of the DFA and other laws and/or regulations on clients. Under the DFA, the SEC is responsible for regulating "security-based swaps" as defined by Section 3(a)(68) of the Securities Exchange Act of 1934 (the "1934 Act"), and the CFTC is responsible for regulating "swaps" as defined by Section 1(a)(47) of the Commodity Exchange Act of 1934. New regulations under the DFA relating to the regulation of "swaps" and "security-based swaps" could impact the manner in which, and the extent to which, Babson's clients use and trade swaps or security-based swaps and could limit or significantly increase the costs of trading in such swaps or security-based swaps, as applicable.

In addition to the DFA, the European Union enacted the European Market Infrastructure Regulation (Regulation (EU) No 648/2012 of the European Parliament and of the Council of July 4) ("EMIR"). Similar to the DFA, EMIR may impose mandatory clearing, risk mitigation procedures, and margin requirements on Babson's clients that are subject to EMIR or are trading with entities subject to EMIR, depending on such clients' classification under EMIR. In cases where a client is subject to both the requirements of the DFA and EMIR, it may be possible to substitute compliance with regulations of one jurisdiction with compliance with the rules of the other jurisdiction. As is the case with the DFA, EMIR could limit or significantly increase the costs of trading in certain derivatives. As stated above, a number of other countries either have proposed, or are proposing, regulations for derivatives, and it is impossible to predict the ultimate effect of such regulations or the extent to which those regulations cause uncertainty in the market with respect to their application, particularly in cross-border transaction or structures.

Restricted Investments; Liquidity of Investments (a material risk for the following investment strategy: Global High Yield, Emerging Markets Corporate Debt, Emerging Markets Sovereign Hard Currency, Emerging Markets Debt Blended Total Return, Emerging Markets Debt Short Duration and Emerging Markets Local Debt): Senior secured loan and high yield bond investments are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such assets tend to be volatile and Babson may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and/or illiquid securities often requires more time and results in higher broker or dealer charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Servicer Risk of MBS (a material risk for the following investment strategies: Investment Grade, Structured Products and Emerging Markets Sovereign Hard Currency): Recently, mortgage loan

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originators and servicers have experienced serious financial difficulties and, in some cases, bankruptcy. Such financial difficulties may have a negative effect on the ability of the servicer to pursue collection on mortgage loans that are experiencing increased delinquencies and defaults and to maximize recoveries on the sale of underlying mortgage loans. The inability of the originator to repurchase mortgage loans in the event of early payment defaults and loan representation breaches may also affect the performance of MBS. These difficulties may adversely affect the performance and market value of MBS.

Small Capitalization Companies/Limited Operating History (a material risk for the following investment strategies: Equity, Global Private Finance, Alternatives, Emerging Markets Corporate Debt and Emerging Markets Sovereign Hard Currency): From time to time, a significant portion of asset may be invested in securities of small capitalization companies and recently organized companies. Small capitalization companies generally are not as well known to the investing public and have less of an investor following than larger capitalization companies. Consequently, small capitalization companies are often overlooked by investors or are undervalued in relation to their earnings power. These relative inefficiencies in the marketplace may provide greater opportunities for long-term capital growth. Historically, however, such securities have been more volatile in price than those of larger capitalized, more established companies included in the S&P 500 Index or FTSE 100 Index. The securities of small capitalization and recently organized companies pose greater investment risks because such companies may have limited product lines, distribution channels and financing and managerial resources. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. These securities are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, it may be necessary to dispose of such securities or cover a short position over a longer (and potentially less favorable) period of time than is necessary to dispose of or cover a short position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volume. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investment are often higher than those of larger capitalization companies.

Risk of Loss:

The risks described above are not a complete list of all risks associated with the described investment strategies. Investing in securities of any type is speculative and can involve a high degree of risk. Investing in securities involves the risk of loss, sometimes of an entire investment, that clients should be prepared to bear.

Item 9 – Disciplinary Information

Item 9 is not applicable – Babson does not have any legal or disciplinary events on behalf of itself or its employees which would be material to a client's or prospective client's evaluation of Babson's advisory business or the integrity of Babson's management.

Item 10 – Other Financial Industry Activities and Affiliations

Babson is an indirect, wholly-owned subsidiary of MassMutual and an SEC-registered investment adviser. Babson is registered with the CFTC as a Commodity Pool Operator and Commodity Trading Advisor and is a member of the National Futures Association ("NFA"). Certain Babson employees' are

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registered as principals, branch officer managers and associated persons with the CFTC. Babson relies on the International Adviser exemption with the Ontario Securities Commission, the Quebec Financial Markets Authority, the British Columbia Securities Commission, the Alberta Securities Commission, the Nova Scotia Securities Commission, the Manitoba Securities Commission and the New Brunswick Financial and Consumer Services Commission. Babson also holds a California Finance Broker's License from the California Department of Business Oversight.

Babson Capital Securities LLC ("Babson Capital Securities") is a wholly-owned subsidiary of Babson and an SEC-registered broker-dealer and member of the Financial Industry Regulatory Authority. Babson Capital Securities relies on the International Dealer exemption with the Ontario Securities Commission, the Quebec Financial Markets Authority, the British Columbia Securities Commission, the Alberta Securities Commission, the Nova Scotia Securities Commission, the Manitoba Securities Commission and the New Brunswick Financial and Consumer Services Commission. Babson Capital Securities acts as a placement agent for private investment funds, including funds sponsored and/or advised by Babson and its affiliates, as well as, from time to time, unaffiliated third parties. As such, Babson Capital Securities sometimes receives compensation for its placement services, including, but not limited to, placement services related to the offering and sale to Babson clients of private investment funds sponsored and/or advised by Babson, its affiliates or unaffiliated third parties. Certain Babson employees are registered representatives with Babson Capital Securities.

Babson has an indirect, wholly-owned subsidiary in Australia, Babson Capital Management (Australia) Pty Ltd. ("Babson Capital Australia"), a company incorporated in Australia and regulated as a broker-dealer and investment adviser by the Australian Securities and Investments Commission. Babson Capital Australia manages the assets of Australian institutional investors in Australia.

Babson has a wholly-owned subsidiary in Hong Kong, Babson Capital Cornerstone Asia Limited ("BCCA"), a private company incorporated in Hong Kong and licensed as an investment firm regulated by the Hong Kong Securities and Futures Commission. BCCA provides investment advice and research to Babson and its subsidiaries.

Babson has an indirect, wholly-owned investment management subsidiary in Europe, Babson Capital Management (UK) Limited ("Babson Capital Europe"), a private limited company incorporated in England and Wales and authorized and regulated in the conduct of investment business by the U.K. Financial Conduct Authority. Babson Capital Europe is registered as an Exempt Reporting Adviser with the SEC and is an Exempt Commodity Pool Operator with the CFTC.

Babson has an indirect, wholly-owned investment management subsidiary, Babson Capital Global Advisors Limited ("BCGA"), a private limited company incorporated in England and Wales. BCGA is an SEC-registered investment adviser and is also authorized and regulated in the conduct of investment business by the U.K. Financial Conduct Authority.

Babson has a wholly-owned subsidiary, Babson Capital Finance LLC ("Babson Capital Finance"), a Delaware limited liability company. Babson Capital Finance makes loans to middle market companies primarily in the U.S.

Babson has a wholly-owned investment management subsidiary, Babson Capital Japan KK ("Babson Capital Japan"), a Japanese company. Babson Capital Japan has a limited investment advisory license with the Japanese Financial Services Agency and is also registered as a Type 2 Financial Instruments Dealer.

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Babson has entered into separate administrative services agreements with Babson Capital Australia, BCCA, Babson Capital Europe, BCGA, Babson Capital Finance and Babson Capital Japan whereby Babson provides certain administrative services including, but not limited to, financial accounting, compliance and technology services, advice and recommendations with respect to certain aspects of each entity's business and affairs (except matters relating to compliance with Australian, Hong Kong, English or Japanese laws and regulations).

Cornerstone Real Estate Advisers LLC ("CREA") is a wholly-owned subsidiary of Babson and an SEC-registered investment adviser. CREA is a global real estate investment organization providing investment and advisory services to institutional and other qualified investors in public and private debt and equity real estate investments.

CREA has an indirect, wholly-owned subsidiary in the U.K., Cornerstone Real Estate Advisers Europe Finance LLP ("Cornerstone Europe"). Cornerstone Europe is a London-based real estate investment management company licensed by the U.K. Financial Conduct Authority. Cornerstone Europe provides investment advice and distributes securities to CREA's global clientele.

CREA has a wholly-owned subsidiary in Japan, Cornerstone Real Estate Advisers Japan K.K. ("Cornerstone Japan"), a Japanese joint stock corporation. Cornerstone Japan provides real estate investment advisory services, including the acquisition, disposition and financing of equity and debt investments and the marketing of real estate investment vehicles.

Cornerstone Real Estate Advisers Inc. is a wholly-owned subsidiary of CREA that holds a corporation real estate license from the California Department of Real Estate and a California Finance Lender's License from the California Department of Business Oversight. Timothy P. Kenny, a Managing Director of CREA, holds a real estate broker license from the New York Department of State, Division of Licensing Services.

Wood Creek Capital Management, LLC ("Wood Creek") is a wholly-owned subsidiary of Babson. Wood Creek is an SEC-registered investment adviser and is an Exempt Commodity Pool Operator with the CFTC. Wood Creek is an asset management firm that focuses on investing in private assets. Wood Creek invests in tangible and intangible assets in partnership with skilled operators. These asset classes include: agriculture, private infrastructure, transportation, intellectual property rights, environmental credits and trade finance obligations, among others. MassMutual has an ownership interest in certain of Wood Creek's affiliated investment companies.

Babson and certain of its affiliates, including MassMutual, have a relationship with Braemar Energy Ventures LLC ("Braemar"), a venture capital firm and an SEC-registered investment adviser, and its affiliates, including funds managed by Braemar Capital Management LLC, an investment advisory firm owned by MassMutual and Braemar. In addition to MassMutual making an investment in Braemar's two venture capital funds, Braemar Energy Venture LP and Braemar Energy Venture II, L.P., Babson has an interest in the economics of the funds and has taken part in the expansion and development of the Braemar business, as well as supplied various services, office space, communications and computer equipment to Braemar, in some cases at no cost to the fund or to the Braemar principals. Additionally, Babson's affiliate broker-dealer, Babson Capital Securities, entered into arrangements to introduce prospective investors, including Babson clients, to Braemar Energy Venture II, L.P. and may in the future act as placement agent for other Braemar affiliated funds.

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Babson provides The MassMutual Trust Company, FSB, a federally chartered stock savings bank that is wholly-owned by MassMutual, with investment advisory services pursuant to an investment advisory contract.

Babson's ultimate parent company, MassMutual, is a mutual life insurance company. Babson has entered into an administrative services agreement with MassMutual, pursuant to which MassMutual is obligated to provide Babson with agreed-upon administrative and support services. MassMutual is the sponsor of MML Series Investment Fund II and MassMutual Premier Funds, registered open-end management investment companies, and certain portfolios for which Babson serves as investment sub-adviser. Babson has also entered into investment advisory agreements with MassMutual, and serves as investment adviser to the MassMutual general investment account, certain separate accounts, and to certain of MassMutual's life insurance company subsidiaries and affiliates. As a result, these affiliate accounts co-invest jointly and concurrently with Babson's other advisory clients and therefore share in the allocation of investment opportunities. Babson also acts as investment adviser or sub-adviser to certain investment funds in which MassMutual or an affiliate has invested and/or for which MassMutual or an affiliate serves as investment manager.

Jefferies Finance LLC ("Jefferies Finance") is a finance company formed by Jefferies Group LLC, a global investment bank and securities firm, and MassMutual to offer senior loans to middle market and growth companies. Jefferies Finance is co-owned by Jefferies Group LLC and MassMutual and is an SEC-registered investment adviser and member of the Financial Industry Regulatory Authority. Babson provides certain portfolio management and administrative services to Jefferies Finance pursuant to a services agreement. Babson also acts as investment sub-adviser to certain CLOs for which Jefferies Finance acts as the collateral manager.

Please see response under Item 5 above for a description of the registered open-end and closed-end investment companies, private investment funds and other investment or finance entities for which Babson serves as investment adviser, sub-adviser, co-manager, portfolio manager or collateral manager. Babson, its affiliates and employees may have investments in the investment funds that Babson advises. Employees of Babson and its affiliates serve as officers, directors and/or trustees of certain investment funds and other investment or finance entities that it advises. Babson or its affiliates may recommend that a client invest in investment funds or other advisory accounts and investment products managed by Babson or its affiliates.

Certain of Babson's investment advisory clients may be solicited to invest in one or more of the private investment funds described under section IV of Item 5 above or established in the future by Babson or an affiliate, or in which Babson or an affiliate has invested. Certain of these private investment funds may be structured as limited partnerships or limited liability companies with respect to which Babson, or an affiliate, serves as general partner, managing member or manager. Additionally, Babson's affiliated broker-dealer, Babson Capital Securities, may solicit clients to invest in funds that are not managed by Babson, but in which Babson or its affiliates has an economic interest and/or holds an ownership interest in the fund's manager.

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Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics:

The following is a summary of Babson's Global Code of Ethics and Personal Securities Transactions Policy ("Code of Ethics" or the "Code"), which has been adopted by Babson in compliance with Section 204A of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940, as amended. A copy of the Code of Ethics is available to any client or prospective client without charge, upon request.

Personal Trading:

The Code applies to all Babson employees and any other individual, including but not limited to officers, contractors and associates of Babson ("Access Persons") that the Chief Compliance Officer deems appropriate. Access Persons include, as a sub-set, investment persons.

While Access Persons may trade in securities that are purchased, held and sold by or on behalf of Babson's advisory clients, such personal transactions are subject to a number of limitations. Generally, Access Persons must receive approval before trading in a security absent an exemption in the Code and are generally subject to a ban on trading in a security on the same day as the purchase or sale of that security by any client account (except for securities exempt as described below) and a ban on short-term trading. In addition, Access Persons must obtain prior approval before participating in certain private placement or initial public offerings. Access Persons are also prohibited from engaging in short sales of securities issued by any entities advised or sub-advised by Babson and are prohibited from joining investment clubs. Under Babson's Outside Service Policy, Access Persons must also generally obtain approval and disclose any possible conflicts of interest prior to serving on the board of directors of any business entity or from entering into any other outside business activity.

Investment persons, including portfolio managers, traders and research analysts, are subject to additional restrictions. For example, investment persons generally cannot personally trade in a security within seven (7) calendar days before or after the purchase or sale of a security by any client account, except for securities exempted from the Code, as defined below.

Access Persons are obligated to make periodic reports to Babson, including an initial holdings report to be provided within ten (10) days of becoming an Access Person and annually thereafter a holdings report containing information that must be current as of a date no more than forty-five (45) days prior to submission. Furthermore, all Access Persons are required to submit detailed quarterly reports covering personal transactions in substantially all securities. Information regarding brokerage accounts held by an Access Person is disclosed in these reports. In general, Babson requires Access Persons to maintain their accounts from amongst a list of approved brokers, subject to certain limited exceptions. Furthermore, Babson requires all Access Persons to have their brokers promptly submit duplicate confirmations, either via electronic feed or paper, of all personal securities transactions to Babson's Compliance Department.

Certain types of securities and transactions are exempted, in whole or in part, from the coverage of the Code of Ethics. For example, preclearance and most reporting requirements would not apply to transactions in direct obligations of the U.S. government, bankers' acceptances, bankers' certificates of deposit, commercial paper, shares of registered open-end investment companies including exchange-traded funds (although reporting is required for mutual funds advised or sub-advised by Babson or an

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affiliate unless held through a Babson benefit plan), and securities transactions for an account over which an Access Person has no direct or indirect control. In addition, preclearance requirements would not apply to certain gifts of securities, automatic investment plans, involuntary transactions, pro rata distributions, and other limited defined securities or transactions. Although preclearance for these trades is required, Babson's Code of Ethics permits de minimis purchases or sales (as specified in the Code) of securities issued by companies with a market capitalization of at least \$3 billion USD (the "Large Cap / De Minimis Exception").

Participation or Interest in Client Transactions:

Transactions with Affiliates: Babson or its affiliates, including MassMutual and its affiliates, may from time to time, acting as principal, buy securities or other investments for itself from or sell securities or other investments it owns to its advisory clients. Likewise, Babson may either directly or on behalf of MassMutual, purchase and/or hold securities or other investments that are subsequently sold or transferred to advisory clients. Babson has a conflict of interest in connection with a transaction where it or an affiliate is acting as principal since it may have an incentive to favor itself or its affiliates over its advisory clients in connection with the transaction. To address the conflicts of interest, Babson has adopted a Transactions with Affiliates Policy, which ensures any such transaction is consistent with Babson's fiduciary obligations to act in the best interests of its clients, including its ability to obtain best execution in connection with the transaction, and is in compliance with applicable legal and regulatory requirements.

Cross Trades: Babson may affect cross-trades on behalf of its advisory clients whereby one advisory client buys securities or other investments from or sells securities or other investments to another advisory client. Babson may also effect cross-trades involving advisory accounts or funds in which it or its affiliates, including MassMutual, and their respective employees, have an ownership interest or for which Babson is entitled to earn a performance fee. As a result, Babson has a conflict of interest in connection with the cross-trade since it may have an incentive to favor the advisory client or fund in which it or its affiliate has an ownership interest and/or is entitled to a performance fee. To address the conflicts of interest, Babson has adopted a Transactions with Affiliates Policy, which ensures any such cross-trade is consistent with Babson's fiduciary obligations to act in the best interests of each of its advisory clients, including its ability to obtain best execution for each advisory client in connection with the cross-trade transaction, and is in compliance with applicable legal and regulatory requirements. Babson will not receive a commission or any other remuneration (other than its advisory fee) for effecting cross-trades between advisory clients.

Loan Origination Transactions: While Babson or its affiliates generally do not act as an underwriter or member of a syndicate in connection with a securities offering, Babson or its affiliates (or an unaffiliated entity in which Babson or its affiliates has an ownership interest) may act as an underwriter, originator, agent, or member of a syndicate in connection with the origination of senior secured loans or other lending arrangements with borrowers, where such loans may be purchased by Babson advisory clients during or after the original syndication. Babson advisory clients may purchase such loans directly from Babson or its affiliates (or an unaffiliated entity in which Babson or its affiliates has an ownership interest) or from other members of the lending syndicate. Babson or its affiliates may directly or indirectly receive underwriting, origination, or agent fees in connection with such loan originations. As a result, Babson has a conflict of interest in connection with such loan origination transactions since it has an incentive to base its investment recommendation to its advisory clients on the amount of compensation, underwriting, origination or agent fees it would receive rather than on its advisory clients' best interests. To address the conflict of interest, Babson has adopted a Transactions with Affiliates

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Policy, which ensures any such transaction is consistent with Babson's fiduciary obligations to act in the best interests of its clients, including its ability to obtain best execution in connection with the transaction, and is in compliance with applicable legal and regulatory requirements.

MML Investors Services, LLC ("MMLISI"), an indirect wholly-owned subsidiary of MassMutual, is an SEC-registered investment adviser and broker-dealer that may act as an introducing broker for the purpose of effecting securities transactions for brokerage customers. While a Babson advisory client could request that MMLISI effect securities transactions for it that would result in commissions to MMLISI, currently no Babson advisory client directs Babson to effect securities transactions for its account through MMLISI.

Investments by Advisory Clients: Babson may invest client assets in securities or other investments that are also held by (i) Babson or its affiliates, including MassMutual, (ii) other Babson advisory accounts, (iii) funds or accounts in which Babson or its affiliates or their respective employees have an ownership or economic interest or (iv) employees of Babson or its affiliates. Babson may also, on behalf of its advisory clients, invest in the same or different securities or instruments of issuers in which (a) Babson or its affiliates, including MassMutual, (b) other Babson advisory accounts, (c) funds or accounts in which Babson, its affiliates, or their respective employees have an ownership or economic interest or (d) employees of Babson or its affiliates, have an ownership interest as a holder of the debt, equity or other instruments of the issuer. Babson has a conflict of interest in connection with any such transaction since investments by its advisory clients may directly or indirectly benefit Babson and/or its affiliates and employees by potentially increasing the value of the securities or instruments it holds in the issuer. Any investment by Babson on behalf of its advisory clients will be consistent with its fiduciary obligations to act in the best interests of its advisory clients, and otherwise be consistent with such clients' investment objectives and restrictions.

Babson or its affiliates may also recommend that clients invest in registered or unregistered investment companies, including private investment funds such as hedge funds, private equity funds or structured funds (i) advised by Babson or an affiliate, (ii) in which Babson, an affiliate or their respective employees has an ownership or economic interest or (iii) with respect to which Babson or an affiliate has an interest in the entity entitled to receive the fees paid by such funds. Babson has a conflict of interest in connection with any such recommendation since it may have an incentive to base its recommendation to invest in such investment companies or private funds on the fees that Babson or its affiliates would earn as a result of the investment by its advisory clients in the investment companies or private funds. Any recommendation to invest in a Babson advised fund or other investment company will be consistent with Babson's fiduciary obligations to act in the best interests of its advisory clients, consistent with such clients' investment objectives and restrictions. Babson may, in certain limited circumstances, offer to clients that invest in private investment funds that it advises an equity interest in entities that receive advisory fees and carried profits interest from such funds.

Employee Co-Investment: Babson may permit certain of its portfolio managers and other eligible employees to invest in certain private investment funds advised by Babson or its affiliates and/or share in the performance fees received by Babson from such funds. If the portfolio manager or other eligible employee was responsible for both the portfolio management of the private fund and other Babson advisory accounts, such person would have a conflict of interest in connection with investment decisions since the person may have an incentive to direct the best investment ideas, or to allocate trades, in favor of the fund in which he or she is invested or otherwise entitled to share in the performance fees received from such fund. To address the conflicts of interest, Babson has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy which requires, among others things, that

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Babson treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson from favoring any particular advisory account as a result of the ownership or economic interests of Babson, its affiliates or employees, in such advisory account. Any investment by a Babson employee in one of its private funds is also governed by Babson's Employee Co-Investment Policy, which ensures that any co-investment by a Babson employee is consistent with Babson's Code of Ethics, as summarized above.

Management of Multiple Accounts: As noted above, Babson's portfolio managers are often responsible for the day-to-day management of multiple accounts, including, among others, separate accounts for institutional clients, closed-end and open-end registered investment companies, and/or private investment funds (such as hedge funds, private equity funds and structured funds), as well as for proprietary accounts of Babson and its affiliates, including MassMutual and its affiliates. The potential for material conflicts of interest exist whenever a portfolio manager has responsibility for the day-to-day management of multiple advisory accounts. These conflicts may be heightened to the extent a portfolio manager is responsible for managing a proprietary account for Babson or its affiliates or where the portfolio manager, Babson and/or an affiliate has an investment in one or more of such accounts or an interest in the performance of one or more of such accounts (e.g., through the receipt of a performance fee).

Investment Allocation: Such potential conflicts include those relating to allocation of investment opportunities. For example, it is possible that an investment opportunity may be suitable for more than one account managed by Babson, but may not be available in sufficient quantities for all accounts to participate fully. Similarly, there may be limited opportunity to sell an investment held by multiple accounts. A conflict arises where the portfolio manager has an incentive to treat an account preferentially because the account pays Babson or its affiliates a performance-based fee or the portfolio manager, Babson or an affiliate has an ownership or other economic interest in the account. As noted above, Babson also acts as an investment manager for certain of its affiliates, including MassMutual. These affiliate accounts co-invest jointly and concurrently with Babson's other advisory clients and therefore share in the allocation of such investment opportunities. To address the conflicts of interest associated with the allocation of trading and investment opportunities, Babson has adopted an Investment Allocation Policy and trade allocation procedures that govern the allocation of portfolio transactions and investment opportunities across multiple advisory accounts, including affiliated accounts, which are summarized below under Item 12 – Brokerage Practices, Investment Allocation Policy. In addition, as noted above, to address the conflicts, Babson has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy which requires, among others things, that Babson treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson from favoring any particular advisory account as a result of the ownership or economic interests of Babson, its affiliates or employees, in such advisory accounts. Any investment by a Babson employee in one of its private funds is also governed by Babson's Employee Co-Investment Policy, which ensures that any co-investment by a Babson employee is consistent with Babson's Code of Ethics, as summarized above.

Personal Securities Transactions; Short Sales: Potential material conflicts of interest may also arise related to the knowledge and timing of an account's trades, investment opportunities and broker or dealer selection. Babson and its portfolio managers have information about the size, timing and possible market impact of the trades of each account they manage. It is possible that portfolio managers could use this information for their personal advantage and/or to the advantage or disadvantage of various accounts which they manage. For example, a portfolio manager could cause a favored account to "front run" an account's trade or sell short a security for an account immediately prior to another account's sale of that security. To address these conflicts, Babson has adopted policies and procedures, including a Short Sales Policy, which ensures that the use of short sales by Babson is consistent with Babson's fiduciary

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obligations to its clients, a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy, which requires, among other things, that Babson treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson from favoring any particular account as a result of the ownership or economic interest of Babson, its affiliates or employees and a Code of Ethics, as summarized above.

Trade Errors: Potential material conflicts of interest may also arise if a trade error occurs in a client account. A trade error is deemed to occur if there is a deviation by Babson from the applicable standard of care in connection with the placement, execution or settlement of a trade for an advisory account that results in (1) Babson purchasing securities not permitted or authorized by a client's investment advisory agreement or otherwise failing to follow a client's specific investment directives; (2) Babson purchasing or selling the wrong security or the wrong amount of securities on behalf of a client's account; or (3) Babson purchasing or selling securities for, or allocating securities to, the wrong client account. When correcting these errors, conflicts of interest between Babson and its advisory accounts may arise as decisions are made on whether to cancel, reverse or reallocate the erroneous trades. In order to address the conflicts, Babson has adopted an Errors Policy governing the resolution of trading errors, and will follow the Errors Policy in order to ensure that trade errors are handled promptly and appropriately and that any action taken to remedy an error places the interest of a client ahead of Babson's interest.

Best Execution; Directed Brokerage: With respect to securities and other transactions (including, but not limited to, derivatives transactions) for most of the accounts it manages, Babson determines which broker or dealer to use to execute each order, consistent with its fiduciary duty to seek best execution of the transaction. Babson manages certain accounts, however, for clients who limit its discretion with respect to the selection of brokers or dealers or direct it to execute such client's transaction through a particular broker or dealer. In these cases, trades for such an account in a particular security or other transaction may be placed separately from, rather than aggregated with, those in the same security or transaction for other accounts. Placing separate transaction orders for a security or transaction may temporarily affect the market price of the security or transaction or otherwise affect the execution of the transaction to the possible detriment of one or more of the other account(s) involved. Babson has adopted a Best Execution Policy and a Directed Brokerage Policy which are summarized below under Item 12 – Brokerage Practices, Broker or Dealer Selection/Recommendations and Directed Brokerage. As discussed above, Babson employees may trade in securities that are purchased, held and sold by or on behalf of Babson's advisory clients, subject to a number of limitations. See above for a discussion of restrictions on employee personal securities transactions contained in Babson's Code of Ethics.

Babson and its portfolio managers or employees may have other actual or potential conflicts of interest in managing an advisory account, and the list above is not a complete description of every conflict of interest that could be deemed to exist.

Insider Trading/Firewalls:

Babson has adopted an Insider Trading and Firewall Policy to ensure that processes and procedures are reasonably designed to detect and prevent insider trading and to establish effective information barriers ("firewalls") between certain groups of Babson's investment professionals in order to prevent the unauthorized access to or flow of inside information between and among such groups. Babson has established such firewalls between Babson's public and private investment groups and between Babson and its affiliates and from individuals outside Babson.

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Those companies about which Babson (or in certain situations, an affiliate of Babson), has inside information will be placed on the applicable restricted list, which may be an investment group's restricted list and/or a restricted list applicable to all Babson investment groups. Babson's ability to trade securities on the restricted list is extremely limited. This may result in Babson being unable to buy and sell securities or other financial products for a client's advisory account while the issuer of such security or investment remains on the restricted list, notwithstanding the fact that Babson may have otherwise determined that such purchase or sale would be in a client's best interest.

Item 12 – Brokerage Practices

Broker or Dealer Selection/Recommendations:

Babson seeks to place securities transactions or other transaction (including, without limitation, derivative transactions) for advisory clients with broker or dealer firms in such a manner that the advisory client's total costs or proceeds in each transaction are the most favorable under the circumstances ("best execution").

Individuals who are responsible for selecting brokers or dealers to execute specific transactions on behalf of Babson's clients are expected to use their best judgment in selecting the broker or dealer best able to provide overall best execution. The determinative factor in this analysis and selection is not the lowest possible execution cost but whether a trade represents the best qualitative execution for the client's advisory account.

Babson will consider the full range and quality of a broker's or dealer's services, and may consider, among others, the following factors (each of which may carry more or less weight in the context of a particular trade): competitiveness of price (includes spread or commission rates); availability of accurate information regarding the market of the security or other transaction in question; character of the market for the security or other transaction (e.g., price, volatility, relative liquidity); difficulty of the trade and the unique security or other transaction trading characteristics; size of the order; product trading style and strategy; competitiveness of the broker or dealer bid/ask levels or commission rates (as applicable); confidentiality provided by the broker or dealer; promptness of execution; past execution history; clearance and settlement capabilities; quality of the broker's or dealer's confirmations and account statements; financial strength of the broker or dealer; overall credit exposure to the broker or dealer; reputation and integrity; access to markets; block trading and arbitrage capabilities; sophistication of trading facilities; specialized expertise; support of secondary trading for new issues; access to new issues and IPOs of securities for client accounts; fairness in resolving disputes; ability and willingness to commit capital; quality of research; ability to accommodate third-party research arrangements; and overall responsiveness to Babson.

Babson's investment and trading departments seek to achieve best execution of client trades by, among other things, encouraging open communication between relevant trading departments and related investment staff, having qualified traders who have suitable experience/training and access to appropriate resources to place all client trades through the relevant trading desk, providing portfolio managers with direct access to the traders (and trading blotter where applicable) so that they can monitor whether their portfolio trades are being executed in ways that capture the maximum value of their investment decisions, and soliciting multiple bids when and where appropriate.

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Research and Other Soft Dollar Benefits:

It has for many years been a common practice in the investment advisory business for investment advisers to receive brokerage and research products or services (as defined in the 1934 Act and the rules promulgated thereunder) from brokers or dealers that effect portfolio transactions for the clients of such advisers and from third parties with whom such brokers or dealers have arrangements. Consistent with this practice, Babson's Soft Dollar Policy provides that when more than one broker or dealer is able to satisfy Babson's ability to obtain best execution, Babson can effect a transaction with the broker or dealer that provides Babson with brokerage and research products or services, either directly or through third parties with whom these brokers or dealers have arrangements, subject to applicable legal requirements, guidelines of the SEC related to the safe harbor of Section 28(e) of the 1934 Act, and the requirements of Babson's Soft Dollar Policy.

In receiving proprietary and third-party research services, Babson may pay a commission to a broker or dealer that is higher than the commission another broker or dealer may have charged for that transaction if Babson determines (i) that the product or service constitutes eligible brokerage ("Brokerage") and eligible research ("Research") under the 1934 Act; (ii) that the Brokerage or Research product or service provides lawful and appropriate assistance in the carrying out of Babson's investment decision-making responsibilities; and (iii) in good faith that the amount of commissions paid is reasonable in light of the value of the Brokerage and Research products or services received.

Qualifying Research products or services constitute advice, analyses or reports related to, for example, the value or availability of securities, historical issuer data, industry trends, economic factors and market data, or portfolio strategies. Qualifying Brokerage products or services include order routing and trade software, algorithmic trading services and direct market access systems. Where such products or services are not used exclusively by Babson for Brokerage and Research purposes eligible to be paid with soft dollars under the 1934 Act, Babson bears that portion of the cost of such products or services allocable to Babson's non-brokerage or non-research use.

Some Brokerage and Research products or services may benefit Babson's clients as a whole, while others may benefit a specific segment of clients. Not all Brokerage and Research products or services will be used to service the client accounts that generate the soft dollar commissions that pay for such products or services. The management fee paid by clients is not reduced because Babson receives these Brokerage and Research products or services through soft dollar commissions, even though without such commissions Babson might pay for such products or services itself.

While Babson does not incur legal obligations to pay for such Brokerage and Research products or services or obligate itself to generate a specific amount of commissions, there is typically a targeted level of commissions associated with certain Brokerage and Research products or services, and Babson tracks commissions generated through client trades and may allocate brokerage to a broker or dealer who provides this research consistent with the principles stated above.

Babson's use of soft dollars for Brokerage and Research products and services represents a conflict of interest since Babson is able to use client commissions to pay for Brokerage and Research products or services rather than pay for such services itself. Babson may also have an incentive to select or recommend a broker or dealer based on its interest in receiving Brokerage and Research products or services rather than on the advisory client's interest in receiving best execution.

Babson's Trading Practices Committee oversees Babson's soft dollar Brokerage or Research products, services or arrangements. Additionally, Babson has entered into an arrangement with a third party

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introducing broker-dealer that provides certain administrative services relating to Babson's soft dollar relationships, in addition to providing qualifying third party Brokerage and Research products or services.

In fiscal year 2014, Babson acquired the following types of Brokerage or Research products and services with client brokerage commissions: (i) financial market and economic news and research; (ii) brokerage and research services; (iii) investment and portfolio-level analytic software; and (iv) research products or services for best execution statistics and comparisons.

Brokerage for Client Referrals:

Babson will not enter into directed brokerage arrangements with brokers or dealers as compensation for client referrals or as compensation for the efforts of such broker or dealer in connection with the sale of interests in Babson private funds or other investment products. Babson may, however, use such brokers or dealers to effect transactions for such referred clients or private funds consistent with Babson's best execution obligations.

Directed Brokerage:

In certain circumstances, Babson may allow an advisory client to limit or restrict Babson's discretion to execute trades for the client's account through a particular broker or dealer. In return for the brokerage commissions from the client's transactions, the broker or dealer may provide services directly to the client, pay certain expenses of the client, or provide a cash rebate to the client through a commission recapture program.

Babson will make an effort to obtain prices for a directed brokerage order comparable to those obtained for non-directed brokerage orders, however, directed brokerage trades generally will be executed after non-directed brokerage trades.

A client who limits Babson's discretion with respect to the selection of brokers or dealers or directs Babson to execute its securities transactions or other transactions through a specific broker or dealer may forego certain benefits and may result in Babson being unable to achieve best execution of a client's transactions. Particularly, a client who directs Babson to use a specific broker or dealer may pay higher commissions or other transaction costs on some transactions than might be otherwise attainable by Babson, or may receive less favorable execution of some transactions than might be attainable by Babson, or both. In addition, the client may forego any benefits or savings in execution costs that Babson could obtain for its clients through negotiating volume discounts on aggregated transactions (as directed brokerage trades will generally be executed, at Babson's discretion, after non-directed trades). Accordingly, non-aggregated directed brokerage transactions may be subject to price movements, particularly in volatile markets, that may result in a client receiving a price that is less favorable than the price obtained in the aggregated order. A client directing brokerage may not be able to participate in an allocation of shares of a new issue (including initial public offerings) if those new issue shares are provided by another broker or dealer. Babson will not permit directed brokerage arrangements of one client to interfere with Babson's efforts to obtain best execution on behalf of its other clients.

The client may direct Babson to use a particular broker or dealer from whom Babson receives or may receive referrals, and Babson may derive a benefit from this activity. Additionally, a client who directs brokerage may prevent Babson from receiving research-related products and services available from other brokers or dealers, as described above. A client's request that Babson execute trades for the client's account through a particular broker or dealer must be in writing. In addition, Babson may require a client

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directing brokerage to represent in writing to Babson that: (i) the client has the power and authority to enter into the directed brokerage arrangement; (ii) the directed brokerage arrangement will not violate any obligations by which the client or the account is bound by reason of contract, operation of law, the Financial Industry Regulatory Authority rule, or otherwise; (iii) the client understands that the directed brokerage arrangement may impair Babson's ability to achieve best execution; and (iv) the account may forego the possibility of receiving lower transaction costs that could be achieved by Babson's "aggregation" of orders.

Access Fees Paid to, and Discounts Provided by, Electronic Communications Networks ("ECNs"), Swap Clearing Firms and Other Trading Systems:

Babson may also place orders for the purchase or sale of securities or other instruments for certain accounts through electronic trading systems, including ECNs, swap clearing firms, swap execution facilities, brokers or dealers that participate in such trading systems or platforms, consistent with its duty to seek best execution. ECNs, swap clearing firms and swap execution facilities may charge fees for their services, including access fees and transaction fees. Access fees may be paid by Babson even though incurred in connection with executing transactions on behalf of clients, while transaction fees will generally be charged to clients, and like commissions and mark-ups/mark-downs would generally be included in the cost of the securities or other instruments purchased or sold. In some cases, ECNs, swap clearing firms and swap execution facilities may offer volume discounts that will reduce the access fees typically paid by an investment adviser. In some cases, applicable laws and regulations may require that derivatives and over-the-counter derivatives are cleared through a regulated derivatives clearing organization and/or traded through a regulated exchange.

Regulatory Reform:

There is existing and pending regulatory reform in many jurisdictions relating to derivatives that may have a significant impact on Babson's investment advisory business. Such regulatory reform could impact the manner in which, and the extent to which, Babson's clients use and trade derivatives, and could limit or significantly increase the costs of trading in such derivatives. For instance, in July 2010, the DFA was signed into law in the U.S. The DFA is expansive in its scope, and requires the adoption of numerous regulations and the making of numerous regulatory decisions by U.S. federal regulators including, but not limited to, the SEC and the CFTC. Under the DFA, the SEC is responsible for regulating "security-based swaps" as defined by Section 3(a)(68) of the 1934 Act, and the CFTC is responsible for regulating "swaps" as defined by Section 1(a)(47) of the Commodity Exchange Act of 1934. Babson's clients could be adversely affected by recently adopted changes to the CFTC regulations relating to swaps. These rule changes include, but are not limited to, those concerning, among other things, the identity and registration status of "swap dealer counterparties" ("SDs"), the status of clients as so-called "special entities" or "major swap participants" ("MSPs"), and the mandatory clearing and trade execution of certain types of derivatives.

Currently, swaps become subject to mandatory clearing upon issuance of a mandatory clearing determination by the CFTC. Absent an exemption, all market participants are required to submit relevant swaps for clearing if a registered or exempt derivatives clearing organization makes clearing available. Further, absent an exemption, mandatory execution on a swap execution facility ("SEF") or derivatives contract market ("DCM") is required where a swap (i) is subject to mandatory clearing and (ii) has been "made available to trade" ("MAT") by a SEF or DCM and reviewed by the CFTC. SEFs and DCMs are permitted to submit MAT determinations to the CFTC for approval if the swaps are listed by the SEF and there is adequate liquidity in the market. In the case of swaps not subject to mandatory clearing, the DFA

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mandates the imposition of regulatory margin requirements on SDs and MSPs, as well as requirements for SDs and MSPs to segregate initial margin on request of the counterparty.

Similarly, in the case of “security-based swap dealers” (“SBSDs”), or “major securities-based swap participants” (“MSBSPs”) subject to regulation by the SEC, the DFA again mandates in the cases of securities-based swaps not subject to mandatory clearing the imposition of regulatory margin requirements on SBSDs and MSBSPs, as well as requirements for SBSDs and MSBSPs to segregate initial margin on request of the counterparty. The imposition of such regulatory margin could impact the cost of trading in such swaps, and thus impact the extent to which, and manner in which, Babson’s clients use derivatives.

In addition, in cases where derivatives are executed through a SEF, the investment adviser is required to submit its clients (on whose behalf the trade is submitted) to the jurisdiction of the SEF. Such consent need not be obtained through an affirmative writing of the client. Such guidance has created uncertainty in the market, particularly as more derivatives are being required to be traded through SEFs, and as a consequence some market participants may decide not to trade derivatives or, in the case of clients that are not U.S. persons, such clients may decide to trade swaps outside the U.S.

In addition to the DFA, the European Union enacted EMIR (Regulation (EU) No 648/2012 of the European Parliament and of the Council of July 4). Similar to the DFA, EMIR may impose mandatory clearing, risk mitigation procedures, and margin requirements on Babson’s clients that are subject to EMIR or are trading with entities subject to EMIR, depending on such clients’ classification under EMIR. In cases where a client is subject to the requirements of the DFA and EMIR or other regulatory regimes, it may be possible to substitute compliance with regulations of one jurisdiction with compliance with the rules of the other jurisdiction. As is the case with the DFA, EMIR could limit or significantly increase the costs of trading in certain derivatives. As stated above, a number of other countries either have proposed, or are proposing, regulations for derivatives, and it is impossible to predict the ultimate effect of such regulations.

Trade Aggregation:

Investment Allocation Policy

Many of the investment transactions by Babson on behalf of its clients are effected as aggregated transactions made for a number of accounts, including for Babson’s own account or the account of its affiliates, including MassMutual and MassMutual’s subsidiaries and affiliates, for other accounts or funds in which Babson, its affiliates, or their respective employees, may have a beneficial or proprietary interest, or for accounts which Babson or its affiliates receive a performance-based advisory fee. To address the conflicts of interest associated with the allocation of trading and investment opportunities, Babson has adopted an Investment Allocation Policy (the “Investment Allocation Policy”) setting forth general principles of allocation for aggregated investment transactions, and established a Trading Practices Committee to assist in the implementation of policies and procedures designed to result in the fair and equitable distribution of aggregated investment opportunities across all Babson investment advisory accounts (“Allocation Procedures”). Babson’s Compliance Department may grant exceptions to any provision of these Allocation Procedures so long as such exceptions are consistent with the purpose of the Allocation Procedures and applicable law, and are documented and retained for the period required. These Allocation Procedures are summarized below.

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Babson is committed to transacting in securities, loans and other financial instruments in a manner that is consistent with the investment objectives of each of its clients, and to allocating investment opportunities (including purchase and sale opportunities) among its clients on a fair and equitable basis.

Babson determines whether aggregation of such transactions is desirable, appropriate and feasible and will allocate trades among participating accounts with the general purpose of maintaining consistent and/or appropriate concentrations across similar accounts and in an effort to obtain more favorable execution in terms of price, cost and efficiency in processing the transaction. When aggregating orders, all clients will be treated in a fair and equitable manner. Babson will not make allocation decisions based on relationships with certain clients, fees or compensation. Babson has adopted Allocation Procedures designed to ensure that trade allocations are timely, that no set of trade allocations is accomplished to unfairly advantage one client over another and that over time, clients are treated equitably, even though a specific trade may have the effect of benefiting one client as against another when viewed in isolation. Allocations are generally made at or about the time of execution and before the end of the trading day or as soon as practicable thereafter. Depending on such factors as the size of an order and the type and availability of a security or other investment, orders may be executed throughout the day rather than being aggregated. As a result, one account may receive a price for a particular transaction that is different from the price received by another account for a similar transaction on the same day. In general, trades are allocated among portfolios on a pro rata basis (given the portfolio has indicated interest) when Babson determines such aggregation is appropriate and in the best interest of its clients.

It is the policy of Babson to generally share appropriate investment opportunities (including purchase and sale opportunities) across all client accounts including those accounts that may be for the benefit of affiliates of Babson. In general, this means that such opportunities will be allocated pro rata among the clients with interest. In addition, Babson must comply with allocation procedures specified in any of the fund or organizational documents of its clients. No client will be allocated assets if such allocation does not meet the investment objective or current risk profile of such client.

Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified in Babson's Allocation Procedures described herein. Reasons for allocating on a different basis include, but are not limited to: a client's investment guidelines and restrictions, available cash, liquidity requirements, industry or issuer concentrations, tax or legal reasons, and to avoid odd-lots or in cases when a pro rata allocation would result in a de minimus allocation to one or more clients. From time to time, aggregation may not be possible because a security is thinly traded. Babson seeks to treat all clients reasonably in light of all factors relevant to managing an account, and in some cases, it is possible that the application of the factors described above may result in allocations in which certain accounts may receive an allocation when others do not.

Section 17(d) Order

Babson, MassMutual, Babson Capital Corporate Investors (f/k/a MassMutual Corporate Investors; "MCI"), Babson Capital Participation Investors (f/k/a MassMutual Participation Investors; "MPV," and together with MCI, each a "Fund" and collectively the "Funds"), and private investment companies advised or sub-advised by Babson ("private investment funds") have obtained a blanket order (the "Section 17(d) Order") from the SEC pursuant to Section 17(d), and Rule 17d-1 thereunder, of the Investment Company Act of 1940, as amended. Subject to certain conditions set forth therein, the Section 17(d) Order generally permits joint investments (or "co-investments") in private placement securities by certain affiliated persons of Babson, including future private investment funds.

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The conditions of the Section 17(d) Order are applicable only to those joint or aggregate transactions in private placement securities where Babson negotiates the terms of the transaction other than price. No co-investment in private placement securities may be made by MCI or MPV under the Section 17(d) Order if MassMutual, Babson or a private investment fund then currently holds a security issued by that entity.

Under the Section 17(d) Order, Babson must first offer the Funds, in an amount equal to that to be acquired by MassMutual, any proposed acquisition by MassMutual of private placement securities that would be consistent with the investment objectives and policies of the Funds. For purposes of this condition, the amount of any private placement security to be acquired by MassMutual shall be deemed to include the amount acquired by a private investment fund that is attributable to MassMutual's direct or indirect percentage ownership interest in the private investment fund. Each Fund may choose to acquire any amount of such securities up to the amount offered to it. A Fund may co-invest in a private placement security only if a majority of its Joint Transactions Committee members, which is made up of the Fund's independent trustees who have no interest in the transaction, determine that: (1) the terms of the transaction are reasonable and fair to the Fund and its shareholders; (2) the transaction is consistent with the Fund's investment objectives and policies; and (3) the co-investment by other affiliated parties would not disadvantage the Fund and participation by the Fund would not be on a basis different from or less advantageous than that of other participants. MassMutual, the Funds and any other private investment fund that acquire private placement securities under the Section 17(d) Order must acquire such private placement securities upon the same terms and conditions, at the same price and with the same rights.

Item 13 – Review of Accounts

Advisory accounts managed by Babson are reviewed regularly and generally daily for many accounts such as institutional separate accounts and registered investment companies. Account level reviews are generally performed by the account portfolio manager or team responsible for account management, who review portfolio holdings and monitor compliance with, to the extent applicable, any client-mandated investment guidelines. Reviews are supplemented by other Babson support professionals that monitor valuation, credit quality, duration, spread and market activity and other factors, as applicable, as well as compliance professionals who monitor security or other investment holdings on an account basis to ensure compliance with account investment guidelines. In addition to account level review, securities and other investments held on behalf of client advisory accounts are subject to economic, fundamental, technical and/or quantitative analyses that Babson utilizes in its investment-decision making.

Client reports are tailored to meet the needs of the respective client, and vary in scope, format, approach and timing in accordance with each client's requirements. Most clients receive written reports.

Item 14 – Client Referrals and Other Compensation

Babson's affiliated broker-dealer, Babson Capital Securities, may act as placement agent for certain private investment funds where Babson is not a sponsor or adviser to the fund, but where Babson or an affiliate may be a lead investor and/or share in the economics as a general partner or pay a reduced fee. Babson or its affiliates may solicit clients to invest in such funds and receive compensation from the adviser to the fund or its affiliates in connection with such placement agent services.

In certain circumstances, and in accordance with applicable law, Babson may (1) pay a fee to employees of Babson or its affiliates or other selected individuals, or entities who introduce business to Babson or (2)

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receive a fee for introducing clients and their business to related persons or third parties. The amount of fees paid to or received from third parties is negotiated between Babson and such persons.

Item 15 – Custody

In certain instances, Babson is deemed to have custody of client assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the “Custody Rule”). In order to comply with the Custody Rule, in certain cases qualified custodians will send quarterly or more frequent account statements directly to Babson clients. Clients should carefully review such statements and compare them to any account statements they receive from Babson. If any discrepancies are found, clients should contact Babson and their custodian as soon as possible.

Item 16 – Investment Discretion

Babson's investment management agreements generally provide Babson with discretionary authority to determine which securities and other transactions, in what amounts and on what terms, to buy, sell or transact on behalf of a client's account, which brokers or dealers to use in executing client trades, and the brokerage commissions and other transaction costs to be paid in connection with the transaction. Investment decisions for a client are made with a view to achieving the client's investment objectives. Clients may establish specific investment guidelines for their accounts, which may limit Babson's investment discretion for those accounts by requiring Babson to abide by certain investment limitations and restrictions in such guidelines. In determining when to purchase or sell securities or to enter into other investment transactions for an advisory account, Babson considers many factors, including those summarized above in Item 12 – Brokerage Practices, Trade Aggregation. In making these determinations for clients in light of each account's investment objectives, it may result that a particular security or other transaction is bought or sold or a particular transaction is executed only on behalf of certain clients of Babson, even though it could have been bought, sold or transacted for other clients of Babson. Likewise, a particular security may be bought or held by one or more client portfolios when one or more other client portfolios are selling the security, or selling the security short. Under certain circumstances, short selling a security may adversely affect the price of that security.

Transactions on U.S. stock exchanges, commodities markets, futures markets and other agency transactions involve the payment by a client of brokerage commissions. Such commissions vary among different brokers or dealers. A particular broker or dealer may charge different commissions according to such factors as the difficulty and size of the transaction. In the case of securities or derivatives traded in the over-the-counter markets, the price paid by a client may include an undisclosed dealer commission or mark-up. In underwritten offerings, the price paid by a client includes a disclosed, fixed commission or discount retained by the underwriter, broker or dealer which, in certain circumstances and to the extent not prohibited by applicable law, may be an affiliated broker or dealer of Babson's. To the extent there is a client mandated or other prohibition against the use of an affiliated broker or dealer, such trades may not be aggregated in accordance with the Investment Allocation Policy described above in Item 12 – Brokerage Practices.

Item 17 – Voting Client Securities

Babson views the voting of proxies as an integral part of its investment management responsibility and believes, as a general principle, that proxies should be acted upon (voted or abstained) solely in the best interest of its clients (i.e. in a manner it believes is most likely to enhance the economic value of the underlying securities held in client accounts). To implement this general principle, Babson engages a proxy

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service provider (the “Service Provider”) that is responsible for processing and maintaining records of proxy votes. In addition, the Service Provider will retain the services of an independent third party research provider (the “Research Provider”) to provide research and recommendations on proxies. Babson’s Proxy Voting Policy is generally to vote proxies in accordance with the recommendations of the Research Provider. In circumstances where the Research Provider has not provided recommendations with respect to a proxy, Babson will vote in accordance with the Research Provider’s proxy voting guidelines (the “Guidelines”). In circumstances where the Research Provider has not provided a recommendation or has not contemplated an issue within its Guidelines, the proxy will be analyzed on a case-by-case basis.

Babson recognizes that there may be times when it is in the best interest of clients to vote proxies (i) against the Research Provider’s recommendations or (ii) in instances where the Research Provider has not provided a recommendation vote against the Guidelines. Babson can vote, in whole or in part, against the Research Provider’s recommendations or Guidelines, as it deems appropriate. The procedures set forth in the Proxy Voting Policy are designed to ensure that votes against the Research Provider’s recommendations or Guidelines are made in the best interests of clients and are not the result of any material conflict of interest (a “Material Conflict”). For purposes of the Proxy Voting Policy, a Material Conflict is defined as any position, relationship or interest, financial or otherwise, of Babson or a Babson associate that could reasonably be expected to affect the independence or judgment concerning proxy voting.

Babson will vote all client proxies for which it has proxy voting discretion, where no Material Conflict exists, in accordance with the Research Provider’s recommendations or Guidelines, unless (i) Babson is unable or determines not to vote a proxy in accordance with the Proxy Voting Policy or (ii) an authorized investment person or designee (a “Proxy Analyst”) determines that it is in the client’s best interests to vote against the Research Provider’s recommendations or Guidelines. In such cases where a Proxy Analyst believes a proxy should be voted against the Research Provider’s recommendations or Guidelines, the Proxy Administrator will vote the proxy in accordance with the Proxy Analyst’s recommendation as long as (i) no other Proxy Analyst disagrees with such recommendation and (ii) no known Material Conflict is identified by the Proxy Analyst(s) or the Proxy Administrator. If a Material Conflict is identified by a Proxy Analyst or the Proxy Administrator, the proxy will be submitted to the Trading Practices Committee to determine how the proxy is to be voted in order to achieve that client’s best interests.

No associate, officer, director or board of managers/directors of Babson or its affiliates (other than those assigned such responsibilities under the Proxy Voting Policy) can influence how Babson votes client proxies, unless such person has been requested to provide assistance by a Proxy Analyst or Trading Practices Committee member and has disclosed any known Material Conflict. Pre-vote communications are prohibited. In the event that pre-vote communications occur, it should be reported to the Trading Practices Committee or Babson’s Chief Compliance Officer or General Counsel prior to voting. Any questions or concerns regarding proxy-solicitor arrangements should be addressed to Babson’s Chief Compliance Officer and/or General Counsel.

Investment management agreements generally delegate the authority to vote proxies to Babson in accordance with Babson’s Proxy Voting Policy. In the event an investment management agreement is silent on proxy voting, Babson should obtain written instructions from the client as to their voting preference. However, when the client does not provide written instructions as to their voting preferences, Babson will assume proxy voting responsibilities. In the event that a client makes a written request regarding voting, Babson will vote as instructed.

Clients may obtain a copy of Babson’s Proxy Voting Policy and information about how Babson voted proxies related to their securities, free of charge, by contacting the Chief Compliance Officer, Babson Capital

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Management LLC, 1500 Main Street, Suite 2800, P.O. Box 15189, Springfield, MA 01115-5189, or calling toll-free, 1-877-766-0014.

Item 18 – Financial Information

Item 18 is not applicable.

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