

IMPORTANT NOTICE

Attached please find an electronic copy of the offering circular (the "**Offering Circular**"), dated March 16, 2017, relating to the Class A-1-R Notes, the Class A-2-R Notes and the Class B-R Notes offered by Babson CLO Ltd. 2013-II (the "**Issuer**") and by Babson CLO 2013-II, LLC (the "**Co-Issuer**" and, together with the Issuer, the "**Co-Issuers**") (such Notes, the "**Replacement Notes**").

The Offering Circular does not constitute an offer to any person (other than, subject to the provisions of this notice, the recipient) or to the public generally to subscribe for or otherwise acquire the Replacement Notes described therein.

DISTRIBUTION OF THE OFFERING CIRCULAR TO ANY PERSON OTHER THAN THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE CO-ISSUERS OR THE REFINANCING INITIAL PURCHASER REFERRED TO THEREIN AND THEIR RESPECTIVE AGENTS, AND ANY PERSONS RETAINED TO ADVISE THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE CO-ISSUERS OR THE REFINANCING INITIAL PURCHASER WITH RESPECT THERETO, 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 THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE CO-ISSUERS OR THE REFINANCING INITIAL PURCHASER IS PROHIBITED. BY ACCEPTING DELIVERY OF THE OFFERING CIRCULAR, THE RECIPIENT AGREES TO THE FOREGOING.

THE REFINANCING INITIAL PURCHASER DESCRIBED IN THESE MATERIALS MAY FROM TIME TO TIME PERFORM ASSET MANAGEMENT AND/OR INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY PERSON OR COMPANY NAMED IN THESE MATERIALS OR ANY AFFILIATE THEREOF. THE REFINANCING INITIAL PURCHASER, ITS AFFILIATES AND/OR THEIR RESPECTIVE EMPLOYEES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION IN ANY CONTRACT, SECURITY AND/OR COLLATERAL OBLIGATION DISCUSSED IN THESE MATERIALS.

OFFERING CIRCULAR

BABSON CLO LTD. 2013-II BABSON CLO 2013-II, LLC

U.S.\$415,000,000 Class A-1-R Senior Secured Floating Rate Notes due 2025
U.S.\$97,000,000 Class A-2-R Senior Secured Floating Rate Notes due 2025
U.S.\$48,000,000 Class B-R Senior Secured Deferrable Floating Rate Notes due 2025

The Issuer's investment portfolio consists primarily of senior secured loans and, to a limited extent, debt securities, managed by Barings LLC (formerly known as Babson Capital Management LLC).

This Offering Circular (the "**Offering Circular**") must be read in conjunction with the final Offering Circular dated February 5, 2014 (the "**2014 Offering Circular**") relating to the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes, the Class B-2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Subordinated Notes and the Income Notes issued on December 17, 2013 (the "**Original Closing Date**"), it being understood and agreed by each investor and prospective investor in the Replacement Notes that the Refinancing Initial Purchaser (i) did not participate in the preparation of the 2014 Offering Circular, (ii) has not made a due diligence inquiry, and assumes no obligation, as to the accuracy or completeness of the information contained in the 2014 Offering Circular, (iii) is relying on representations from the Co-Issuers as to the accuracy and completeness of the information contained in the 2014 Offering Circular and (iv) shall have no responsibility whatsoever for the contents of the 2014 Offering Circular. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the 2014 Offering Circular and, if not defined therein, the Indenture. The 2014 Offering Circular is attached hereto as Annex A.

See "**Risk Factors**" beginning on page 4 of this Offering Circular for a discussion of certain risks that you should consider in connection with an investment in the Replacement Notes.

On the Original Closing Date, (i) Babson CLO Ltd. 2013-II (the "**Issuer**") and Babson CLO 2013-II, LLC (the "**Co-Issuer**" and, together with the Issuer, the "**Co-Issuers**") issued U.S.\$415,000,000 Class A-1 Senior Secured Floating Rate Notes due 2025 (the "**Class A-1 Notes**"), U.S.\$97,000,000 Class A-2 Senior Secured Floating Rate Notes due 2025 (the "**Class A-2 Notes**" and, together with the Class A-1 Notes, the "**Class A Notes**"), U.S.\$32,000,000 Class B-1 Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Class B-1 Notes**"), U.S.\$16,000,000 Class B-2 Senior Secured Deferrable Fixed Rate Notes due 2025 (the "**Class B-2 Notes**" and, together with the Class B-1 Notes, the "**Class B Notes**") and U.S.\$38,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Class C Notes**"), (ii) the Issuer issued U.S.\$29,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Class D Notes**"), U.S.\$10,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Class E Notes**" and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Secured Notes**") and U.S.\$60,725,000 Subordinated Notes due 2025 (the "**Subordinated Notes**") and (iii) Babson CLO Ltd. Income Note 2013-II (the "**Income Note Issuer**") issued U.S.\$10,000,000 Income Notes due 2025 (the "**Income Notes**" and together with the Secured Notes and the Subordinated Notes, the "**Notes**").

On March 2, 2017 (the "**Refinancing Date**"), the Co-Issuers refinanced the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes and the Class B-2 Notes (collectively, the "**Refinanced Notes**"), by issuing the Class A-1-R Senior Secured Floating Rate Notes due 2025 (the "**Class A-1-R Notes**"), the Class A-2-R Senior Secured Floating Rate Notes due 2025 (the "**Class A-2-R Notes**" and together with the Class A-1-R Notes, the "**Class A-R Notes**") and the Class B-R Senior Secured Deferrable Floating Rate Notes due 2025 (the "**Class B-R Notes**" and together with the Class A-R Notes, the "**Replacement Notes**") in the respective aggregate principal amounts described above. The Class C Notes, the Class D Notes, the Class E Notes, the Subordinated Notes and the Income Notes are not being refinanced.

Upon issuance (i) the Class A-1-R Notes were rated "AAA (sf)" by S&P and "Aaa (sf)" by Moody's, (ii) the Class A-2-R Notes were rated at least "AA (sf)" by S&P and (iii) the Class B-R Notes were rated at least "A (sf)" by S&P. See "**Rating of the Replacement Notes**." Various additional conditions exist to the issuance of the Replacement Notes, including that a Majority of the Subordinated Notes consents to the execution and delivery of the First Supplemental Indenture (as defined herein).

THE COLLATERAL MANAGER HAS INFORMED THE CO-ISSUERS AND THE REFINANCING INITIAL PURCHASER THAT IT DOES NOT INTEND TO RETAIN A RISK RETENTION INTEREST CONTEMPLATED BY THE U.S. RISK RETENTION RULE IN CONNECTION WITH THE REFINANCING TRANSACTION DESCRIBED IN THIS OFFERING CIRCULAR OR THE REPLACEMENT NOTES. SEE "CREDIT RISK RETENTION" BEGINNING ON PAGE 19 OF THIS OFFERING CIRCULAR.

THE REPLACEMENT NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER OF THE CO-ISSUERS HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE REPLACEMENT 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 BOTH (A) QUALIFIED INSTITUTIONAL BUYERS AND (B) (I) QUALIFIED PURCHASERS OR (II) ENTITIES OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER, SEE "**TRANSFER RESTRICTIONS**" BEGINNING ON PAGE 168 OF THE 2014 OFFERING CIRCULAR.

Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Replacement Notes to be admitted to the Official List (the "**Official List**") and to trading on its regulated market. There can be no assurance that any such listing will be granted or

maintained. This Prospectus has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC. The Central Bank of Ireland only approves the Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Directive 2003/71/EC.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "**Refinancing Initial Purchaser**") expects to offer the Replacement Notes in individually negotiated transactions and to deliver the Replacement Notes to purchasers on or about the Refinancing Date. It is a condition of the issuance of the Replacement Notes that all of the Replacement Notes be issued concurrently. The Refinancing Initial Purchaser will act as sole manager and bookrunner with respect to the Replacement Notes. The Refinancing Initial Purchaser reserves the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. Any Replacement Notes issued in the form of Global 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 against payment therefor in immediately available funds on or about the Refinancing Date.

BofA Merrill Lynch

The date of this Offering Circular is March 16, 2017.

IMPORTANT INFORMATION REGARDING THE REPLACEMENT NOTES

THE REFINANCING INITIAL PURCHASER DESCRIBED IN THESE MATERIALS MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY PERSON OR COMPANY NAMED IN THESE MATERIALS OR ANY AFFILIATE THEREOF. THE REFINANCING INITIAL PURCHASER, ITS AFFILIATES AND/OR THEIR RESPECTIVE EMPLOYEES MAY FROM TIME TO TIME HAVE A LONG OR SHORT POSITION IN ANY SECURITY OR CONTRACT DISCUSSED IN THESE MATERIALS.

Important information regarding this Offering Circular and the Replacement Notes

In making your investment decision, you should only rely on the information contained in this Offering Circular. No Person has been authorized to give you any information other than as contained in this 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.

No action is being taken or is contemplated by the Co-Issuers or the Refinancing Initial Purchaser that would permit a public offering of the Replacement Notes or possession or distribution of this Offering Circular or any amendment thereof or supplement thereto or any other offering material relating to the Co-Issuers or the Replacement Notes in any jurisdiction where, or in any other circumstances in which, action for those purposes is required. The distribution of this Offering Circular and the offering of the Replacement Notes may also be restricted by law in certain jurisdictions. Consequently, nothing contained herein will constitute an offer to sell, or a solicitation of an offer to buy, (i) any securities other than the Replacement Notes offered hereby or (ii) any securities in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Persons into whose possession this Offering Circular comes are required by the Co-Issuers and the Refinancing Initial Purchaser to inform themselves about, and to observe, any such restrictions.

The Co-Issuers and the Refinancing 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 Replacement Notes sought by you or to sell less than the stated initial principal amount of any Class of Replacement Notes.

Payments on the Replacement Notes will be made solely from the Assets pledged by the Issuer pursuant to the Indenture, which will be the only source of payment on the Replacement Notes.

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

The Replacement Notes have not been and will not be registered or qualified under the Securities Act, the securities laws of any state of the United States or the securities laws of any other relevant jurisdiction and may not be offered, sold or otherwise transferred unless an exemption from registration or qualification under the Securities Act and applicable state securities laws and the laws of any other relevant jurisdiction is available.

The Replacement Notes are subject to restrictions on reoffer, resale, pledge or other transfer as described under "*Overview of Terms*", "*Description of the Replacement Notes*" and "*Plan of Distribution*" in this Offering Circular and under "*Summary of Terms*", "*Description of the Notes*", "*Plan of Distribution*" and "*Transfer Restrictions*" in the 2014 Offering Circular. By purchasing any Replacement Notes, you will be deemed to have made certain acknowledgments, representations and agreements as described in "*Transfer Restrictions*" in the 2014 Offering Circular. Any resale or other transfer, or attempted resale or attempted

other transfer, of Replacement Notes that is not made in compliance with the applicable transfer restrictions will be treated by the Co-Issuers and the Trustee as null and void *ab initio*.

An investment in the Replacement Notes is not suitable for all investors and will be appropriate only for financially sophisticated investors capable of analyzing and assessing the risks associated with collateralized loan obligations. An investor in the Replacement Notes should have no need for liquidity with respect to its investment in the Replacement Notes and no need to dispose of its Replacement Notes or any portion thereof to satisfy any existing or contemplated indebtedness or obligation or for any other purpose.

You may be required to bear the financial risks of investing in the Replacement Notes for an indefinite period of time.

The information contained in this Offering Circular has been provided by the Co-Issuers and other sources believed by the Co-Issuers to be reliable or, with respect to the information 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*," "*Credit Risk Retention*" and "*The Collateral Manager*" and the subheadings thereunder (collectively, the "Collateral Manager Information") (which information supersedes and replaces in its entirety the information set forth 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 Collateral Manager*" and the subheadings thereunder in the 2014 Offering Circular), the Collateral Manager. None of the Collateral Manager (other than with respect to the Collateral Manager Information) or the Refinancing Initial Purchaser has made any independent investigation of such information or makes any representation or warranty as to the accuracy or completeness of any such information. None of the Refinancing Initial Purchaser, the Trustee, the Issuer or the Co-Issuer has made any independent investigation of the Collateral Manager Information or makes any representation or warranty as to the accuracy or completeness of any such information. This Offering Circular contains summaries, believed to be accurate, of certain terms of certain documents but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained therein. All such summaries are qualified in their entirety by this reference.

The Co-Issuers accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Co-Issuers, who have taken all reasonable care to ensure that such is the case, 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 as of the date hereof. The Collateral Manager accepts responsibility for the information contained in the Collateral Manager Information. To the best of the knowledge and belief of the Collateral Manager, who has taken all reasonable care to ensure that such is the case, the information contained in the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof.

This Offering Circular is being provided only to prospective purchasers of the Replacement Notes. You should read this Offering Circular in its entirety before making a decision whether to purchase any Replacement Notes. 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 it to any other Person; or
- disclose any information in this Offering Circular to any other Person.

Regardless of the foregoing, however, you (and your employees, representatives and agents) may disclose to any and all Persons, without limitation of any kind, the United States federal income "tax treatment" and "tax structure" of the transactions described in this Offering Circular and all materials of any kind related to such tax treatment or

tax structure (including opinions or other tax analyses) that are provided to you (or your employees, representatives or agents). For this purpose, the tax treatment of a transaction is the purported or claimed U.S. federal income or state and local income tax treatment of the transaction, and the tax structure of a transaction is any fact that may be relevant to understanding the purported or claimed U.S. federal or state or local income tax treatment of the transaction.

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 Replacement Notes. By purchasing any Replacement 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 Co-Issuers and the Collateral Manager;
- you have consulted with your own financial, legal and tax advisors regarding investment in the Replacement Notes as you have deemed necessary and that your investment in the Replacement Notes 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;
- none of the Refinancing Initial Purchaser, (except in the case of clause (ii) below with respect to the Collateral Manager Information) the Collateral Manager, the Trustee or the Collateral Administrator is responsible for, or is making any representation to you concerning, (i) the future performance of the Issuer, (ii) the accuracy or completeness of this Offering Circular or any portion thereof or (iii) the value or validity of the Assets; and
- you have not relied on the Refinancing Initial Purchaser, the Collateral Manager, the Trustee or the Collateral Administrator (collectively, the "**Transaction Parties**") or any of their respective Affiliates in connection with the accuracy of such information or your investment decision.

U.S. Bank National Association, in each of its capacities including but not limited to Trustee, Calculation Agent, Paying Agent and Collateral Administrator, has not participated in the preparation of this Offering Circular and does not assume responsibility for its contents, including, for avoidance of doubt, any Indenture Report or any other collateral information related to or referred to herein.

None of the Transaction Parties nor 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 Replacement Notes.

The Refinancing Initial Purchaser, the Collateral Manager, each of their Affiliates, and third parties that provide information to the Collateral Manager and the Rating Agencies, do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or the results obtained from the use of such content. The Refinancing Initial Purchaser, the Collateral Manager, each of their Affiliates and third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use, and they expressly disclaim any responsibility or liability for direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs expenses, legal fees or losses (including lost income or profits and opportunity costs) in connection with the use of the information herein. Credit ratings are statements of opinions and not statements of facts or recommendations to purchase, hold or sell securities. They do not address the suitability of securities for investment purposes and should not be relied on as investment advice. None of the Refinancing Initial Purchaser, the Collateral Manager or any of their respective Affiliates has any responsibility to update any of the information provided in this summary document.

The Replacement Notes have not been approved or disapproved by the United States Securities and Exchange Commission ("SEC") 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.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Replacement Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Replacement Notes. None of the Transaction Parties is responsible for your compliance with these legal requirements.

You are hereby notified that a seller of the Replacement 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 REPLACEMENT NOTES

The Replacement Notes referred to in this Offering Circular 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 the Replacement Notes, a binding contract of sale will not exist prior to the time that the relevant Class of Replacement Notes has been priced and the Refinancing Initial Purchaser has confirmed the allocation of such Replacement Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft circles" generated by the Refinancing Initial Purchaser will not create binding contractual obligations for you or the Refinancing Initial Purchaser and may be withdrawn at any time.

You may commit to purchase one or more Classes of Replacement Notes that has characteristics that may change, and you are advised that all or a portion of the securities may not be issued with the characteristics described in this Offering Circular. The obligation of the Refinancing Initial Purchaser to sell or place such Replacement Notes to you is conditioned on the Replacement Notes having the characteristics described in this Offering Circular. If the Refinancing Initial Purchaser determines that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer or the Refinancing Initial Purchaser will have any obligation to you to deliver any portion of the Replacement Notes that you have committed to purchase, and there will be no liability among the Issuer, the Co-Issuer, their affiliates, the Refinancing Initial Purchaser and you as a consequence of the non-delivery. Your payment for the Replacement 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.

NOTICE TO FLORIDA RESIDENTS

WHERE SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA (EXCLUDING "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF SEC RULE 144A AND CERTAIN OTHER INSTITUTIONAL PURCHASERS DESCRIBED IN SECTION 517.061(7) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT (THE "FLORIDA ACT")), ANY SUCH SALE MADE PURSUANT TO SECTION 517.061(11) OF THE FLORIDA ACT SHALL BE VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER (A) RECEIPT OF THIS OFFERING CIRCULAR, OR (B) THE FIRST PAYMENT OF MONEY OR OTHER CONSIDERATION TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT, WHICHEVER OCCURS LATER.

NOTICE TO RESIDENTS OF AUSTRALIA

This Offering Circular is not a "Product Disclosure Statement" for the purposes of Chapter 7 of the Corporations Act and is not required to be lodged with the Australian Securities and Investment Commission under the Corporations Act 2001 (Cth) as each offer for the issue, and invitation to apply for the issue, and any offer for sale of, and any invitation for offers to purchase, the Replacement Notes and to a person under this Offering Circular:

- (a) will be for a minimum amount payable, by each person on acceptance of the offer or application (as the case may be) of at least A\$500,000 (calculated in accordance with both section 708(9) of the Corporations Act 2001 (Cth) and regulation 7.1.18 of the Corporations Regulations 2001 (Cth)); or
- (b) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act 2001 (Cth) and is not made to a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth).

NOTICE TO RESIDENTS OF AUSTRIA

The Replacement Notes may only be offered in the Republic of Austria in compliance with the provisions of the Austrian Capital Market Act (*Kapitalmarktgesetz*) and other laws applicable in the Republic of Austria governing the offer and sale of the Replacement Notes in the Republic of Austria. The Replacement Notes are not registered or otherwise authorised for public offer either under the Capital Market Act, the Investment Funds Act (*Investmentfondsgesetz*) or any other securities regulation in Austria. The recipients of this Offering Circular and other selling material in respect of the Replacement Notes have been individually selected and identified before the offer being made and are targeted exclusively on the basis of a private sale. Accordingly, the Replacement Notes have not been, must not be and are not being offered or advertised publicly or offered similarly under either the Capital Market Act, the Investment Funds Act or any other securities regulation in Austria. Any offers of the Replacement Notes have not been made and no offer of the Replacement Notes will be made to any persons other than the recipients to whom this Offering Circular is personally addressed.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Replacement Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

NOTICE TO RESIDENTS OF DENMARK

The Replacement Notes may only be offered in Denmark in compliance with the exemptions to the obligation to publish a prospectus as provided by the Danish Executive Order on the Prospectuses for Securities Admitted to Trading on a Regulated Market and for Offers to the Public of Securities of more than EUR 2,500,000 (the "**Order**"). This Offering Circular does not constitute a public offer or an offer under the Danish Investment Associations Act and the Replacement Notes are not registered or otherwise authorized for a public offer under the Danish securities regulations. The recipients of this Offering Circular and other selling material in respect of the Replacement Notes have been individually selected prior to the offer being made and are targeted exclusively on the bases of a private sale. Furthermore, the Replacement Notes are offered only to qualified investors, as defined in the Order. Accordingly, the Replacement Notes may not be, and are not being, offered or advertised publicly. This Offering Circular may not be disclosed to any other persons than the selected recipients.

NOTICE TO RESIDENTS OF JAPAN

The Replacement Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the

purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

NOTICE TO RESIDENTS OF SWEDEN

This Offering Circular and its content is for the intended recipients only and may not in any way be forwarded to the public in Sweden, except in accordance with the relevant exemptions under the Swedish Financial Instruments Trading Act (1991) (Sw. *Lagen (1991:980) om handel med finansiella instrument*). Accordingly, no Replacement Notes will be offered or sold in a manner that would require the registration of a prospectus by the Swedish Financial Supervisory Authority under the Swedish Financial Instruments Trading Act (1991). This Offering Circular is not a prospectus in accordance with the prospectus requirements provided for in said act or in any other Swedish laws or regulations. Accordingly, this circular has not been, nor will it be, examined, approved or registered by the Swedish Financial Supervisory Authority or any other Swedish public body.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Within the United Kingdom, this Offering Circular is directed only at persons who have professional experience in matters relating to investments and who qualify either as investment professionals in accordance with Article 19(5), or as high net worth companies, unincorporated associations, partnerships or trustees in accordance with Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (together, "**exempt persons**"). It may not be passed on except to exempt persons or other persons in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Co-Issuers (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. Any persons other than relevant persons should not act or rely on this Offering Circular.

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. 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*" and in the "*Risk Factors*" section of the 2014 Offering Circular. Forward looking statements are necessarily speculative in nature, and some or all of the assumptions underlying any forward looking statements may not materialize or may vary significantly from actual results. Variations of 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 any of the Co-Issuers, the Trustee, the Collateral Administrator, the Administrator, the Refinancing Initial Purchaser or the Collateral Manager or any of their respective Affiliates or any other person of the results that will actually be achieved by the Co-Issuers or the Replacement 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 date of this Offering Circular relating to any assumptions or otherwise.

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; and (ii) references to "**U.S.**" and "**United States**" will be to the United States of America, its territories and its possessions.

References to the term "**holder**" or "**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.

SUMMARIES OF DOCUMENTS

This Offering Circular summarizes certain provisions of the Replacement Notes, the First Supplemental Indenture 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). However, no documents incorporated by reference are part of this Offering Circular for purposes of admission of the Replacement Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with the sale of the Replacement Notes, the Co-Issuers under the Indenture described under "*Description of the Replacement Notes*" will be required to furnish upon request of a holder of Replacement Notes 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, or 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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A glossary of certain defined terms related to the Issuer and an index of defined terms appear at the end of the 2014 Offering Circular and an index of defined terms defined herein appear at the end of this Offering Circular. Capitalized terms used herein and not defined shall have the meanings assigned in the 2014 Offering Circular and, if not defined therein, the Indenture.

OVERVIEW OF TERMS

The following overview does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Offering Circular and related documents referred to herein. The changes set forth below supersede all statements which are inconsistent therewith in the 2014 Offering Circular. A glossary of certain defined terms and an index of defined terms appear at the end of the 2014 Offering Circular, and an index of defined terms defined herein appear at the end of this Offering Circular. The 2014 Offering Circular is attached hereto as Annex A and incorporated herein by reference. The 2014 Offering Circular must be read in conjunction with this Offering Circular as it is integral to understanding and evaluating the information contained in this Offering Circular. All references in the 2014 Offering Circular to the Indenture shall be to the Indenture as modified by the proposed First Supplemental Indenture. The Refinancing Initial Purchaser (i) did not participate in the preparation of the 2014 Offering Circular, (ii) has not made a due diligence inquiry, and assumes no obligation, as to the accuracy or completeness of the information contained in the 2014 Offering Circular, (iii) is relying on representations from the Co-Issuers as to the accuracy and completeness of the information contained in the 2014 Offering Circular and (iv) shall have no responsibility whatsoever for the contents of the 2014 Offering Circular.

Issuer: Babson CLO Ltd. 2013-II, a Cayman Islands exempted company incorporated with limited liability.

Co-Issuer: Babson CLO 2013-II, LLC, a Delaware limited liability company. The Issuer and the Co-Issuer are together referred to as the "**Co-Issuers**".

Collateral Manager: Barings LLC, a Delaware limited liability company (formerly known as Babson Capital Management LLC).

Trustee: U.S. Bank National Association.

Collateral Administrator: U.S. Bank National Association.

Administrator: MaplesFS Limited.

Refinancing Initial Purchaser: Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Principal terms of Replacement Notes:

<u>Class of Notes</u>	<u>Amount</u>	<u>Interest Rate⁽¹⁾</u>	<u>Moody's Initial Rating</u>	<u>S&P Initial Rating</u>
Class A-1-R Notes	U.S.\$415,000,000	LIBOR + 1.13%	"Aaa (sf)"	"AAA (sf)"
Class A-2-R Notes	U.S.\$97,000,000	LIBOR + 1.55%	N/A	"AA (sf)"
Class B-R Notes	U.S.\$48,000,000	LIBOR + 2.25%	N/A	"A (sf)"

⁽¹⁾ LIBOR applicable to the Replacement Notes will be calculated by reference to three month LIBOR, in accordance with the definition of LIBOR set forth in the Indenture.

Refinancing Date: March 2, 2017.

The Replacement Notes:	On the Refinancing Date, the Issuer will issue the Class A-1-R Notes, the Class A-2-R Notes and the Class B-R Notes and apply the net proceeds of the issuance and sale thereof to redeem the Refinanced Notes. The Replacement Notes will be issued pursuant to the Indenture, as amended by the First Supplemental Indenture to be entered into on the Refinancing Date in accordance with the applicable requirements of the Indenture (the " First Supplemental Indenture "). Each Class of Replacement Notes will have the same terms as the corresponding Class of Refinanced Notes, except (i) that the Interest Rate will be as set forth in the table above and (ii) the First Supplemental Indenture will provide that the Replacement Notes cannot be further refinanced or re-priced after the Refinancing Date. The Replacement Notes will constitute "Notes" and "Secured Notes" and, in each case, the definitions of those terms should be read to include such Classes of Replacement Notes.
Eligible Purchasers:	The Replacement 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 both (A) Qualified Institutional Buyers and (B) (i) Qualified Purchasers or (ii) entities owned exclusively by Qualified Purchasers. See " <i>Description of the Notes—Form, denomination and registration of the Notes</i> " in the 2014 Offering Circular.
Authorized Denominations:	The Replacement Notes will be issuable in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1 in excess thereof.
Form of Notes:	The Replacement Notes will initially be represented by Global Notes.
Listing and Trading:	Application has been made to the Irish Stock Exchange for the Replacement Notes to be admitted to the Official List and trading on its regulated market. The Indenture does not require, and there can be no assurance that, such a listing will be obtained or that any such listing will be maintained. See " <i>Listing and General Information</i> ." There is currently no secondary market for the Replacement Notes and none may develop.
Tax Status:	See " <i>Certain U.S. Federal Income Tax Considerations</i> " herein and " <i>Certain U.S. Federal Income Tax Considerations</i> " in the 2014 Offering Circular.
ERISA:	Replacement Notes may be acquired by Benefit Plan Investors, subject to certain restrictions. See " <i>Certain ERISA and Related Considerations</i> " in the 2014 Offering Circular.
Amendments to the Indenture:	<p>The Indenture was amended pursuant to the First Supplemental Indenture, which established the terms of the Replacement Notes including to: (i) establish the Interest Rate applicable to the Replacement Notes; and (ii) eliminate the Issuer's ability to effect any subsequent Refinancing or Re-Pricing of the Replacement Notes after the Refinancing Date. Except for the foregoing amendments, all legal and economic terms of the applicable Class of Replacement Notes are the same as the corresponding Class of Refinanced Notes. See "<i>First Supplemental Indenture</i>."</p> <p>The execution and delivery of the First Supplemental Indenture was a condition to the issuance of the Replacement Notes. Various additional conditions exist to the issuance of the Replacement Notes, including that the Collateral Manager and a Majority of the Subordinated Notes consent to the execution and delivery of the First Supplemental Indenture.</p>
Use of Proceeds:	The proceeds of the offering of the Replacement Notes will be applied by the Issuer to redeem the Refinanced Notes at their respective Redemption Prices.
Assets:	Certain information relating to the Assets is set forth in the Indenture Report attached as <u>Annex C</u> hereto that is compiled by the Collateral Administrator (on behalf of the Issuer) based on certain information provided to it. Information in such report is not

audited nor will reports include a review or opinion by a public accounting firm. Such report should be read in conjunction with this Offering Circular and the 2014 Offering Circular. The Refinancing Initial Purchaser (i) did not participate in the preparation of any Indenture Report, (ii) has not made a due diligence inquiry, and assumes no obligation, as to the accuracy or completeness of the information contained in any Indenture Report, (iii) is relying on representations from the Co-Issuers as to the accuracy and completeness of the information contained in the Indenture Reports and (iv) shall have no responsibility whatsoever for the contents of any Indenture Report.

RISK FACTORS

An investment in the Replacement Notes involves certain risks, including the risk that investors will lose their entire investment. Prospective investors should carefully consider the following factors, in addition to the "Risk Factors" section of the 2014 Offering Circular and matters set forth elsewhere in this Offering Circular and the 2014 Offering Circular, prior to investing in the Replacement Notes. To the extent any statement in this "Risk Factors" section conflicts with any statement in the "Risk Factors" section of the 2014 Offering Circular, the statements herein shall supersede any such statements in the 2014 Offering Circular.

The following limited supplemental disclosure is being provided to prospective investors to inform them of certain risks arising from the issuance of the Replacement Notes, but does not purport to (and none of the Co-Issuers, the Refinancing Initial Purchaser, the Collateral Manager or their respective affiliates makes any representations that it purports to) comprehensively update the 2014 Offering Circular or disclose all risk factors (whether legal or otherwise) which may arise by or relate to the issuance of the Replacement Notes.

The Refinancing Initial Purchaser (i) did not participate in the preparation of the 2014 Offering Circular or any Indenture Report, (ii) has not made a due diligence inquiry, and assumes no obligation, as to the accuracy or completeness of the information contained in the 2014 Offering Circular or any Indenture Report, (iii) is relying on representations from the Co-Issuers as to the accuracy and completeness of the information contained in the 2014 Offering Circular and the Indenture Reports and (iv) shall have no responsibility whatsoever for the contents of the 2014 Offering Circular or any Indenture Report.

Relating to General Commercial Risks

General Economic Conditions may Affect the Ability of the Co-Issuers to Make Payments on the Replacement Notes

The ability of the Co-Issuers to make payments on the Replacement Notes will be affected by conditions in the market for, and performance of, leveraged loans, as well as global economic conditions. In addition, the business and financial conditions and 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 are 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 Replacement Notes.

Illiquidity in the Leveraged Finance and Fixed Income Markets may Affect the Holders of the Replacement Notes

During periods of limited liquidity and high price volatility in the global credit markets, 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. 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 liquidity-related risks exist for the Issuer and investors in the Replacement Notes. These 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 may be impaired or restricted by the Indenture and (iii) increased illiquidity of the Replacement Notes because of reduced secondary trading in collateralized loan obligation ("CLO") securities. These additional risks may affect the returns on the Replacement Notes to investors or otherwise adversely affect holders of the Replacement 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 new issuances of Collateral Obligations. 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 also be partially or significantly limited. The occurrence of another liquidity crisis in the global credit markets may adversely affect the management flexibility of the Collateral Manager in relation to its management of the portfolio and, ultimately, the returns on the Replacement Notes to investors.

Conditions in Europe may Adversely Affect Holders

Certain of the Collateral Obligations may be issued or made by obligors located in the European Union ("EU") or otherwise affected by the eurozone crisis. European financial markets have recently experienced volatility and have been adversely affected by concerns about rising government debt levels, credit rating downgrades, and possible default on or restructuring of government debt. These events have caused bond yield spreads (the cost of borrowing debt in the capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain eurozone countries. The governments of several member countries of the EU have experienced large public budget deficits, which have adversely affected the sovereign debt issued by those countries and may ultimately lead to declines in the value of the Euro.

It is possible that countries that have already adopted the Euro could abandon the Euro and return to a national currency and/or that the Euro will cease to exist as a single currency in its current form. The effects of such abandonment or a country's forced expulsion from the EU on that country, the rest of the countries in the EU, and global markets are impossible to predict, but are likely to be negative. The exit of any country out of the EU would likely have an extremely destabilizing effect on all eurozone countries and their economies and a negative effect on the global economy as a whole. Although all Collateral Obligations must be U.S. dollar denominated, the effect of such potential events on the obligors, Collateral Obligations, the Issuer or on the Replacement Notes is impossible to predict.

On June 23, 2016, in a public referendum, the United Kingdom voted to leave the European Union. As a result of and based on the pronouncements of the United Kingdom government both before and after that referendum, it is probable that negotiations will take place to determine the terms of the United Kingdom's departure from, and of its new relationship with, the European Union. This could lead to a period of significant uncertainty in both domestic and global financial markets. This uncertainty could have a material adverse effect on the Issuer's ability to make payments on the Replacement Notes.

Additional information about Benchmark Rates

Regulators and law-enforcement agencies in a number of different jurisdictions have conducted and continue to conduct civil and criminal investigations into potential manipulation or attempted manipulation of submissions of London inter-bank offered rates ("**Libor**") to the British Bankers Association ("**BBA**"). There have also been allegations that member banks may have manipulated other inter-bank lending rates (such rates, together with Libor, the "**Benchmark Rates**"). Benchmark Rates are currently being reformed, including (i) the replacement of 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 and currencies for which certain Benchmark Rates are calculated, and (iii) modifications to the administration, submission and calculation procedures, including their regulatory status, in respect of certain Benchmark Rates. Investors should be aware that: (a) any of these changes or any other changes to Benchmark Rates could affect the level of the relevant 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 or currency which is discontinued, such rate of interest may then be determined by the provisions of the affected Collateral Obligation, which may include determination by the relevant calculation agent in its discretion, or the Collateral Obligation may otherwise be subject to a degree of contractual uncertainty; (c) the administrators of Benchmark Rates will not have any involvement in the Collateral Obligations or the Replacement Notes and may take any actions in respect of Benchmark Rates without regard to the effect of such actions on the Collateral Obligations or the Replacement Notes; (d) any uncertainty in the value of a Benchmark Rate or, the development of a widespread market view that a Benchmark Rate has been manipulated, or any uncertainty in the prominence of a Benchmark Rate as a benchmark interest rate due to the recent regulatory reform may adversely affect liquidity of the affected Collateral Obligations or the Replacement Notes in the secondary market and their market value; and (e) an increase in alternative types of financing in place of Benchmark Rate-based loans (resulting from a decrease in the confidence of borrowers in such rates) may make it more difficult to

source Collateral Obligations or reinvest proceeds in Collateral Obligations that satisfy the reinvestment criteria specified herein. Any of the above or any other significant change to the setting of a Benchmark Rate 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 Benchmark Rate and (ii) the Replacement Notes.

Legislative and Regulatory Actions in the United States and Europe may Adversely Affect the Issuer and the Replacement Notes

In response to the downturn in the credit markets and the global economic crisis, various agencies and regulatory bodies of the United States federal government 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 ("**Dodd-Frank**") which imposes a new regulatory framework over the U.S. financial services industry and the credit markets in general. Given the broad scope and sweeping nature of these changes and the fact that in some instances final implementing rules and regulations have not yet been adopted, the potential impact of these actions on the Issuer, any of the Replacement Notes or any holders of the Replacement Notes is not fully known, 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 Replacement Notes. In particular, to the extent any new changes have retroactive application and affect pre-existing transactions, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer and the holders of the Replacement 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.

These regulatory changes include, but are not limited to, the following:

Commodity Exchange Act. Pursuant to Dodd-Frank, the Commodity Futures Trading Commission ("**CFTC**") has proposed, and in some cases adopted, a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with hedge agreements that may be entered into by the Issuer from time to time. Some or all of the hedge agreements may be affected by requirements for central clearing with a derivatives clearinghouse organization, by initial and variation margin requirements of clearing organizations or otherwise required by law, reporting obligations in respect of hedge agreements, documentation responsibilities, and other matters that may significantly increase costs to the Issuer and/or the Collateral Manager, lead to the Issuer's inability to purchase additional Collateral Obligations or have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Holders of Replacement Notes. In addition, CFTC rules under Dodd-Frank include "swaps" among "commodity interests" 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 may cause persons such as the Collateral Manager to fall within the definition of a "commodity pool operator" ("**CPO**"). Based on CFTC interpretive guidance, the Issuer is not expected to be treated as a commodity pool. In the event that such guidance changes or the Issuer engages in one or more activities that might cause it to be treated as a commodity pool and no exemption from registration is available, regulation of the Issuer as a commodity pool and/or regulation of the Collateral Manager as a CPO (or, if applicable, the requirements of any exemption from regulation of the Collateral Manager as a CPO with respect to the Issuer) could cause the Issuer to be subject to extensive registration and reporting requirements that may involve material costs to the Issuer. The scope of such requirements and related compliance costs is uncertain but could adversely affect the amount of funds available to make payments on the Replacement Notes. While limited exemptions from certain of these requirements may be available, the conditions of such an exemption may constrain the extent to which the Issuer may be able to enter into swap transactions. In particular, the limits imposed by such exemptions may prevent the Issuer from entering into a hedge agreement that the Collateral Manager believes would otherwise be advisable or result in the Issuer incurring financial risks that would have been hedged absent such limits. Any costs of obtaining and maintaining an exemption would be Administrative Expenses.

Volcker Rule. Section 619 of Dodd-Frank added a provision (commonly referred to as the "**Volcker Rule**") to federal banking law, which generally prohibits various covered banking entities from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in, or sponsoring or having certain relationships with, certain private equity or hedge funds (referred to as "covered funds"), subject to certain exemptions. The Volcker Rule also provides for certain supervised nonbank financial companies that engage in such activities or have such interests or relationships to be subject to additional capital requirements, quantitative limits or other restrictions.

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. Although the Volcker Rule and the implementing regulations contain an exclusion from the definition of "covered fund" commonly referred to as the "loan securitization exclusion," which applies to an asset-backed security issuer the assets of which, in general, consist only of loans, assets or rights 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, the Issuer will not qualify for the loan securitization exclusion because the Indenture permits the Issuer to invest in bonds, securities and certain other non-loan assets. Accordingly, investors who are subject to the Volcker Rule and its implementing regulations must assess whether an investment in any Class of the Replacement Notes is appropriate based on the Issuer's status as a covered fund. No assurance can be given as to the effect of the Volcker Rule and its implementing regulations on investors subject to the Volcker Rule to acquire or retain any Class of the Replacement Notes. Depending on market conditions, this could significantly and negatively affect the liquidity and market value of the Replacement Notes.

Reliance on Rating Agency Ratings. Dodd-Frank requires that federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings, including but not limited to those found in the federal banking agencies' risk-based capital regulations. New regulations have been proposed but have not yet been fully implemented in all respects. When such regulations are fully implemented, investments in asset-backed securities like the Replacement Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Furthermore, all prospective investors in the Replacement 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 Replacement Notes will constitute legal investments for them or are subject to investment or other regulatory restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

U.S. Risk Retention. Section 941 of Dodd-Frank amended the Exchange Act to generally require the "securitizer" of asset-backed securities to retain at least 5% of the credit risk with respect to the assets collateralizing the asset-backed securities. A final rule has been adopted and came into effect on December 24, 2016 (the "**U.S. Risk Retention Rule**"). The impact of the rule on the loan securitization market and the leveraged loan market generally is uncertain, and any negative impact on secondary market liquidity for the Replacement Notes may be experienced immediately, due to effects of the rule on market expectations or uncertainty, the relative appeal of alternative investments not impacted by the rule or other factors. In addition, it is possible that the rule 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 or 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 Replacement Notes. Any reduction in the volume and liquidity provided by CLOs in the leveraged loan market could also reduce opportunities to redeem or refinance the Replacement Notes in an Optional Redemption. In addition, the rule may impose retention requirements in the event of a Refinancing, Re-Pricing or additional issuance of notes, which may impair, limit or preclude the ability of the Issuer to effect a Refinancing, Re-Pricing or additional issuance.

A Refinancing, Re-Pricing or an additional issuance of notes may require the Collateral Manager or certain of its Affiliates to acquire or retain Notes, replacement securities of the Issuer or other interests in the Issuer in order to comply with the U.S. Risk Retention Rule. However, there can be no assurance that the Collateral Manager will take any steps that may be necessary to comply with the U.S. Risk Retention Rule, which may accordingly impair, limit or preclude the ability of the Issuer to effect a Refinancing, a Re-Pricing or an additional issuance of notes.

Although the U.S. Risk Retention Rule will be in effect on the Refinancing Date, the Collateral Manager does not intend to comply with the U.S. Risk Retention Rule in respect of the refinancing transaction described in this Offering Circular or the Replacement Notes in reliance on that certain no-action letter issued on July 17, 2015 by the staff (the "**Staff**") of the Division of Corporation Finance of the Securities and Exchange Commission to Crescent Capital Group LP (the "**Crescent No-Action Letter**"), as described under "*Credit Risk Retention*." Accordingly, none of the Collateral Manager or any of its Affiliates have agreed to take any steps to ensure that this transaction will comply with the U.S. Risk Retention Rule, and none of the Co-Issuers or the Refinancing Initial Purchaser

provides any assurances regarding, or assumes any responsibility for, the Collateral Manager's compliance with the U.S. Risk Retention Rule prior to, on or after the Refinancing Date.

A no-action letter is a position on enforcement action based upon specific facts and representations and expressly does not reach a legal conclusion. Further, while the Staff consulted with the staffs of the other regulators that are tasked with enforcement of the U.S. Risk Retention Rule, the Crescent No-Action Letter only provides the position of the Staff. The other regulators could have varying interpretations of the same facts and representations. If it were determined that, notwithstanding the Crescent No-Action Letter, the Collateral Manager should have retained a risk retention interest, the Collateral Manager may be subject to enforcement action by the SEC, which could have a material and adverse effect on the performance by the Collateral Manager of its duties under the Collateral Management Agreement.

Securities Disclosure Requirements. The SEC adopted revised disclosure and due diligence requirements under Regulation AB for public transactions on August 27, 2014. Although the transaction described in this Offering Circular is an unregistered private transaction and, as such, is not currently subject to the requirements of Regulation AB and would not be subject to the revised requirements, the SEC may adopt additional rules in the future requiring private transactions to comply with Regulation AB requirements, including disclosure of asset-level data. The adoption of any such requirements for private transactions may materially adversely affect the Issuer or the Replacement Notes, whether due to an inability to comply or due to the cost, expense and operational burdens associated with compliance. In addition, the SEC's adoption of revised rules for public transactions, or the implementation of similar requirements for private transactions in the future, may cause the Replacement Notes to be less marketable than asset-backed securities that are offered in compliance with such requirements.

Other Changes. No assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action in response to the economic crisis or otherwise, and the effect of such actions, if any, cannot be known or predicted. Furthermore, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action in response to the economic crisis or otherwise, and the effect of such actions, if any, cannot be known or predicted.

European legal investment considerations and retention requirements will affect certain potential investors

All prospective investors in the Replacement 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 Replacement 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.

The EU has taken a number of actions in response to the financial crisis. European reforms related to the regulation of securitization markets include risk retention and due diligence requirements. In addition to credit institutions organized in the European Economic Area ("EEA"), certain types of investment funds organized in the EEA will face punitive capital requirements with respect to investments in securitizations that fail to comply with certain requirements concerning retention by the originator, sponsor or original lender of the securitized assets of a portion of the securitization's credit risk. Similar requirements will apply in respect of other entities, including insurance and reinsurance undertakings under Solvency II and investment firms and UCITS. The Issuer, the Collateral Manager and the other parties to this transaction have not taken, and do not intend to take, any steps to comply with these risk retention requirements, which will likely limit the ability of these types of institutions to purchase Replacement Notes. This, in turn, may adversely affect the liquidity of the Replacement Notes in the secondary market and could adversely affect the ability to transfer Replacement Notes or the price received upon any sale of the Replacement Notes.

In addition, investment funds organized in the EEA and such funds organized outside the EEA that are "marketed" to EEA investors may be subject to regulation as "alternative investment funds" under the EU directive on alternative investment fund managers. CLO issuers, including the Co-Issuers, are generally taking the position that they are not subject to these requirements because they qualify for an exemption for securitization special purpose entities. If this exemption were to become unavailable, the disclosure and transparency requirements of EU Directive 2011/61/EU on Alternative Investment Fund Managers may apply to CLO issuers. In the event such requirements applied to the Co-Issuers, the costs associated with complying with such requirements would be borne

by the Issuer as Administrative Expenses, which would reduce the return on the Subordinated Notes and the Income Notes and may adversely affect the Classes of Replacement Notes.

Relating to the Replacement Notes

Limited operating history; investment performance

The Issuer has been acting under the Indenture since the Original Closing Date. Certain information relating to the Assets is set forth in the Monthly Reports and Distribution Reports (together, the "**Indenture Reports**"). A copy of the most recent Indenture Report is attached hereto as Annex C. None of the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is responsible to prospective investors for, or is making any representation to prospective investors concerning, the accuracy or completeness of the current Indenture Report. Such report has not been audited or reported upon by an independent public accountant. Such report should be read in conjunction with this Offering Circular and the 2014 Offering Circular.

Prospective investors should note that such report contains limited information and do 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 Assets, nor the levels of compliance with the Coverage Tests and Collateral Quality Test during periods prior to the periods covered by such report. The information contained in such report corresponds to the dates and periods specified therein and none of the information contained in such report will be updated to the date of this Offering Circular or the Refinancing Date. As a result, the information contained 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, and (ii) sales of Collateral Obligations and reinvestment of Sale Proceeds and other Principal Proceeds, subject to the limitations described under "*Security for the Notes—Sales of Collateral Obligations; additional Collateral Obligations and Investment Criteria*" in the 2014 Offering Circular.

No information is provided in this Offering Circular regarding the Issuer's investment performance and portfolio except as set forth in that report annexed hereto and incorporated herein 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, nor that any such failure will not have a material adverse effect on holders in the future.

Investor Suitability

An investment in the Replacement Notes will not be appropriate for all investors. Structured investment products like the Replacement 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. Securities issued in securitization transactions have experienced in the past and may in the future experience historically high volatility and significant fluctuations in market value. Any investor interested in purchasing Replacement 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.

The Refinancing Initial Purchaser will have no ongoing responsibility for the Assets or the actions of the Collateral Manager or the Issuer

The Refinancing Initial Purchaser 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 is solely the responsibility of the Collateral Manager and/or the Issuer, as the case may be. If the Refinancing Initial Purchaser owns Replacement Notes, it will have no responsibility to consider the interests of any holders of Replacement Notes in actions it takes in such capacity. While the Refinancing Initial Purchaser may own Replacement Notes at any time, it has no obligation to make any investment in any Replacement Notes and may sell at any time any Replacement Notes it does purchase.

Relating to Taxes

The Issuer and/or payments on the Replacement Notes may be subject to various U.S. and other taxes

An investment in the Replacement Notes involves complex tax issues. See "*Certain U.S. Federal Income Tax Considerations*" for a more detailed discussion of certain tax issues raised by an investment in the Replacement Notes.

Prior to the Refinancing Date, the Issuer conducted its affairs so that it would not be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes (including as a result of the manner in which it acquires and manages its assets). As a consequence, the Issuer expected that its income would not become subject to U.S. federal tax on a net income basis. On the Original Closing Date, the Issuer received an opinion of Freshfields Bruckhaus Deringer US LLP, to the effect that, if the Issuer and Collateral Manager complied with the Indenture and the Collateral Management Agreement (including certain investment guidelines referenced therein (the "**Operating Guidelines**")), 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 the then-current law and the facts existing as of the Original Closing Date. See "*Certain U.S. Federal Income Tax Considerations*" in the 2014 Offering Circular. The Issuer intends to conduct its future affairs in a manner that will not cause it to become subject to U.S. federal income tax on a net income basis. There can be no assurance, however, that the Issuer's net income will not become subject to U.S. federal income tax as a result of unanticipated activities, changes in law, contrary conclusions by the U.S. Internal Revenue Service (the "**IRS**"), or other causes. No controlling legal authority specifically addresses arrangements of this kind. If the Issuer were determined to be engaged in a trade or business within the United States for U.S. federal income tax purposes, then (i) payments on the Replacement Notes to a non-U.S. holder could be subject to a 30% U.S. federal withholding tax and (ii) a non-U.S. holder of Subordinated Notes, such as the Income Note Issuer, could be subject to U.S. federal income tax (which the Issuer would be required to withhold), and such withholding tax requirements could cause a shortfall in funds available to make payments on the Replacement Notes. In addition, if the Issuer creates a Blocker Subsidiary, the subsidiary's income may be subject to net tax in the United States and the imposition of such taxes would materially reduce any return from assets held in such subsidiary.

Although the Issuer does not intend to be subject to U.S. federal income tax with respect to its net income, income derived by the Issuer may be subject to withholding or gross income taxes imposed by the United States or other countries. In this regard and subject to certain exceptions, the Issuer may generally acquire a particular Collateral Obligation only if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax or the obligor on the Collateral Obligation is required to make "gross-up" payments.

The Issuer may, however, be subject to (i) withholding or other similar taxes on commitment fees, amendment fees, waiver fees, consent fees, extension fees, or other similar fees and (ii) withholding imposed under FATCA or similar legislation in countries other than the United States, and such withholding or similar taxes may not be grossed up. In addition, there can be no assurance that income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law, contrary conclusions by the IRS, or other causes. In that event, such withholding or gross income taxes could be applied retroactively to fees or other income previously received by the Issuer. To the extent that withholding or gross income taxes are imposed and not paid through withholding, the Issuer may be directly liable to the taxing authority to pay such taxes.

FATCA and similar compliance rules

FATCA potentially imposes a withholding tax of 30% on certain payments made to the Issuer, including potentially all interest paid on (and after December 31, 2018, proceeds from the sale or other disposition of) U.S. Collateral Obligations issued or materially modified on or after July 1, 2014, unless the Issuer complies with the Cayman Islands Tax Information Authority Law (2016 Revision) (as amended from time to time), together with regulations and guidance notes made pursuant to such law (the "**Cayman FATCA Legislation**"), that implements the intergovernmental agreement between the United States and the Cayman Islands (the "**Cayman IGA**"). The Cayman IGA requires, among other things, that the Issuer register with the IRS to obtain a Global Intermediary Identification Number ("**GIIN**") and collect and provide to the Cayman Islands Tax Information Authority substantial information regarding certain direct and indirect holders of the Replacement Notes. In addition, in some cases, future laws or regulations concerning "foreign passthru payments" may require withholding on certain payments to certain holders of Replacement Notes. The Issuer has obtained a GIIN and intends to comply with its

obligations under the Cayman FATCA Legislation. However, in some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. The Issuer or its agent will report information to the Cayman Islands Tax Information Authority, which 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, or on payments made by the Issuer, unless the IRS has specifically listed the Issuer as a non-participating financial institution, the Issuer has otherwise assumed responsibility for withholding under U.S. tax law, or the Issuer cannot achieve FATCA compliance as a result of factors outside of its control, as described above.

In addition, future guidance under FATCA may subject payments on Replacement Notes that are materially modified more than six months after the issuance of such future guidance, to a withholding tax of 30% if (i) the holder fails to provide certain required information or (ii) each foreign financial institution that holds any such Replacement Note, or through which any such Replacement Note is held, has not entered into an information reporting agreement with the IRS, qualified for an exception from the requirement to enter into such an agreement or complied with the terms of a relevant intergovernmental agreement.

Each owner of an interest in the Replacement Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply with the Cayman IGA, as discussed above. Owners that do not supply required information, or whose ownership of Replacement Notes may otherwise prevent the Issuer from complying with FATCA (for example by causing the Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including withholding on payments on their Replacement Notes and forced transfer of their Replacement Notes. There can be no assurance, however, that these measures will be effective, and that, as a consequence, the Issuer and owners of the Replacement Notes will not be subject to the noted withholding taxes. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Replacement Notes or could reduce such payments.

The Cayman Islands has also (i) entered into an intergovernmental agreement with the United Kingdom, which imposes requirements similar to those under the Cayman IGA with respect to holders of Replacement Notes who are resident in the United Kingdom for tax purposes, and may enter into similar agreements with other jurisdictions in the future and (ii) signed, along with a substantial number of other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS"). The Cayman Islands Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations (2015 Revision) give effect to the CRS which requires "Reporting Financial Institutions" to identify and report information in respect of specified persons in jurisdictions which sign and implement the CRS. Each owner of an interest in Replacement Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply with such requirements. Prospective investors should consult their own tax advisors regarding the potential implications of such agreements.

The tax treatment of U.S. holders of certain Replacement Notes could be different if such Replacement Notes are recharacterized for U.S. tax purposes

The Issuer will receive an opinion from Paul Hastings LLP that the Class A-1-R Notes, the Class A-2-R Notes and the Class B-R Notes will be treated as debt for U.S. federal income tax purposes, and each holder of a Replacement Note, by acceptance of such Replacement Note, will agree to treat all such Notes as debt for such purposes. In general, the characterization of an instrument for U.S. federal income tax purposes as debt or equity by its issuer as of the time of issuance is binding on a holder. If a holder takes an inconsistent reporting position, it must disclose such position in its tax return in accordance with IRS procedures. An issuer's characterization, however, is not binding on the IRS. In particular, there can be no assurances that the IRS would not contend, and that a court would not ultimately hold, that Replacement Notes of the Issuer constitute equity of the Issuer. The IRS has recently issued regulations that reclassify financial instruments that are held by certain persons related to the issuer of such financial instruments as equity of such issuer in certain situations. To the extent that a single investor and its affiliates own 80 percent or more of the Issuer's equity (as determined for U.S. federal income tax purposes) and also acquire at issuance Replacement Notes otherwise treated as debt for U.S. federal income tax purposes, the regulations could apply to treat the investment in those Replacement Notes as an investment, in whole or in part, in the equity of one or more of the holders of Subordinated Notes or an affiliate thereof, which could have adverse U.S. federal withholding tax consequences. Investors should consult their tax advisors regarding the tax rules that would apply if Replacement Notes held by them were recharacterized as equity by the IRS.

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

The Issuer expects that payments on the Replacement Notes ordinarily will not be subject to any withholding tax (other than U.S. backup withholding tax or, if applicable, withholding on "passthru payments" (as defined in the Code)). If the Issuer were determined to be engaged in a trade or business within the United States, however, and had income effectively connected therewith, then interest paid on the Replacement Notes to a non-U.S. holder could be subject to a 30% U.S. withholding tax. Further, there can be no assurance that such payments will not become subject to U.S. or other withholding tax as a result of a change in any applicable law, treaty, rule or regulation or interpretation thereof or other causes, possibly with retroactive effect. In the event that withholding or deduction of any taxes from payments on the Replacement 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.

Relating to Certain Conflicts of Interest

In general, the transaction described in this Offering Circular 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 the Refinancing Initial Purchaser and its clients and affiliates. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

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 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 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 investments 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 that 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 Assets 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 Notes at any time, and on the Refinancing Date, certain Affiliates of the Collateral Manager will own a portion of the Class A-2 Notes, which will be redeemed in connection with the Refinancing. On the Refinancing Date, such Affiliates of the Collateral Manager will purchase a substantially similar minority position in the Class A-2-R Notes. The Collateral Manager and/or funds advised by any of the Collateral Manager and/or its respective affiliates (including Barings LLC employees) may purchase any other Notes, including the Replacement Notes, at any time, creating potential and/or actual conflicts of interest between the Collateral Manager affiliates, funds advised by the Collateral Manager and/or such employees that hold Notes on the one hand and other investors in Notes on the other hand. Such purchases may be in the secondary market and may occur a significant amount of time after the Refinancing Date. 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 Notes. The Collateral Manager may also have such discussions with other beneficial owners of Notes or stakeholders in 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. The Collateral Manager and/or its affiliates and/or accounts managed thereby will be under no obligation to retain ownership of any Notes.

Additionally, the Collateral Manager agreed, in connection with the Original Closing Date, to pay to one or more holders of Subordinated Notes a portion of the Base Management Fee and 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 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) 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 the Secured Notes (voting together as a single Class) does not disapprove of such replacement collateral manager within 15 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 Barings 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 Barings LLC's own investments in such companies. Barings 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 2014 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 or certain of their affiliates serve 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.

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 has agreed 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 relating to the Refinancing Initial Purchaser and its Affiliates

Merrill Lynch, Pierce, Fenner & Smith Incorporated is the Refinancing Initial Purchaser of the Replacement Notes and is a wholly owned subsidiary of NB Holdings Corporation, which is a wholly owned subsidiary of Bank of America Corporation.

Certain of the Collateral Obligations acquired by the Issuer are obligations of issuers or obligors for which the Refinancing Initial Purchaser or any Affiliate thereof has acted as structuring or syndication agent, manager, underwriter, agent or principal or of which the Refinancing Initial Purchaser or any Affiliate thereof is an equity owner or with which the Refinancing Initial Purchaser or any of its Affiliates has other business relationships.

The Refinancing Initial Purchaser and its Affiliates are actively engaged in transactions in some of the same Collateral Obligations in which the Issuer may invest. Such transactions may be different from those made on behalf of the Issuer. Subject to applicable law, the Refinancing Initial Purchaser and its Affiliates may purchase or sell the securities of, or otherwise invest in or finance or provide investment banking, advisory and other services to, companies in which the Issuer has an interest or to the Collateral Manager. The Refinancing Initial Purchaser and its Affiliates may also have a proprietary interest in, and may manage or advise other accounts or investment funds that have investment objectives similar or dissimilar to those of the Issuer and/or which engage in transactions in, the same types of securities as the Issuer. As a result, the Refinancing Initial Purchaser and its Affiliates may possess information relating to obligors on or issuers of Collateral Obligations that is not known to the Collateral Manager. None of the Refinancing Initial Purchaser or its Affiliates is under any obligation to share any investment opportunity, idea or strategy with the Collateral Manager or the Issuer. As a result, the Refinancing Initial Purchaser and its Affiliates may compete with the Issuer for appropriate investment opportunities and will be under no duty or obligation to share such investment opportunities with the Issuer. In addition, the Refinancing Initial Purchaser and its Affiliates, and clients of its Affiliates, may invest in debt obligations and securities that are senior to, or have interests different from or adverse to, the Collateral Obligations. The Refinancing Initial Purchaser takes no responsibility for, and has no obligations in respect of, the Issuer.

The Refinancing Initial Purchaser or its Affiliates may own positions in and will likely have placed or underwritten certain of the Collateral Obligations (or other obligations of the issuers or obligors of Collateral Obligations) when they were originally issued and may have provided or be providing investment banking services and other services to issuers or obligors of certain Collateral Obligations. It is expected that from time to time the Collateral Manager will purchase from or sell Collateral Obligations through or to the Refinancing Initial Purchaser or its Affiliates and that one or more Affiliates of the Refinancing Initial Purchaser may act as the selling institution with respect to participations and/or a counterparty under a hedge agreement. The Refinancing Initial Purchaser and its Affiliates may act as initial purchaser and/or placement agent in other transactions involving issues of collateralized debt obligations or other investment funds with assets similar to those of the Issuer, which may have an adverse effect on the availability of collateral for the Issuer.

The Issuer also may invest in loans to companies affiliated with the Refinancing Initial Purchaser or its Affiliates or in which the Refinancing Initial Purchaser or its Affiliates has an equity or participation interest. The purchase, holding and sale of such investments by the Issuer may enhance the profitability of the Refinancing Initial Purchaser's own investments in such companies.

In addition, the Refinancing Initial Purchaser or any of its Affiliates may purchase Replacement Notes (either upon initial issuance or through secondary transfers) for their own account or for re-packaging purposes or enter into transactions related or linked to the Replacement Notes, including purchasing credit protection on the Replacement Notes or Collateral Obligations. In the future, the Refinancing Initial Purchaser or its Affiliates may, but are not required to, repurchase and resell Replacement Notes in market making transactions.

The Refinancing Initial Purchaser does not disclose specific trading positions or its hedging strategy, including whether it is in a long or short position in any Replacement Notes or obligation referred to in this Offering Circular. Nonetheless, in the ordinary course of business, the Refinancing Initial Purchaser and its Affiliates and employees or customers of the Refinancing Initial Purchaser and its Affiliates may actively trade in the Replacement Notes, Collateral Obligations and Eligible Investments for their own accounts and for the accounts of their customers. Accordingly, the Refinancing Initial Purchaser and its Affiliates and employees or customers of the Refinancing Initial Purchaser and its Affiliates expect at any time to hold long or short positions in such Replacement Notes and obligations. The Refinancing Initial Purchaser and its Affiliates and employees or customers of the Refinancing Initial Purchaser and its Affiliates also expect to enter into credit derivative or other derivative transactions with other parties pursuant to which it sells or buys credit protection with respect to such Replacement Notes and obligations.

The Collateral Manager may purchase or sell Collateral Obligations from time to time through the Refinancing Initial Purchaser or its Affiliates at market prices. Any purchases of Collateral Obligations described above involving the Refinancing Initial Purchaser or any of its Affiliates may only be effected by the Issuer or the Collateral Manager on its behalf in accordance with the Indenture and the Collateral Management Agreement.

Pursuant to the Refinancing Purchase Agreement, the Refinancing Initial Purchaser will be paid a fee from the Issuer for its services as Refinancing Initial Purchaser. See "*Plan of Distribution*."

Certain Other Conflicts of Interest

The Trustee or any of their its affiliates or employees may purchase Replacement Notes (either upon initial issuance or through secondary transfers), buy credit protection on the Replacement Notes, or exercise any voting rights to which such Replacement Notes are entitled.

DOCUMENTS INCORPORATED

The 2014 Offering Circular is attached to this Offering Circular as Annex A and is incorporated herein. The 2014 Offering Circular must be read in conjunction with this Offering Circular, as it is integral to understanding and evaluating the information contained in this Offering Circular. The statements set forth herein (including the Collateral Manager Information) and all changes described herein supersede all statements in the 2014 Offering Circular that are inconsistent with the foregoing.

The First Supplemental Indenture is attached to this Offering Circular as Annex B and is incorporated herein. The First Supplemental Indenture must be read in conjunction with this Offering Circular, as it is integral to understanding and evaluating the information contained in this Offering Circular and other information found exclusively in the First Supplemental Indenture.

The most recent Indenture Report is attached to this Offering Circular as Annex C and are incorporated herein. None of the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is responsible to prospective investors for, or is making any representation to you concerning, the accuracy or completeness of such Indenture Report. The most recent Indenture Report must be read in conjunction with this Offering Circular, as it is integral to understanding and evaluating the information contained in this Offering Circular.

Unless the context otherwise specifically requires, all references in the 2014 Offering Circular to the Class A-1 Notes shall be to the Class A-1-R Notes; all references in the 2014 Offering Circular to the Class A-2 Notes shall be to the Class A-2-R Notes; all references in the 2014 Offering Circular to the Class A Notes shall be to the Class A-R Notes; all references in the 2014 Offering Circular to the Class B-1 Notes shall be to the Class B-R Notes; all references in the 2014 Offering Circular to the Class B Notes shall be to the Class B-R Notes and all references to the Class B-2 Notes shall be disregarded and have no force or effect; and all references in the 2014 Offering Circular to the Secured Notes and the Notes shall include the Replacement Notes. All references in the 2014 Offering Circular to the Indenture shall be to the Indenture as modified by the First Supplemental Indenture.

DESCRIPTION OF THE REPLACEMENT NOTES

The information set forth in this section supplements and modifies the information in the section entitled "*Description of the Notes*" in the 2014 Offering Circular, which should be read in conjunction with and is otherwise incorporated into herein.

The Replacement Notes will be limited recourse debt obligations of the Co-Issuers. Except as expressly set forth herein and in the First Supplemental Indenture, the Class A-1-R Notes will be subject to the same terms and conditions as the Class A-1 Notes, the Class A-2-R Notes will be subject to the same terms and conditions as the Class A-2 Notes and the Class B-R Notes will be subject to the same terms and conditions as the Class B Notes (and, as the context requires, the Class B-1 Notes), in each case as the Class A-1 Notes, the Class A-2 Notes and the Class B Notes are described in the 2014 Offering Circular. Therefore, except as expressly set forth herein and in the First Supplemental Indenture, the information regarding the Notes set forth in the 2014 Offering Circular also applies to the corresponding Class of Replacement Notes.

On the Refinancing Date, the Co-Issuers and the Trustee will enter into the First Supplemental Indenture to provide for the issuance of the Replacement Notes. Purchasers of the Replacement Notes will be deemed to have consented to and approved the terms of the First Supplemental Indenture.

RATING OF THE REPLACEMENT NOTES

The Issuer has engaged S&P and Moody's to provide ratings on the Class A-1-R Notes and has engaged S&P to provide ratings on the other Classes of Replacement Notes. The fees and expenses payable to the Rating Agencies in connection with the initial rating will be paid as Administrative Expenses. If the Issuer does not provide information requested by a Rating Agency or relevant to the ratings on the Replacement Notes, or such information contains material untrue statements or omits material information necessary to make such information not misleading, the Issuer could be liable to such Rating Agency for any losses it incurs as a result.

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*" and "*Risk Factors—Relating to the Notes—Future actions of any Rating Agency can adversely affect the market value or liquidity of the Notes*" in the 2014 Offering Circular.

The ratings assigned to the Replacement Notes rated by such Rating Agency are based upon its assessment of the probability that the Collateral Obligations will provide sufficient funds to pay such Replacement Notes (based upon the Interest Rate and principal balance), 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 relevant Class, the Concentration Limitations and the Collateral Quality Test.

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.

SECURITY FOR THE REPLACEMENT NOTES

Information related to the Assets is provided in the most recent Indenture Report, which is attached to this Offering Circular as Annex C and is incorporated herein. None of the Refinancing Initial Purchaser, the Trustee, the Collateral Manager or the Collateral Administrator is responsible to prospective investors for, or is making any representation to you concerning, the accuracy or completeness of such Indenture Report.

FIRST SUPPLEMENTAL INDENTURE

In connection with the issuance of the Replacement Notes, the Issuer entered into the First Supplemental Indenture which is attached as Annex B hereto. The purchasers of Replacement Notes will be deemed to consent to and approve the amendments to the Indenture pursuant to the First Supplemental Indenture. The First

Supplemental Indenture established certain terms of the Replacement Notes as set forth in the Overview of Terms herein and as set forth in more detail in the First Supplemental Indenture.

Refinancing-Related Amendments

The First Supplemental Indenture made certain modifications to the Indenture to establish the terms of the Replacement Note, including to:

- (a) establish the Interest Rate applicable to the Replacement Notes; and
- (b) eliminate the Issuer's ability to effect any subsequent Refinancing or Re-Pricing of the Replacement Notes after the Refinancing Date.

Except for the modifications described above, all legal and economic terms of the applicable Class of Replacement Notes are the same as the corresponding Class of Refinanced Notes.

The execution and delivery of the First Supplemental Indenture was a condition to the issuance of the Replacement Notes. The consent of the Collateral Manager and a Majority of the Subordinated Notes was a condition to the execution and delivery of the First Supplemental Indenture.

CREDIT RISK RETENTION

The U.S. Risk Retention Rule requires the "sponsor" of a "securitization transaction" to retain (either directly or through a "majority-owned affiliate") an economic interest in the "credit risk" of "securitized assets" (as such terms are defined in the U.S. Risk Retention Rule). For purposes of the issuance of the Replacement Notes, the Collateral Manager is considered the "sponsor" under the U.S. Risk Retention Rule.

Although the U.S. Risk Retention Rule will be in effect on the Refinancing Date, the Collateral Manager does not intend to comply with the U.S. Risk Retention Rule in respect of the refinancing transaction described in this Offering Circular or the Replacement Notes in reliance on the Crescent No-Action Letter. In the Crescent No-Action Letter, the Staff stated it would not recommend enforcement action to the Securities and Exchange Commission in respect of a collateral manager that did not retain an eligible risk retention interest in connection with a refinancing of a CLO that was priced prior to December 24, 2014 as long as such refinancing meets the requirements described in the Crescent No-Action Letter.

The Collateral Manager's reliance on the Crescent No-Action Letter as described above does not preclude the availability of any applicable private rights of actions for any violation of the U.S. federal securities laws that a holder of Notes or any other person may have.

USE OF PROCEEDS

Proceeds received from the sale on the Refinancing Date of the Replacement Notes and certain other available amounts under the Indenture on the Refinancing Date will be used by the Issuer to redeem the Refinanced Notes in whole and to pay certain expenses of the Issuer, the Trustee and the Collateral Manager related to the Refinancing. Any expenses relating to the Refinancing not paid on the Refinancing Date will be paid on the next succeeding Payment Date.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by the Collateral Manager and has not been independently verified by the Co-Issuers or the Refinancing 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. The Co-Issuers confirm that this information has been accurately reproduced and far as the Co-Issuers are aware and able to ascertain from information provided by the Collateral Manager, no facts have been omitted which would render this information inaccurate or misleading.

The statements in this "The Collateral Manager" section shall supersede any such statements in the 2014 Offering Circular.

General

Certain advisory and administrative functions with respect to the Assets are performed by Barings LLC as the Collateral Manager under the Collateral Management Agreement entered into on the Original 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 and pursuant to the terms of the Collateral Administration Agreement.

In accordance with the Collateral Quality Test and the Coverage Tests 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. 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 primary members of the group are (i) Massachusetts Mutual Life Insurance Company ("**MassMutual**"), (ii) OppenheimerFunds Inc., and (iii) Barings 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 May 2016, MassMutual had financial strength ratings which are among the highest of any company in any industry: AM Best Company: A++ (Superior; top category of 15), Fitch ratings: AA+ (Very Strong; second category of 21), Moody's Investor Service: Aa2 (Excellent, third category of 21), Standard & Poors: 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 January 31, 2017, OppenheimerFunds, Inc. (including subsidiaries) had approximately U.S.\$222 billion of assets under management.

Barings LLC. Barings LLC ("**Barings**") is a global asset management firm with over U.S.\$271 billion in assets under management (as of December 31, 2016 for the combined entity), and is dedicated to meeting the evolving investment and capital needs of its clients. Barings builds lasting partnerships that leverage its distinctive expertise across traditional and alternative asset classes to deliver innovative solutions and exceptional service. Barings was created in September 2016 through the combination of Babson Capital Management LLC and its subsidiaries

Cornerstone Real Estate Advisers LLC and Woodcreek Capital Management LLC, with Barings Asset Management LLC. The resulting combined company offers institutional and retail investors worldwide a diverse array of global investment offerings.

Barings manages approximately U.S.\$224.4 billion in fixed income assets (as of December 31, 2016 for the combined entity), including the general investment account of MassMutual and various separate accounts and funds. Senior secured loans under management by Barings (as of December 31, 2016 for the combined entity) total approximately U.S.\$32.5 billion, consisting of both third party assets and assets managed for the account of MassMutual and its affiliates.

As of December 31, 2016, Barings, directly or as the designee of MassMutual, has served as the collateral manager for 47 U.S. and European CLOs (33 U.S. and 14 European). This includes transactions issued by Barings, or a predecessor entity, as well as takeover transactions.

Barings is an indirect, wholly-owned subsidiary of MassMutual. Barings 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 Barings is available upon request.

Key Personnel

The principal employees and senior management of Barings and the employees who have been and will continue to 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 Barings, or if so employed, be involved in the management of the Collateral Obligations and in carrying out the other obligations of Barings under the Collateral Management Agreement during the term thereof.

Senior Management

Thomas M. Finke
Chairman and CEO

Tom Finke is Chairman and Chief Executive Officer of Barings. Mr. Finke's 28-year financial career has included roles in both the banking and investment industries. He joined the firm in June 2002 when Babson Capital Management acquired First Union Institutional Debt Management, a \$3.6 billion high yield loan manager he co-founded in 1998, from Wachovia Corporation. Mr. Finke's career prior to IDM included positions in High Yield and Loan Syndications at First Union Capital Markets, Bear Stearns and Company and Mellon Bank. Mr. Finke has been an active advocate for the leveraged loan and securitized markets. He was a founding member of the Board of Directors for the Loan Syndication & Trading Association ("LSTA"), and also for the Structured Finance Industry Group ("SFIG"). Mr. Finke received an 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.

Russell D. Morrison
Vice Chairman and Head of Global Fixed Income

Russell Morrison is Barings' President and Head of Global Fixed Income & Equity, and is responsible for a significant portion of Barings' investment business. Prior to his current role, he served as head of Babson Capital Management's Global High Yield Investments Group. Russ has over 25 years of industry experience. Prior to joining the firm in 2002, he was a senior portfolio manager at First Union Institutional Debt Management (IDM). Before his tenure at IDM, he was a Vice President for First Union Securities, Inc., a manager in Ernst & Young's Management Consulting Group and an accountant at North Carolina National Bank. Russ holds a B.S. from Wake Forest University and an M.B.A. from Carnegie Mellon's Graduate School of Industrial Administration.

Adrienne P. Butler
Managing Director

Adrienne Butler is a member of Barings' U.S. High Yield Investments Group and is head of CLO Funds. She is also a member of the U.S. High Yield Investment Committee. She is responsible for new CLO marketing and formation as well as existing CLO portfolio management. Adrienne has worked in the industry since 1990 and her

experience has encompassed sell-side relationship banking, media and telecom specialty lending, and CLO portfolio management. Prior to joining the firm in 2002, she was part of the acquisition of First Union Institutional Debt Management ("IDM"), where she was a senior analyst in IDM's Loan Research Group. Before IDM, she was a vice president/relationship manager at First Union Corporation and worked in corporate banking at First Union National Bank of South Carolina. She also served as a loan officer at NationsBank. Adrienne 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

Michael Freno is Head of Barings' U.S. and Global High Yield Investments Group and Chairman of the U.S. High Yield Investment Committee, Global High Yield Committee and Global Strategy Committee. He is also a member of the Global Distressed Committee. He is responsible for management of the firm's global loan and global multi-strategy portfolios. Michael has worked in the industry since 1999 and has extensive experience on the buy-side, focusing on both equity and debt investments. Prior to joining the firm in 2005, he 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, he was a Manager at PricewaterhouseCoopers. Michael holds a B.A. from Furman University and an M.B.A. from the Wake Forest Babcock School of Business.

Meredith F. Lynch
CFA, Director

Meredith Lynch is a member of Barings' U.S. High Yield Investments Group and is a portfolio manager for CLO funds. In addition she is a research analyst for the Consumer & Retail, Food & Beverage, and Restaurants industries. Meredith has worked in the industry since 2003. Prior to joining the firm in 2010, she 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. Meredith holds a B.S. in Financial Management from Clemson University and is a member of the CFA Institute.

Lesley Mastandrea
Managing Director

Lesley Mastandrea is a member of Barings' Global Investment Services Group and Head of Client, Portfolio & Performance Services. Lesley joined the firm in 2006 to handle the oversight of the third party institutional funds and separately managed accounts, providing support to all teams internally as well as external clients. The remit of Lesley and her team has expanded to include retail funds, Barings issued structured funds, as well as the MassMutual relationship. Lesley has worked in the industry since 2000. Prior to joining the firm, she was a Controller at Mangan & McColl Partners. Lesley holds a B.S. in Global Economics and International Business from the University of North Carolina, Greensboro.

Arthur J. McMahon, Jr.
Managing Director

Art McMahon is a member of the Barings' U.S. High Yield Investments Group and is a portfolio manager for CLO funds. In addition, he serves as a member of the U.S. High Yield Investment Committee. Art has worked in the industry since 1992. Prior to joining the firm in 2004, Art 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, he spent more than two years at Susquehanna Investment Group. Art 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

David Mihalick is Head of Barings' High Yield Research within the 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 high yield strategies. David has worked in the industry since 2004. Prior to joining the firm in 2008, he was a Vice President with Wachovia Securities Leveraged Finance Group. Prior to working in the financial services industry, he served as an officer in the United States Air Force and worked in the telecommunications industry for Alcatel-Lucent. David

has an M.B.A. from Wake Forest University, an M.S. from the University of Washington and a B.S. from the United States Air Force Academy.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following limited supplemental disclosure is being provided to prospective investors to inform them of certain U.S. federal income tax consequences arising from the issuance of the Replacement Notes, but does not purport to (and none of the Co-Issuers, the Refinancing Initial Purchaser, the Collateral Manager or their respective affiliates makes any representations that it purports to) comprehensively update the 2014 Offering Circular or disclose all U.S. federal income tax consequences (whether legal or otherwise) which may arise by or relate to the issuance of the Replacement Notes. The following information should be read in conjunction with the section entitled "Certain U.S. Federal Income Tax Considerations" in the 2014 Offering Circular. The changes set forth below supersede all statements which are inconsistent therewith in the 2014 Offering Circular.

The following summary describes certain U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of the Replacement Notes. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Replacement Notes. In particular, special tax considerations that may apply to certain types of taxpayers, including securities dealers, banks and insurance companies, entities taxed as partnerships or partners therein, investors liable for the alternative minimum tax, individual retirement accounts and other tax deferred accounts, REITs, regulated investment companies, tax-exempt organizations (except to the limited extent addressed below), U.S. holders whose functional currency is not the U.S. dollar, U.S. expatriates, non-resident aliens present in the United States for more than 182 days in a taxable year, and subsequent purchasers of Replacement Notes, are not addressed. In addition, this summary does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government. In general, the summary assumes that a holder acquires a Replacement Note at original issuance, and at its issue price, and holds such Replacement Note as a capital asset and not as part of a hedge, straddle, or conversion transaction.

This summary is based on the U.S. tax laws, regulations, rulings and decisions in effect or available on the date of this Offering Circular. All of the foregoing are subject to change, and any change may apply retroactively and could affect the continued validity of this summary.

As discussed in more detail below, withholding or deduction of taxes may be required in certain circumstances in respect of payments on the Replacement Notes. In the event that any such withholding or deduction of taxes is required, in any jurisdiction, neither of the Co-Issuers will be under any obligation to make any additional payments to the holders of the Replacement Notes in respect of such withholding or deduction.

Prospective purchasers of the Replacement Notes should consult their own tax advisors as to U.S. federal income tax consequences of the purchase, ownership and disposition of the Replacement Notes, as well as the possible application of state, local, non-U.S. or other tax laws.

In the case of a partnership (or other pass-through entity) that is a beneficial owner of a Replacement Note, the tax treatment of a partner of such partnership (or other equity holder of such other pass-through entity) will generally depend on the status of such partner (or other equity holder) and upon the activities of such pass-through entity. Partners of partnerships (or other equity holders of other pass-through entities, as applicable) that are beneficial owners of Replacement Notes should consult their tax advisors.

This summary does not discuss the U.S. federal income tax consequences of the redemption of the Refinanced Notes or the impact of such redemption on the purchase, beneficial ownership and disposition of the Replacement Notes. Holders of the Refinanced Notes are urged to consult their tax advisors as to the U.S. federal income tax consequences of the redemption of the Refinanced Notes.

As used in this Offering Circular, the term "**U.S. holder**" means a beneficial owner of a Replacement Note that is, for U.S. federal income tax purposes, a citizen or individual resident of the United States, a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) that was organized under the laws of the United States, any state thereof, or the District of Columbia, or that otherwise is subject to U.S. federal taxation on a net income basis in respect of such Replacement Note.

As used in this Offering Circular, the term "**non-U.S. holder**" means a beneficial owner of a Replacement Note that is not a U.S. holder.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATIONAL PURPOSES ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE REPLACEMENT NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Tax Treatment of the Issuer

In General. For U.S. federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Replacement Notes. Prior to the Refinancing Date, the Issuer operated with the intention that it would not be subject to U.S. federal income tax on its net income. The Issuer also intends to undertake its future operations in a manner that will not cause it to be subject to U.S. federal income tax on its net income. In this regard, 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 the Operating Guidelines, and certain other assumptions specified in the opinion were satisfied, although no authority existed that dealt with situations substantially similar to those of the Issuer, the contemplated activities of the Issuer would not cause the Issuer to 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. This opinion was based on certain assumptions and certain representations and agreements regarding restrictions on the future activities of the Issuer and the Collateral Manager. The Issuer intended to conduct its business in accordance with the assumptions, representations and agreements upon which such opinion is based. In complying with such assumptions, representations and agreements, the Issuer and the Collateral Manager were entitled to rely in the future upon the written advice and/or opinions of their selected counsel, and the opinion of Freshfields Bruckhaus Deringer US LLP assumed that any such advice and/or opinions would be correct and complete. Investors should also be aware that the opinion of Freshfields Bruckhaus Deringer US LLP simply represents counsel's best judgment and is not binding on the IRS or the courts. In this regard, there are no authorities that deal with situations substantially identical to the Issuer's and the Issuer could be treated as engaged in the conduct of a trade or business within the United States as a result of unanticipated activities, changes in law, contrary conclusions by the IRS or other causes. Failure of the Issuer to comply with the Operating Guidelines or the Indenture may not give rise to a default or an Event of Default under the Indenture or the Collateral Management Agreement and may not give rise to a claim against the Issuer or the Collateral Manager. In the event of such a failure, the Issuer could be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes. The Collateral Manager might act in accordance with the Operating Guidelines notwithstanding the issuance of new decisions by the courts, new legislation or official guidance (regardless of whether such new interpretation, legislation or guidance would either merely increase the risk that the Issuer would be, or actually cause the Issuer to be, engaged in a U.S. trade or business).

Although the Issuer intends to continue to follow the Operating Guidelines (and has provided assurances that it has followed such Operating Guidelines for the period prior to the Refinancing Date), investors in the Replacement 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.

As described below under "*Treatment of the Issuer as a Partnership for U.S. Federal Income Tax Purposes*," the Issuer intends to be treated as a foreign partnership for U.S. federal income tax purposes. If the Issuer is treated as a partnership, is determined to be engaged in a trade or business within the United States, and has income effectively connected to the United States, then (i) payments on the Notes to a non-U.S. holder could be subject to a 30% U.S. federal withholding tax and (ii) a non-U.S. holder of Subordinated Notes, such as the Income Note Issuer, could be subject to U.S. federal income tax (which the Issuer would be required to withhold), and such withholding tax requirements could cause a shortfall in funds available to make payments on the Replacement Notes.

Although the Issuer intends to be treated as a foreign partnership for U.S. federal income tax purposes, it is possible that the Issuer may be treated as a corporation for U.S. federal income tax purposes. If the Issuer is treated as a foreign corporation for U.S. federal income tax purposes and is treated as engaged in a trade or business in the

United States for U.S. federal income tax purposes, (i) the Issuer could be subject to U.S. federal income tax on a net income basis (and possibly a branch profits tax) and (ii) the Issuer could be obligated to file a U.S. federal income tax return. Moreover, the imposition of such taxes could materially affect the Issuer's financial ability to make payments on the Replacement Notes or could reduce such payments and could adversely affect a holder's return with respect to its Replacement Notes.

The balance of this summary assumes that the Issuer is not treated as engaged in a trade or business within the United States and has no income effectively connected to the United States.

Treatment of the Issuer as a Partnership for U.S. Federal Income Tax Purposes. The Issuer has elected to be treated as a partnership for U.S. federal income tax purposes. However, in certain instances, an entity that would otherwise be treated as a partnership for U.S. federal income tax purposes (such as the Issuer) nonetheless may be taxable as a corporation for U.S. federal income tax purposes if the entity is a "publicly traded partnership" or "taxable mortgage pool." If the Issuer is treated as a publicly traded partnership taxable as a corporation for federal income tax purposes or as a taxable mortgage pool, it will be taxable as a foreign corporation.

The balance of this summary generally assumes that the Issuer is treated as a partnership that is not taxable as a corporation for U.S. federal income tax purposes.

Withholding and Gross Income Taxes. Although the Issuer does not intend to be subject to U.S. federal income tax with respect to its net income, income derived by the Issuer may be subject to withholding or gross income taxes imposed by the United States or other countries, and the imposition of such taxes could materially affect its financial ability to make payments on the Replacement Notes. In this regard and subject to certain exceptions, the Issuer may generally acquire a particular Collateral Obligation only if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax or the obligor on the Collateral Obligation is required to make "gross-up" payments.

The Issuer may, however, be subject to (i) withholding or other similar taxes on commitment fees, amendment fees, waiver fees, consent fees, extension fees, or other similar fees and (ii) withholding imposed under FATCA or similar legislation in countries other than the United States, and such withholding or similar taxes may not be grossed up. In addition, there can be no assurance that income derived by the Issuer will not become subject to withholding or gross income taxes as a result of changes in law, contrary conclusions by the IRS, or other causes. In that event, such withholding or gross income taxes could be applied retroactively to fees or other income previously received by the Issuer. To the extent that withholding or gross income taxes are imposed and not paid through withholding, the Issuer may be directly liable to the taxing authority to pay such taxes.

Tax Treatment of U.S. Holders of Replacement Notes

Status of, and Interest on, the Replacement Notes. The Class A-1-R Notes, the Class A-2-R Notes and the Class B-R Notes will be treated as debt for U.S. federal income tax purposes and the Issuer will receive an opinion from Paul Hastings LLP to that effect. Each holder of a Replacement Note, by acceptance of such Replacement Note, will agree to treat all such Notes as debt for such purposes. In general, the characterization of an instrument for U.S. federal income tax purposes as debt or equity by its issuer as of the time of issuance is binding on a holder. If a holder takes an inconsistent reporting position, it must disclose such position in its tax return in accordance with IRS procedures. An issuer's characterization, however, is not binding on the IRS. In particular, there can be no assurances that the IRS would not contend, and that a court would not ultimately hold, that Replacement Notes of the Issuer constitute equity of the Issuer. See "*Potential Treatment of Replacement Notes as Equity under IRS Debt-Equity Regulations.*"

U.S. holders of Class A-1-R Notes and Class A-2-R Notes will treat stated interest on such Replacement Notes as ordinary income when paid or accrued, in accordance with their tax method of accounting, subject to the discussion under "*Original issue discount*" below. The Class B-R Notes will be issued with original issue discount and subject to the rules discussed below under "*Original issue discount.*"

Sale and Retirement of the Replacement Notes. In general, a U.S. holder of a Replacement Note will have a basis in such Replacement Note equal to the cost of such Replacement Note to such holder, increased by any amount includible in income by such holder as original issue discount ("**OID**") and, in the case of the Class A-1-R Notes and

the Class A-2-R Notes, reduced by any payments thereon other than payments of stated interest. In the case of a U.S. holder of a Note that purchases a corresponding Class of Replacement Notes hereunder, such U.S. holder's adjusted basis may be determined by reference to its adjusted basis in the corresponding Note. Upon a sale or exchange of the Replacement Note, a U.S. holder will generally recognize capital gain or loss equal to the difference between the amount realized (and in the case of the Class A-1-R Notes and the Class A-2-R Notes, less any accrued interest, which would be taxable as such) and the holder's tax basis in such Replacement Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held such Replacement Note for more than one year at the time of disposition. In certain circumstances, U.S. holders that are individuals may be entitled to preferential treatment for net long-term capital gains. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Net Investment Income Tax. Section 1411 of the Code imposes a 3.8% tax (in addition to other federal income taxes) on the net investment income ("NII") of U.S. holders who are individuals, estates or trusts to the extent NII exceeds an income threshold. NII generally includes all income from the Replacement Notes and any taxable gain on the sale or other disposition of the Replacement Notes. U.S. holders are urged to consult their tax advisors regarding the effect, if any, of Section 1411 of the Code on their investment in the Replacement Notes.

Original issue discount. If the stated principal amount of the Class A-1-R Notes or the Class A-2-R Notes exceeds their issue price (the price at which a substantial amount of the Replacement Notes of that Class are first sold to the public) by more than a statutorily defined de minimis amount, the Class A-1-R Notes or the Class A-2-R Notes, as the case may be, will be treated as having been issued with OID for U.S. federal income tax purposes. If the Class A-1-R Notes or the Class A-2-R Notes are treated as having been issued with OID, U.S. holders will be required to include such OID in gross income (as ordinary income) on a constant yield to maturity basis as it accrues, regardless of a U.S. holder's method of accounting for U.S. federal income tax purposes and before the receipt of cash attributable to the income.

Because payments of stated interest on the Class B-R Notes are contingent on available funds and subject to deferral, the Class B-R Notes will be treated for U.S. federal income tax purposes as having OID. The total amount of OID with respect to a Class B-R Note will equal the sum of all payments to be received under such Class B-R Note less its issue price (the first price at which a substantial amount of Class B-R Notes was sold to investors). A U.S. holder of Class B-R Notes will be required to include OID in gross income (as ordinary income) on a constant yield to maturity basis as it accrues, regardless of a U.S. holder's method of accounting for U.S. federal income tax purposes and before the receipt of cash attributable to the income. 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 Class B-R Notes over their issue price. Accruals of any OID will be based on the projected weighted average life of the Class B-R Notes rather than their stated maturity. In the case of Class B-R Notes, accruals of OID should be calculated by assuming that interest will be paid over the life of the Class B-R Note based on the value of LIBOR used in setting interest for the Interest Accrual Period relating to the first Payment Date after the Refinancing Date, and then adjusting the income for each subsequent Interest Accrual Period for any difference between the actual value of LIBOR used in setting interest for those periods and the assumed rate.

Potential Treatment of Replacement Notes as Equity under IRS Debt-Equity Regulations

The IRS recently issued the final and temporary regulations under Section 385 of the Code that reclassify financial instruments that are held by certain persons related to the issuer of such financial instruments as equity of such issuer in certain situations. As a result, if the Issuer is or becomes a "controlled partnership" within the meaning of the Section 385 regulations and certain other requirements are met, investors in Replacement Notes that are related to the Issuer (including through its partners) may be treated as owning stock in the Issuer's partners, which could cause certain adverse consequences to such investors, including the imposition of U.S. federal withholding tax. The Section 385 regulations (or its successor or other future regulations) may also impose certain documentation requirements on the Issuer with respect to the Replacement Notes. Replacement Notes treated as equity under these rules may once again be treated as debt when acquired by a holder that is not related to the Issuer in the manner described above. Replacement Notes treated as newly issued under this rule may have tax characteristics differing from Replacement Notes of the same Class that were not previously treated as equity. The Issuer does not intend to separately track any such Replacement Notes. The Section 385 regulations are complex

and may be further revised by the IRS. Investors in Replacement Notes should consult with their tax advisors regarding the possible effect of the Section 385 regulations (and any successor or other future regulations) on them.

Tax Treatment of Tax-Exempt U.S. Holders of the Replacement Notes

In general, a tax-exempt U.S. holder of Replacement Notes will not be subject to tax on unrelated business taxable income ("UBTI") with respect to the income from the Replacement Notes regardless of whether they are treated as equity or debt for U.S. federal income tax purposes, except to the extent that the Replacement Notes are considered debt-financed property (as defined in the Code) of that tax-exempt holder. A tax-exempt U.S. holder that owns more than 50% of the outstanding Subordinated Notes and also owns Classes of Replacement Notes should consider the possible application of the special UBTI rules for amounts received from controlled entities.

Tax Treatment of Non-U.S. Holders of the Replacement Notes

Assuming that the Issuer is not treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, as discussed above under "*Tax Treatment of the Issuer*", payments on the Replacement Notes to a non-U.S. holder, or gain realized on a sale, exchange or redemption of such Replacement Notes by such holder, will not be subject to U.S. federal income or withholding tax, as the case may be, unless (i) such income is effectively connected with a trade or business conducted by such non-U.S. holder in the United States, or (ii) in the case of gain, such non-U.S. holder is a nonresident alien individual who holds the Replacement 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.

Information Reporting and Backup Withholding

Information reporting to the IRS generally will be required with respect to payments on the Replacement Notes and proceeds of the sale of the Replacement Notes to holders other than corporations or other exempt recipients. A "backup" withholding tax will apply to those payments if such holder fails to provide to the Trustee or other paying agent certain identifying information (such as such holder's taxpayer identification number) and properly completed and signed applicable U.S. federal income tax certifications (generally, an IRS Form W-9 (or applicable successor form) in the case of a U.S. holder or the applicable IRS Form W-8 (or applicable successor form) in the case of a non-U.S. holder). 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.

A non-U.S. holder that provides the applicable IRS Form W-8BEN, W-8BEN-E, W-8ECI or Form W-8IMY, together with all appropriate attachments, signed under penalties of perjury, identifying the non-U.S. holder and stating that the non-U.S. holder is not a United States person, will not be subject to IRS reporting requirements and U.S. backup withholding. Information reporting and backup withholding may apply to the proceeds of a sale of Notes made within the United States or conducted through certain U.S. related financial intermediaries, unless the payor receives the statement described above or the non-U.S. holder otherwise establishes an exemption.

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be eligible for a credit against the recipient's U.S. federal income tax liability and may entitle the recipient to a refund, so long as the required information is timely furnished to the IRS. Information reporting requirements may apply regardless of whether withholding is required. U.S. holders should consult their own tax advisors about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Replacement Notes.

U.S. Foreign Account Tax Compliance Rules

FATCA potentially imposes a withholding tax of 30% on certain payments made to the Issuer, including potentially all interest paid on (and after December 31, 2018, proceeds from the sale or other disposition of) U.S. Collateral Obligations issued or materially modified on or after July 1, 2014, unless the Issuer complies with the Cayman FATCA Legislation. The Cayman FATCA Legislation requires, among other things, that the Issuer collect and provide to the Cayman Islands Tax Information Authority substantial information regarding certain direct and indirect holders of the Replacement Notes. The Issuer intends to comply with its obligations under the

Cayman FATCA Legislation. However, in some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. The Issuer or its agent will report information to the Cayman Islands Tax Information Authority, which 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, or on payments made by the Issuer, unless the IRS has specifically listed the Issuer as a non-participating financial institution, the Issuer has otherwise assumed responsibility for withholding under U.S. tax law, or the Issuer cannot achieve FATCA compliance as a result of factors outside of its control, as described above.

In addition, future guidance under FATCA may subject payments on Replacement Notes that are materially modified more than six months after the issuance of such future guidance, to a withholding tax of 30% if (i) the holder fails to provide certain required information or (ii) each foreign financial institution that holds any such Replacement Note, or through which any such Replacement Note is held, has not entered into an information reporting agreement with the IRS, qualified for an exception from the requirement to enter into such an agreement or complied with the terms of a relevant intergovernmental agreement. Each owner of an interest in Replacement Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply with the Cayman IGA, as discussed above. Owners that do not supply required information, or whose ownership of Replacement Notes may otherwise prevent the Issuer from complying with FATCA (for example by causing the Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including withholding on payments on their Replacement Notes and forced transfer of their Replacement Notes. There can be no assurance, however, that these measures will be effective, and that the Issuer and owners of the Replacement Notes will not be subject to the noted withholding taxes. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Replacement Notes or could reduce such payments.

PLAN OF DISTRIBUTION

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**Merrill Lynch**") will, in its capacity as Refinancing Initial Purchaser under a note purchase agreement to be entered into on the Refinancing Date among Merrill Lynch and the Co-Issuers (the "**Refinancing Purchase Agreement**") and pursuant to and subject to the terms and conditions thereof, agree to purchase the Replacement Notes. Pursuant to the Refinancing Purchase Agreement, the Replacement Notes will be offered by the Refinancing Initial Purchaser from time to time for sale to investors in individually negotiated transactions at varying prices to be determined in each case at the time of sale. The offering price and other terms of the offering may be changed at any time without notice. Pursuant to the Refinancing Purchase Agreement, the Refinancing Initial Purchaser will receive from the Issuer certain fees and reimbursement of certain expenses on the Refinancing Date.

The offering of the Replacement Notes has not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction, and the Replacement Notes 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 and applicable state and other securities laws.

No action has been taken or is being contemplated by the Issuer and the Co-Issuer that would permit a public offering of the Replacement Notes or possession or distribution of this Offering Circular or any amendment thereof, or supplement thereto or any other offering material relating to the Replacement 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 Replacement Notes, or distribution of this Offering Circular or any other offering material relating to the Replacement 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 the Refinancing Initial Purchaser. Because of the restrictions contained in the front of this Offering Circular, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Replacement Notes.

The Co-Issuers have been advised by the Refinancing Initial Purchaser that it proposes to offer the Replacement Notes 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 both (A) Qualified Institutional Buyers and (B) (i) Qualified Purchasers or (ii) entities owned exclusively by Qualified Purchasers. Any offer or sale of Replacement Notes in the United States in the offering will be made by the Refinancing Initial Purchaser or other broker-dealers, including Affiliates of the Refinancing Initial Purchaser, who are registered as broker-dealers under the Exchange Act.

Interests in a Regulation S Global Secured Note may not be held at any time by a U.S. person, and U.S. re-offers or resales of Replacement Notes originally offered in offshore transactions in reliance on Regulation S under the Securities Act may be effected only in a transaction exempt from the registration requirements of the Securities Act and not involving directly or indirectly the Issuer, the Co-Issuer or their respective agents, Affiliates or intermediaries. In addition, until the expiration of 40 days after the later of the Refinancing Date and the commencement of the offering of the Replacement Notes, a re-offer or resale of any Replacement Note originally sold pursuant to Regulation S to, or for the account or benefit of, a U.S. person by a dealer or person receiving a concession, fee or remuneration in respect of the Replacement Notes (whether or not they participated in the offering) may violate the registration requirements of the Securities Act, unless such offer and sale is made in compliance with an exemption from such registration requirements.

The Replacement Notes are a new issue of securities for which there is currently no market. The Refinancing Initial Purchaser is under no obligation to make a market in any Class of Replacement 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 Replacement 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 Replacement Notes.

In the Refinancing Purchase Agreement, each of the Co-Issuers will agree to indemnify the Refinancing Initial Purchaser against certain liabilities 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 for the Replacement Notes (including this Offering Circular and the final Offering Circular for the Replacement Notes) or the execution and delivery of, and the consummation of the transactions contemplated by,

the Refinancing Purchase Agreement or the Transaction Documents, or to contribute to payments that the Refinancing Initial Purchaser may be required to make in respect thereof.

The Co-Issuers will extend to each prospective investor in the Replacement Notes the opportunity, prior to the consummation of the sale of the Replacement Notes, to ask questions of and receive answers from the Co-Issuers or a person or persons acting on behalf of the Co-Issuers, including the Refinancing Initial Purchaser, concerning the Replacement Notes and the terms and conditions of this offering and to obtain any additional information in order to verify the accuracy of the information set forth herein, to the extent the Co-Issuers possess the same or can acquire the same without unreasonable effort or expense. Requests for such additional information can be directed to the Refinancing Initial Purchaser at One Bryant Park, 3rd Floor, New York, New York 10036, Attention: Global Credit and Special Situations Structured Products Group.

For a description of other relationships of Merrill Lynch and its Affiliates relating to the Replacement Notes and transactions described herein, see *"Risk Factors—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest relating to the Refinancing Initial Purchaser and its Affiliates."*

LISTING AND GENERAL INFORMATION

The information set forth in this section supplements and modifies the information in the sections entitled "*Listing and General Information*" in the 2014 Offering Circular.

(1) Application has been made to the Irish Stock Exchange for the Replacement Notes to be admitted to the Official List and to trading on its regulated market, but there can be no assurance that such a listing will be obtained or that any such listing will be maintained. The total expenses related to the admission to trading will be approximately €5,740.

(2) Maples and Calder is acting solely in its capacity as listing agent for the Co-Issuers (and not on its own behalf) in connection with the application for admission of the Replacement Notes to the Official List of the Irish Stock Exchange and to trading on the Irish Stock Exchange.

(3) For the life of the Replacement Notes, electronic copies of the organizational documents of the Co-Issuers may be obtained by holders from the Issuer or the Co-Issuer, as the case may be, and an electronic copy of the Indenture may be obtained from the Trustee.

(4) The issuance of the Replacement Notes will be authorized by the board of directors of the Issuer by resolutions on or about the Refinancing Date. The issuance of the Replacement Notes will be authorized by the manager of the Co-Issuer by resolutions on or about the Refinancing Date.

(5) The CUSIP Numbers for the Rule 144A Global Secured Notes are shown in the table below. The Regulation S Global Secured Notes have been accepted for clearance through Clearstream and Euroclear under the Common Codes set forth below. The table also lists CUSIP (CINS) Numbers and International Securities Identification Numbers.

	Rule 144A Global Secured Notes		Regulation S Global Secured Notes		
	CUSIP	ISIN	Common Code	CUSIP (CINS)	ISIN
Class A-1-R Notes.....	05617YAQ2	US05617YAQ26	157245503	G07007AH3	USG07007AH35
Class A-2-R Notes.....	05617YAS8	US05617YAS81	157245538	G07007AJ9	USG07007AJ90
Class B-R Notes	05617YAU3	US05617YAU38	157245520	G07007AK6	USG07007AK63

(6) Neither of the Co-Issuers has been involved in any governmental, litigation or arbitration proceedings during the 12 months preceding the date of this Offering Circular relating to claims or amounts which may have, or have had in the recent past, a significant effect on the financial positions or profitability of the Co-Issuers, nor, so far as the Co-Issuers are aware, are any such governmental, litigation or arbitration proceedings involving the Co-Issuers pending or threatened.

(7) As of the date of the Prospectus, the Co-Issuers have commenced operations but no accounts have been made up.

(8) The language of the Prospectus 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.

LEGAL MATTERS

Certain legal matters with respect to the Replacement Notes will be passed upon for the Co-Issuers and the Refinancing Initial Purchaser by Paul Hastings 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.

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

2014 OFFERING CIRCULAR

DISCLAIMER

Attached please find an electronic copy of the final Offering Circular dated February 5, 2014 (the "Offering Circular") relating to the offering by Babson CLO Ltd. 2013-II, Babson CLO 2013-II, LLC and Babson CLO Ltd. Income Note 2013-II 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 and the Income 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 the Income Note Issuer, 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. 2013-II
Babson CLO 2013-II, LLC
Babson CLO Ltd. Income Note 2013-II

U.S.\$415,000,000 Class A-1 Senior Secured Floating Rate Notes due 2025
U.S.\$97,000,000 Class A-2 Senior Secured Floating Rate Notes due 2025
U.S.\$32,000,000 Class B-1 Senior Secured Deferrable Floating Rate Notes due 2025
U.S.\$16,000,000 Class B-2 Senior Secured Deferrable Fixed Rate Notes due 2025
U.S.\$38,000,000 Class C Senior Secured Deferrable Floating Rate Notes due 2025
U.S.\$29,000,000 Class D Senior Secured Deferrable Floating Rate Notes due 2025
U.S.\$10,000,000 Class E Senior Secured Deferrable Floating Rate Notes due 2025
U.S.\$60,725,000 Subordinated Notes due 2025
U.S.\$10,000,000 Income Notes due 2025*

** The subordination provided by the Income Notes is included in (and is not in addition to) the subordination provided by the Subordinated Notes.*

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 163. This Offering Circular uses defined terms. See "Glossary of Certain Defined Terms" beginning on page 191.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 27.

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-1 Notes and Class B-2 Notes are rated at least "A(sf)" by S&P, (iv) the Class C Notes are rated at least "BBB(sf)" by S&P, (v) the Class D Notes are rated at least "BB(sf)" by S&P and (vi) the Class E Notes are rated at least "B(sf)" by S&P. The Subordinated Notes and the Income Notes will not be rated. See "Ratings of the Secured Notes" on page 98.

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 European Union ("EU") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Class A-1 Notes, Class A-2 Notes, Class B-1 Notes, Class B-2 Notes, Class C Notes and Class D Notes (the "Listed Notes") to be admitted to the Official List (the "Official List") and trading on its regulated market. Such approval relates only to the Listed 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"). This Offering Circular comprises a prospectus for the purposes of the Prospectus Directive. There can be no assurance that any such listing will be maintained.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER THE CO-ISSUERS NOR THE INCOME NOTE 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 AND THE INCOME 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(a)(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 167.

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 Class E Notes, Certificated Subordinated Notes or Certificated Income Notes, in physical form or, in the case of Uncertificated Subordinated Notes or Uncertificated Income Notes, on the books and records of the Issuer or Income Note Issuer, respectively), on or about December 17, 2013.

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

Citigroup

A version of this Offering Circular was originally distributed on December 13, 2013 (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.

February 5, 2014

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 Income Note Issuer, 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 Income Note Paying Agent, 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 initial purchaser of the Secured Notes and placement agent of the Subordinated Notes and the Income 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, the Income Note Issuer and other sources identified herein. The Co-Issuers accept responsibility for the information contained in this Offering Circular. The Income Note Issuer accepts responsibility for the information contained under the heading "The Income Note Issuer". 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, who have taken reasonable care to ensure that such is the case, 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 Income Note Issuer, who has taken reasonable care to ensure that such is the case, the information contained under the heading "The Income Note Issuer" 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, who has taken 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.

You are responsible for making your own examination of the Co-Issuers, the Income Note Issuer 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 the Income Note 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 the Income Note 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, the Income Note Issuer, 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, the Income Note Issuer, 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(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 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 the Income Notes) the Income Note 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 Income Note Issuer, as applicable, will not create binding contractual obligations for you or Citigroup, the Issuer or the Income Note Issuer 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 or the Income Note Issuer 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 or the Income Note Issuer determine that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer, the Income Note Issuer, or 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, the Income Note 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 INCOME NOTE ISSUER, 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 INCOME NOTE ISSUER, 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 Income Note Issuer, 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 December 13, 2013 (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 Secured Notes were received; that the Notes were issued pursuant to the Indenture or the Deed of Covenant, as applicable; 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; that the proposed capitalization and indebtedness of the Income Note Issuer described under "The Income Note Issuer—Capitalization" was the Income Note 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 Income Note Paying Agency Agreement, 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 Listed 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: U.S. Bank National Association, 214 N. Tryon Street, 26th Floor, Charlotte, NC 28202, Attention: Babson CLO Ltd. 2013-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 and the Class E Notes, the Co-Issuer) under the Indenture (and, solely in the case of the Income Notes, the Income Note Issuer under the Income Note Paying Agency Agreement) 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 (or the Income Note Issuer) 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. None of the Co-Issuers or the Income Note Issuer expects to become such a reporting company or to become so exempt from reporting. Such information may be obtained directly from the Issuer or the Income Note Issuer.

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OVERVIEW OF TERMS

The following overview 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-1 Notes	Class B-2 Notes	Class C Notes	Class D Notes	Class E Notes	Subordinated Notes	Income Notes [±]
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Fixed Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Floating Rate	Subordinated	Income
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer	Issuer	Issuer	Income Note Issuer
Initial Principal Amount (U.S.\$)	\$415,000,000	\$97,000,000	\$32,000,000	\$16,000,000	\$38,000,000	29,000,000	\$10,000,000	\$60,725,000	\$10,000,000
Expected S&P Initial Rating	"AAA(sf)"	"AA(sf)"	"A(sf)"	"A(sf)"	"BBB(sf)"	"BB(sf)"	"B(sf)"	N/A	N/A
Expected Moody's Initial Rating	"Aaa(sf)"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest Rate *	LIBOR + 1.48%	LIBOR + 1.75%	LIBOR + 2.65%	5.00%	LIBOR + 3.25%	LIBOR + 4.50%	LIBOR + 5.25%	N/A	N/A
Interest Deferrable	No	No	Yes	Yes	Yes	Yes	Yes	N/A	N/A
Stated Maturity	January 18, 2025	January 18, 2025	January 18, 2025	January 18, 2025	January 18, 2025	January 18, 2025	January 18, 2025	January 18, 2025	January 18, 2025
Minimum Denominations (U.S.\$) (Integral Multiples)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)	\$750,000 (\$1)	\$750,000 (\$1)	\$1,200,000** (\$1)	\$250,000 (\$1)
Ranking:									
Priority Class(es)	None	A-1	A-1, A-2	A-1, A-2	A-1, A-2, B-1, B-2	A-1, A-2, B-1, B-2, C	A-1, A-2, B-1, B-2, C, D	A-1, A-2, B-1, B-2 C, D, E	N/A
Pari Passu Class(es)	None	None	B-2	B-1	None	None	None	None	N/A
Junior Class(es)	A-2, B-1, B-2 C, D, E, Subordinated	B-1, B-2, C, D, E, Subordinated	C, D, E, Subordinated	C, D, E, Subordinated	D, E, Subordinated	E, Subordinated	Subordinated	None	N/A

[±] The Income Note Issuer is expected to hold U.S.\$10,000,000 in principal amount of Subordinated Notes on the Closing Date and issue U.S.\$10,000,000 in principal amount of Income Notes on the Closing Date. After the Closing Date, the Income Note Issuer may acquire additional Subordinated Notes and issue additional Income Notes as described under "Description of the Notes—The Income Notes". Income Notes will constitute unsecured debt obligations of the Income Note Issuer payable solely from amounts received by the Income Note Issuer in respect of the Subordinated Notes held by it. As such, the subordination provided by the Income Notes is included in (and is not in addition to) the subordination provided by the Subordinated Notes. On or about each Payment Date,

outstanding Income Notes will be entitled to receive a *pro rata* share of distributions received by the Income Note Issuer on the Subordinated Notes held by the Income Note Issuer, except to the extent that a payment by the Income Note Issuer would render the Income Note Issuer insolvent under Cayman Islands law.

* The spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) applicable to any Class of Re-Pricing Eligible Secured Notes may be reduced in connection with a Re-Pricing of such Class of Notes, subject to the conditions described under "Description of the Notes—Re-Pricing of the Secured Notes." LIBOR will be determined as described in "Description of the Notes—Interest on the Secured Notes." LIBOR for the first Interest Accrual Period will be set on two different Interest Determination Dates and, therefore, two different rates may apply during that period.

** Solely in connection with a transfer of Subordinated Notes after the Closing Date, the minimum denominations of Subordinated Notes subject to any such transfer may be less than U.S.\$1,200,000 if, after giving effect to such transfer, each of the transferor and the transferee owns either (i) \$0 in aggregate principal amount of Subordinated Notes or (ii) at least U.S.\$1,200,000 in aggregate principal amount of Subordinated Notes.

Issuer: Babson CLO Ltd. 2013-II, a Cayman Islands exempted company incorporated with limited liability.

Co-Issuer: Babson CLO 2013-II, LLC, a Delaware limited liability company.

Income Note Issuer: Babson CLO Ltd. Income Note 2013-II, a Cayman Islands exempted company incorporated with limited liability.

Collateral Manager: Babson Capital Management LLC, a Delaware limited liability company.

Trustee and Income Note Paying Agent: U.S. Bank National Association, a national banking association.

Collateral Administrator: U.S. Bank National Association, a national banking association.

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 and the Income 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 18th day of January, April, July and October of each year (or, if such day is not a Business Day, then the next succeeding Business Day) commencing in July 2014.

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, the Class D Notes or

the Class E 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".

Distributions on Income Notes The Income Notes will be entitled to receive distributions on or about each Payment Date of a *pro rata* share of distributions received by the Income Note Issuer on the Subordinated Notes held by the Income Note Issuer, except to the extent that a payment by the Income Note Issuer would render the Income Note Issuer insolvent under Cayman Islands law. See "Description of the Notes—The Income Notes—Distributions on the Income Notes".

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 January 2018, (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 for a period of at least 45 consecutive Business Days, *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. Once terminated, the Reinvestment Period cannot be reinstated without the consent of the Collateral Manager and, in the case of termination under clause (ii), unless (x) the acceleration has been rescinded, (y) no other events that would terminate the Reinvestment Period have occurred and are continuing and (z) if the default giving rise to such termination has occurred as a result of an Event of Default under clause (f) of the definition thereof, a Majority of the Controlling Class has consented to such reinstatement.

Optional Redemption:

Non-Call Period..... During the period from the Closing Date to but excluding the Payment Date in January 2016 (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 Majority 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 and all other funds available for such purpose in the Collection Account and the Payment Account or (ii) in part by Class from Refinancing Proceeds and Partial Refinancing Interest 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 the Secured Notes are redeemed solely from Refinancing Proceeds and all other funds available in the Collection Account and the Payment Account not otherwise being used on the related Redemption Date to make payments under the Priority of Payments prior to distributions with respect to the Subordinated Notes on such date) direct the sale (and the manner thereof) of all or part of the 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 (with the consent of a Majority of the Subordinated Notes) or at the direction of a Majority of

the Subordinated Notes.

The Income Notes will be redeemed upon the redemption in full of the Subordinated Notes held by the Income Note Issuer. All redemption payments to Holders of Income Notes will be made *pro rata* in the proportion that the aggregate outstanding principal amount of Income Notes held by a holder bears to the total aggregate outstanding principal amount of Income 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 Upon any redemption of the Secured Notes from Refinancing Proceeds, the Co-Issuers or the Issuer, as applicable, shall obtain 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 Majority of the Subordinated Notes and prior to effecting any Refinancing, the Issuer shall be required to 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 (or, in the case of an issuance solely of additional Subordinated Notes and/or Junior Mezzanine Notes, at any time), the Co-Issuers may issue and sell (i) 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) (such additional notes, "**Junior Mezzanine Notes**"), (ii) additional Subordinated Notes and/or (iii) additional notes of any one or more existing Classes of Secured Notes and, in each case, 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 a Majority of the Subordinated Notes 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 excess of U.S.\$1,000,000 in any Collection Period or any 12-

month period.

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. The Redemption Price of each Income Note will be equal to the Redemption Price of the corresponding principal amount of Subordinated Notes held by the Income Note Issuer.

Re-Pricing of the Secured Notes:

On any Business Day after the Non-Call Period, at the direction of a Majority of the Subordinated Notes, the Co-Issuers shall be required to reduce the spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) applicable with respect to any Class of Re-Pricing Eligible Secured Notes. The holders of the proposed Re-Priced Class will be provided notice of the Re-Pricing and the opportunity to consent thereto. The Notes of a proposed Re-Priced Class held by holders that do not consent to such Re-Pricing will be required to be sold by such holders to transferees designated by, or on behalf of, the Co-Issuers at the applicable Re-Pricing Transfer Price.

There are certain other restrictions on the ability of the Issuer to effect a Re-Pricing. See "Description of the Notes—Re-Pricing of the Secured Notes."

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, the Income Note Issuer, the Trustee and their agents and delegates (i) any information as is necessary (in the sole

determination of the Issuer and the Income Note Issuer or the Trustee, as applicable) for the Issuer, the Income Note Issuer, the Trustee and their agents and delegates 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 Income Note Issuer, the Trustee and their agents and delegates 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, the Income Note Issuer, the Trustee and their agents and delegates 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 owners") and any other information requested by the Issuer, the Income Note Issuer, the Trustee and their agents and delegates 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 (such obligations and agreements to provide information, 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 45 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, will 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 (or to allow the Issuer or the Collateral Manager to provide a Passing Report to Moody's) 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 described above under "—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 described above under "—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 (or to allow the Issuer or the Collateral Manager to provide a Passing Report to Moody's) 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 and on any Redemption Date (to the extent that such Redemption Date is not a Payment

Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, 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" (and Interest Proceeds that are transferred into the Payment Account as described under "Security for the Secured Notes—The Interest Reserve Account", in the case of the first Payment Date), shall be applied in the following order of priority:

- (A) (1) first, to the payment of taxes, governmental fees and registered office fees owing by the Issuer, the Co-Issuer or the Income Note Issuer, 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 any Base Management Fee that was deferred at the election of the Collateral Manager on a previous Payment Date 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 (aa) clauses (C) and (D) below, (bb) solely to the extent that the Class B Notes are the Controlling Class, clauses (F) and (H) below, (cc) solely to the extent that the Class C Notes are the Controlling Class, clauses (I) and (K) below, (dd) solely to the extent that the Class D Notes are the Controlling Class, clauses (L) and (N) below and (ee) solely to the extent that the Class E Notes are the Controlling Class, clause (O) 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-1 Notes and the Class B-2 Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class;
- (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-1 Notes and the Class B-2 Notes *pro rata* based on the respective amounts of accrued and unpaid Secured Note Deferred Interest on each such Class;
- (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) to the payment of (1) first, accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class E Notes and (2) second, any Secured Note Deferred Interest on the Class E Notes;
- (P) 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 (P) 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 (or to allow the Issuer or the Collateral Manager to provide a Passing Report to Moody's) 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;
- (Q) during the Reinvestment Period, if the Interest Diversion Test is not satisfied on the related Determination Date, an amount equal to the Required Interest Diversion Amount shall be applied to make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations;
- (R) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;
- (S) 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;
- (T) to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of

12.0%; and

- (U) 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 and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, 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 Refinancing Proceeds received in connection with a Refinancing of all Secured Notes in whole, in each case 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 and after the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase prior to the end of the Reinvestment Period 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), and Principal Proceeds that are transferred into the Payment Account as described under "Security for the Secured Notes—The Interest Reserve Account", in the case of the first Payment Date, 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 Test 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) to pay the amounts referred to in clause (O) of "— Application of Interest Proceeds" to the extent not paid in full thereunder, only to the extent that the

Class E Notes are the Controlling Class;

- (M) with respect to any Payment Date following the Effective Date, if after the application of Interest Proceeds as provided in clause (P) 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 (M) 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 (or to allow the Issuer or the Collateral Manager to provide a Passing Report to Moody's) 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;
- (N) (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 during the Reinvestment Period, to make payments in accordance with the Note Payment Sequence in the amount, if any, of the Principal Proceeds that the Collateral Manager has determined, for a period of at least 45 consecutive Business Days, cannot be practicably reinvested in additional Collateral Obligations;
- (O) (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;
- (P) after the Reinvestment Period, to make payments in accordance with the Note Payment Sequence;
- (Q) to pay the amounts referred to in clause (R) of "—Application of Interest Proceeds" only to the extent not already paid;
- (R) to pay the amounts referred to in clause (S) of "—

Application of Interest Proceeds" only to the extent not already paid (in the same manner and order of priority stated therein);

- (S) after giving effect to clause (T) 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 12.0%; and
- (T) 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 accrued and unpaid interest (including any interest on defaulted interest) on the Class B-1 Notes and the Class B-2 Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class, until such amounts have been paid in full;
- (iv) to the payment of principal of the Class B-1 Notes and the Class B-2 Notes (including any Secured Note Deferred Interest in respect of the Class B-1 Notes and the Class B-2 Notes), *pro rata*, based on their respective aggregate outstanding principal amounts, until the Class B-1 Notes and the Class B-2 Notes have been paid in full;
- (v) 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;

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

Management Fees:

The Collateral Manager will be entitled to receive on each Payment Date (i) a Base Management Fee equal to 0.20% per annum of the Fee Basis Amount, (ii) a Subordinated Management Fee equal to 0.30% 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 12.0% 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 Interest Diversion Test" 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—Closing Date and 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 May 17, 2014, 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, with respect to certain specified tests in the Collateral Quality Test, 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 1.70%.

The "**Minimum Weighted Average Coupon Test**" will be satisfied on any date of determination if (a) the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon or (b) the aggregate principal balance of all Fixed Rate Obligations is zero.

"**Minimum Weighted Average Coupon**" means 7.5%.

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 lesser of (a) 3200 and (b) 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) 42 and (ii) (A) with respect to the adjustment of the Maximum Moody's Rating Factor Test, 70 and (B) with respect to the adjustment of the Minimum Floating Spread, 0.25%; *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%, then such Weighted Average Moody's Recovery Rate shall equal 60% 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										
	40	45	50	55	60	65	70	75	80	85	90
1.95%	1905	1970	2035	2100	2150	2190	2230	2270	2300	2330	2350
2.05%	1945	2010	2075	2140	2190	2230	2270	2310	2340	2370	2390
2.15%	1980	2045	2110	2175	2225	2265	2305	2345	2375	2405	2425
2.25%	2015	2080	2145	2210	2260	2300	2340	2380	2410	2440	2460
2.35%	2050	2115	2180	2245	2295	2335	2375	2415	2445	2475	2495
2.45%	2085	2150	2215	2280	2330	2370	2410	2450	2480	2510	2530
2.55%	2120	2185	2250	2315	2365	2405	2445	2485	2515	2545	2565
2.65%	2155	2220	2285	2350	2400	2440	2480	2520	2550	2580	2600
2.75%	2190	2255	2320	2385	2435	2475	2515	2555	2585	2615	2635
2.85%	2225	2290	2355	2420	2470	2510	2550	2590	2620	2650	2670
2.95%	2260	2325	2390	2455	2505	2545	2585	2625	2655	2685	2705
3.05%	2295	2360	2425	2490	2540	2580	2620	2660	2690	2720	2740
3.15%	2325	2390	2455	2520	2570	2610	2650	2690	2720	2750	2770
3.25%	2355	2420	2485	2550	2600	2640	2680	2720	2750	2780	2800
3.35%	2385	2450	2515	2580	2630	2670	2710	2750	2780	2810	2830
3.45%	2415	2480	2545	2610	2660	2700	2740	2780	2810	2840	2860

3.55%	2445	2510	2575	2640	2690	2730	2770	2810	2840	2870	2890
3.65%	2475	2540	2605	2670	2720	2760	2800	2840	2870	2900	2920
3.75%	2505	2570	2635	2700	2750	2790	2830	2870	2900	2930	2950
3.85%	2535	2600	2665	2730	2780	2820	2860	2900	2930	2960	2980
3.95%	2565	2630	2695	2760	2810	2850	2890	2930	2960	2990	3010
4.05%	2595	2660	2725	2790	2840	2880	2920	2960	2990	3020	3040
4.15%	2625	2690	2755	2820	2870	2910	2950	2990	3020	3050	3070
4.25%	2655	2720	2785	2850	2900	2940	2980	3020	3050	3080	3100
4.35%	2685	2750	2815	2880	2930	2970	3010	3050	3080	3110	3130
4.45%	2715	2780	2845	2910	2960	3000	3040	3080	3110	3140	3160
4.55%	2745	2810	2875	2940	2990	3030	3070	3110	3140	3170	3190
4.65%	2775	2840	2905	2970	3020	3060	3100	3140	3170	3200	3220
4.75%	2800	2865	2930	2995	3045	3085	3125	3165	3195	3225	3245
4.85%	2825	2890	2955	3020	3070	3110	3150	3190	3220	3250	3270
4.95%	2850	2915	2980	3045	3095	3135	3175	3215	3245	3275	3295
5.05%	2870	2935	3000	3065	3115	3155	3195	3235	3265	3295	3315
5.15%	2890	2955	3020	3085	3135	3175	3215	3255	3285	3315	3335
5.25%	2910	2975	3040	3105	3155	3195	3235	3275	3305	3335	3355
5.35%	2930	2995	3060	3125	3175	3215	3255	3295	3325	3355	3375
5.45%	2950	3015	3080	3145	3195	3235	3275	3315	3345	3375	3395
5.55%	2970	3035	3100	3165	3215	3255	3295	3335	3365	3395	3415

The "**S&P CDO Monitor Test**" will be satisfied on any date of determination on or after the Effective Date 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 42%.

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 December 17, 2021.

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):

<i>Senior Secured Loans, Cash, Eligible Investments</i>	(i) not less than 92.5% of the Collateral Principal Amount may consist of Senior Secured Loans, cash and Eligible Investments;
<i>Second Lien Loans, Senior Secured Bonds, Senior Unsecured Bonds, Senior Secured Floating Rate Notes and Unsecured Loans</i>	(ii) not more than 7.5% 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;
<i>Single Obligor</i>	(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 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 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 2.5% 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 10.0% 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>Domicile of Obligor</i>	(xiv) (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;
20.0%	all countries (in the aggregate) other than the United States, Canada and the United Kingdom;
10.0%	any individual Group I Country;
10.0%	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%	any individual Group III Country; and
7.5%	all Tax Jurisdictions in the aggregate;

<i>S&P Industry Classification</i>	(xv) 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;
<i>Letter of Credit Reimbursement Obligations</i>	(xvi) not more than 3.0% of the Collateral Principal Amount may consist of the LC Commitment Amount under Letter of Credit Reimbursement Obligations;
<i>Cov-Lite Loans</i>	(xvii) not more than 60.0% of the Collateral Principal Amount may consist of Cov-Lite Loans; and

Discount Obligations..... (xviii) not more than 15.0% of the Collateral Principal Amount may consist of Discount Obligations.

Coverage Tests and Interest Diversion Test:

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. In addition, the Interest Diversion Test, which is not a Coverage Test, will apply as described herein. No Coverage Tests will apply to the Class E 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	115.0%
B	110.0%
C	105.0%
D	101.0%
Class	Required Overcollateralization Ratio
A	121.8%
B	112.5%
C	106.9%
D	102.7%

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 related to 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.

The "**Interest Diversion Test**" is a test that is satisfied as of any date of determination during the Reinvestment Period on which Class E Notes are outstanding if the Overcollateralization Ratio with respect to the Class E Notes as of such date of determination is at least equal to 102.0%.

If the Interest Diversion Test is not satisfied on any Determination Date during the Reinvestment Period, the Issuer will be required to apply the Required Interest Diversion Amount to make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations.

The "**Required Interest Diversion Amount**" will be an amount equal to the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on the related Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount in order to cause the Interest Diversion Test to be satisfied.

Other Information:

Listing, Trading and Form of Notes Application has been made to the Irish Stock Exchange for the Class A-1 Notes, Class A-2 Notes, Class B-1 Notes, Class B-2 Notes, Class C Notes and Class D Notes (the "**Listed 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 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".

The Secured Notes (other than Class E Notes), Subordinated Notes and Income 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 Class E Notes sold to persons who are Qualified Institutional Buyers, and the Subordinated Notes and Income Notes sold to persons

who are Accredited Investors, will be represented by certificates in fully registered form without interest coupons registered in the name of the beneficial owner or its nominee (or, in the case of Subordinated Notes and Income Notes, if requested by the beneficial owner thereof, in uncertificated, fully registered form). 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.

<i>Governing Law</i>	The Notes, the Indenture and the Income Note Paying Agency Agreement, 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. The Income Notes and the Deed of Covenant will be governed by the laws of the Cayman Islands.
<i>Tax Matters</i>	See "Certain United States 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 Secured Notes and Subordinated Notes (and the ability of the Income Note Issuer to make payments on the Income 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. 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 Secured Notes and Subordinated Notes (and the ability of the Income Note Issuer to make payments on the Income 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 and to make any distributions in respect of the Subordinated Notes (and the Income Note Issuer's ability to make any distributions in respect of the Income Notes).

Some leading global financial institutions have been forced into mergers with other financial institutions, have been partially or fully nationalized or have become bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on the Issuer and the Notes, particularly if such financial institution is a grantor of a participation in an asset or is a counterparty to a buy or sell trade that has not settled with respect to an asset. The bankruptcy or insolvency of another financial institution may result in the disruption of payments to the Issuer. In addition, the bankruptcy, insolvency or financial distress 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, the Assets, the Notes and the Income Notes.

Eurozone risk could adversely affect the value of the Assets.

The ongoing deterioration of the sovereign debt of several countries, in particular Greece, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone.

As a result of the credit crisis in Europe, in particular in Cyprus, Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "ESM"), which assumed as of July 1, 2013 the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the Assets.

Investors should carefully consider how changes to the Eurozone may affect their investment in the Notes.

Additional information about LIBOR

Regulators and law-enforcement agencies in a number of jurisdictions are conducting investigations into potential manipulation or attempted manipulation of LIBOR submissions to the British Bankers' Association (the "BBA"). Actions by the BBA, regulators or law-enforcement agencies may affect LIBOR (and/or the determination thereof) in unknown ways, which could adversely affect the value of the Notes. This could include a change in the methodology of setting LIBOR or reduced prominence for LIBOR as a benchmark interest rate. Any uncertainty in the value of LIBOR or the development of a widespread market view that LIBOR has been or is being manipulated may adversely affect liquidity of the Notes in the secondary market and their market value. An increase in alternative types of financing at the expense of LIBOR-based syndicated commercial loans may make it more difficult for the Issuer to source Collateral Obligations prior to the Effective Date or reinvest proceeds in Collateral Obligations that satisfy the reinvestment criteria specified herein or may increase interest expense.

Changes in the legislative and regulatory environment may affect the ability of the Co-Issuers to make payments on the Secured Notes and Subordinated Notes (and the Income Note Issuer's ability to make payments on the Income 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. Also, recently proposed rules regarding risk retention by sponsors of asset-backed securities could potentially limit the ability of the Issuer to issue additional Notes or undertake any Refinancing. Further, the "Volcker Rule" contained in the Dodd-Frank Act (which became effective on July 21, 2012) imposes limitations on the ability of banking entities and their affiliates to invest in "ownership interests" issued by private investment funds such as the Issuer. Compliance of such institutions with the Volcker Rule could have a substantial negative impact on the liquidity of the Notes. The final release of the Volcker Rule was published on December 10, 2013, and banking entities and their affiliates must come into compliance on or prior to July 21, 2015. For purposes of the Volcker Rule, the Subordinated Notes will be ownership interests that are subject to the foregoing investment limitation. Certain rights of holders of Secured Notes in relation to the removal or replacement of the Collateral Manager may cause the Secured Notes to be treated as "ownership interests" under the Volcker Rule. No prediction can be made on whether the Volcker Rule will subsequently be modified by legislation, rule or regulation following its effective date or the impact of any such modifications on the liquidity of the Notes. Furthermore, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action in response to the economic crisis or otherwise, and the effect of such actions, if any, cannot be known or predicted.

In addition, under FATCA, the Issuer and the Income Note Issuer will be subject to a 30% U.S. withholding tax on (i) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain sales received by the Issuer or by the Income Note 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 or the Income Note 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 the Issuer or the Income Note Issuer, as applicable, 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 or the Issuer or the Income Note 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**") requiring certain information to be provided to the Tax Information Authority of the Cayman Islands 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 Secured Notes and Subordinated Notes (and the Income Note Issuer's ability to make payments on the Income 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 (or, in the case of the Income Notes, the Income Note 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 and the Income Note Issuer have no plans, and are under no obligation, to register the Notes under the Securities Act. Application has been made to admit the Listed Notes to the Official List of the Irish Stock Exchange and trading on its regulated market. There can be no assurance that any such listing will be 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 (such directive, the Capital Requirements Directive ("**CRD**"), and Article 122a, "**Article 122a**"), credit institutions (and from January 1, 2014, investment firms) established in a Member State of the European Economic Area ("**EEA**") and consolidated group affiliates thereof (including those that are based in the United States) (each an "**Affected 122a 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% in respect of certain specified credit risk tranches or asset exposures. Guidance published by the Committee of European Banking Supervisors (now known as the European Banking Authority) 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 122a 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.

On April 16, 2013, the European Parliament adopted a new directive and a regulation, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, which is expected to take effect on January 1, 2014, collectively referred to as "**CRD4**", which is intended to replace the CRD. Articles 404-410 (inclusive) of the proposed regulation restate and, in certain respects, amend the requirements in Article 122a. In addition, on May 22, 2013, the European Banking Authority published a consultation paper on draft regulatory technical standards and implementing technical standards which will replace the current Article 122a Guidelines (the "**Draft Technical Standards**"). There are significant differences between the Draft Technical Standards and the European Banking Authority's current guidelines and guidance on the implementation of Article 122a. CRD4 and the final regulatory and implementing technical standards will likely result in changes to the requirements applying to Affected 122a Investors.

Article 122a applies to new securitizations issued after December 31, 2010. Requirements similar to the retention requirement in Article 122a will apply to investments in securitizations by other types of EEA investors such as EEA insurance and reinsurance undertakings, investment firms, UCITS funds and by investment funds managed by EEA alternative investment fund managers (together with Affected 122a Investors, "**Affected Investors**"). In particular, the requirements applying to the EEA managers of alternative investment funds became effective on July 22, 2013 under EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**"). Though these requirements are similar to those applying under Article 122a, they are not identical. In this regard, it is likely that EEA alternative investment fund managers will be required to undertake due diligence on underlying exposures in a securitization which may be more extensive than that required under Article 122a. Though the practical effect of these requirements, and the details of other such requirements remain unclear, Article 122a and any other changes to the regulation or regulatory treatment of securitizations or of the Notes for some or all Affected Investors may negatively impact the regulatory position of individual Noteholders and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Article 122a will apply to Affected 122a Investors investing in the Notes, and requirements similar to Article 122a will apply to Affected Investors investing in the Notes. Any Affected 122a Investors should therefore make themselves aware of the requirements of Article 122a and AIFMD (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. 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, AIFMD or any other applicable legal, regulatory or other requirement. 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, AIFMD or any other applicable legal, regulatory or other requirements, and the suitability of the Notes for investment. None of the Issuer, the Income Note 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. If a regulator determines that the transaction did not comply or is no longer in compliance with applicable legal, regulatory or other requirements then Affected Investors may be required to set aside additional capital against their investment in the Notes or take other remedial actions.

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, the Issuer or the Income Note Issuer and will have no authority to advise the Collateral Manager, the Issuer or the Income Note 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), the Issuer and/or the Income Note 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 and the Income 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 and the Class E Notes are limited recourse obligations of the Co-Issuers, the Class D Notes and Class E Notes are limited recourse obligations of the Issuer, and the Subordinated Notes are non-recourse obligations issued by the Issuer. The Income Notes are non-recourse obligations of the Income Note Issuer. The Secured Notes and Subordinated 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 and the Income Notes) pursuant to the Indenture. The Income Notes are payable solely from distributions on the Subordinated Notes owned by the Income Note Issuer. None of the Trustee, the Income Note Paying Agent, 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 Income Note Paying Agent, 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 the Income Note Issuer and any claims against the Co-Issuers or the Income Note Issuer 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. Payments on the Income Notes will be payable solely from distributions on the Subordinated Notes owned by the Income Note

Issuer. See "Description of the Notes—The Subordinated Notes" and "Description of the Notes—The Income 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, the Class E Notes and the Subordinated Notes, as described below, will affect their right to payment; effect on the Income Notes.

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; the Class E Notes are subordinated on each Payment Date to the Class D Notes and the amounts to which the Class D 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 purchase additional Collateral Obligations if the Interest Diversion Test is not satisfied, 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. Because the Income Notes will be paid by the Income Note Issuer solely from amounts it receives in respect of the Subordinated Notes owned by it, holders of Income Notes will be similarly affected by the subordination of the Subordinated Notes as if they held Subordinated Notes directly.

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, the Class D Notes and the Class E 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 (including the Income Note Issuer and the holders of the Income Notes), then by the holders of the Class E 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, the Class D Notes and the Class E 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 "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview 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 and Income Notes are highly leveraged, which increases risks to investors in the Subordinated Notes and Income Notes.

The Subordinated Notes and the Income Notes represent highly leveraged investments in the Assets. Therefore, the market value of the Subordinated Notes and the Income 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 and the Income Notes may not be paid in full and may be subject to up to 100% loss. Furthermore, the leveraged nature of the Subordinated Notes and the Income Notes may magnify the adverse impact on the Subordinated Notes and the Income 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 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 "Overview 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, Class E Notes, Subordinated Notes and/or Income 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 45 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 "Overview 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 and the Income Notes. See "Overview 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 (or, in the case of an issuance solely of additional Subordinated Notes and/or Junior Mezzanine Notes, at any time), the Co-Issuers may issue and sell (a) 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) (such additional notes, "**Junior Mezzanine Notes**", (b) additional Subordinated Notes and/or (c) additional notes of any one or more existing Classes of Secured Notes and, in each case, 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 or Junior Mezzanine 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, *provided* that in the case of additional secured notes of any one or more existing Classes, the interest rate spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) must not exceed the interest rate spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) applicable to 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 or Junior Mezzanine 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 the principal amount of subordinated notes or Junior Mezzanine Notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes and Junior Mezzanine Notes. Any additional notes of an existing Class (including an existing Class of Junior

Mezzanine Notes) 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 proportional holdings of Notes of such Class and any additional Junior Mezzanine Notes of a class of Junior Mezzanine Notes that does not already exist will, to the extent reasonably practicable, be offered first to the existing holders of Subordinated Notes in such amounts as are necessary to allow each such holder to purchase a share of such additional Junior Mezzanine Notes that is proportional to its then current ownership of Subordinated Notes.

In the case of an issuance of Junior Mezzanine Notes, if a holder of Subordinated Notes does not maintain its proportional interest in residual cash flows of the Issuer by purchasing a proportional share of such Junior Mezzanine Notes, its share of residual cash flows as represented solely by the Subordinated Notes could be significantly reduced or entirely eliminated.

The use of additional 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) in the case of an Event of Default pursuant to clause (a) or (f) of the definition of "Event of Default" described under "Description of the Notes—the Indenture—Events of Default", a Supermajority of the

Class A-1 Notes, or (b) in all other cases, 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 Majority 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. The Secured Notes are subject to redemption upon such a direction (i) in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account or (ii) in part by Class from Refinancing Proceeds and Partial Refinancing Interest 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 (with the consent of a Majority of the Subordinated Notes) 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 Income Notes will be redeemed upon the redemption in full of the Subordinated Notes held by the Income Note Issuer. See "Description of the Notes—The Income Notes—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 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 and distributions on the Subordinated Notes and the Income Notes.

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).

Holders of Secured Notes have no right to direct a redemption of the Notes following a Tax Event.

Although a Majority of the Subordinated Notes will have the right to direct the redemption of the Notes following certain Tax Events as described under "Description of the Notes—Optional Redemption and Tax Redemption", a holder of Secured Notes will not have any right to direct a redemption of the Notes following a Tax Event, even if, due to a Tax Event, such holder receives less than 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such holder on any Payment Date. Accordingly, payments on the Secured Notes may be reduced following a Tax Event and, unless a Majority of the Subordinated Notes directs the Issuer to redeem the Notes in accordance with the provisions of the Indenture described under "Description of the Notes—Optional Redemption and Tax Redemption", holders of Secured Notes may suffer losses that are greater than such losses would have been if holders of the Secured Notes had a right to direct redemption of the Notes upon the occurrence of a Tax Event that resulted in a Class of Secured Notes receiving less than 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class.

The Secured Notes (other than the Class A-1 Notes) are subject to Re-Pricing.

After the Non-Call Period, the Issuer at the direction of a Majority of the Subordinated Notes shall be required to cause the spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) applicable with respect to any Class of Re-Pricing Eligible Secured Notes to be reduced, effective as of any Re-Pricing Date. Such Re-Pricing could occur, for example, if interest rates on investments similar to the Re-Pricing Eligible Secured Notes fall below current levels and may occur at a time when the Re-Pricing Eligible Secured Notes are trading at a premium in the market. The exercise of the Re-Pricing option may reduce or eliminate such premium on such Re-Pricing Eligible Secured Notes and may occur at a time when other investments bearing the same rate of interest relative to the level of risk assumed may be difficult or expensive to acquire. See "Description of the Notes—Optional Re-Pricing".

In addition, if any holders of a Re-Priced Class do not consent to the proposed Re-Pricing within the time period described herein, the Issuer (or a broker-dealer acting on behalf of the Issuer) will have the right to cause the non-consenting holders to sell their Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees at a sale price equal to the aggregate outstanding principal amount plus accrued and unpaid interest to (but excluding) the Re-Pricing Date. The consequence of such a sale to such non-consenting holder will be similar to that of an early redemption of such holders of the Re-Pricing Eligible Secured Notes.

Certain adverse United States federal income tax consequences may result to U.S. holders (as defined below) if a Re-Pricing occurs. See "Certain United States Federal Income Tax Considerations—Re-Pricing."

Recent regulatory changes may affect the Issuer's ability to enter into hedge agreements.

The Issuer is not entering into any hedge agreements on the Closing Date and does not anticipate entering into such agreements. The Income Note Issuer will not enter into any hedge agreements. Nevertheless, economic and market conditions could change, and the Issuer or the Collateral Manager could conclude that it would be in the interests of the Issuer or the Noteholders to enter into hedge agreements to, for example, hedge interest rate risk. There have been recent developments, however, that may increase the cost of, or prevent the Issuer from, entering into such hedge agreements.

Pursuant to the Dodd-Frank Act, the Commodity Futures Trading Commission ("CFTC") has promulgated a range of new regulatory requirements that may affect the pricing, terms and compliance costs associated with hedge agreements. Such requirements include the requirement that certain swaps be centrally cleared and in some cases traded on a designated contract market or swap execution facility, initial and variation margin requirements of any central clearing organization (with respect to cleared swaps) or initial or variation requirements as may otherwise be required with respect to uncleared swaps, swap reporting and recordkeeping obligations, and other matters. If the Issuer were to enter into a hedge agreement, such new requirements could significantly increase the

cost of such hedge agreement, have unforeseen legal consequences on the Issuer or the Collateral Manager or have other material adverse effects on the Issuer or the Noteholders.

In addition, the CFTC recently adopted rules under the Dodd-Frank Act that include "swaps" along with "commodities" as contracts which if traded by an entity may cause that entity to be a "commodity pool" under the Commodity Exchange Act and any person that, on behalf of such entity, engages in or facilitates such activity to be a "commodity pool operator" ("CPO") and a "commodity trading adviser" ("CTA"). Regulation of the Issuer as a commodity pool and/or regulation of the Collateral Manager (or another transaction party) as a CPO and CTA could cause the Issuer to be subject to extensive registration and reporting requirements that may involve material costs to the Issuer. As a result of these developments, 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 satisfying the conditions set forth under "Description of the Notes—The Indenture—Modification of Indenture—Hedge Agreements". Accordingly, there may be circumstances where it would otherwise be in the Issuer's interest to enter into a hedge agreement, but it will not be able, or it would not be practical, to do so, which could reduce amounts available to make payments on the Notes.

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

The Class B-2 Notes will bear interest at a fixed rate and, except in the case of the portion of the first Interest Accrual Period from and including the Closing Date to but excluding the First Determination End Date, the Floating Rate 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 three-month intervals. The aggregate outstanding principal balance of the Floating Rate Notes may be different from the aggregate principal balance of the Floating Rate Obligations, a portion of the Collateral Obligations may be Fixed Rate Obligations, and the aggregate outstanding principal amount of the Class B-2 Notes may be different from the aggregate principal balance of any portion of the Collateral Obligations that are 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 Secured Notes and Subordinated Notes (and the Income Note Issuer's ability to make payments on the Income 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 the Payment Date in January 2025. 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".

Treatment of the Issuer as a partnership For United States federal income tax purposes.

The Issuer expects to be treated as a partnership for United States federal income tax purposes (and will make an election in that regard), provided that at least two and no more than 100 persons are treated as the owners of the Subordinated Notes and any other equity interests in the Issuer for such purposes. If the Issuer were a "publicly traded partnership" or a "taxable mortgage pool," it would be treated as a corporation for United States federal income tax purposes. Based on certain restrictions on the transfer of the Class E Notes and the Subordinated Notes and the assets that the Issuer is permitted to own, however, the Issuer expects that it will neither be a publicly traded partnership nor a taxable mortgage pool. The Issuer will not receive any opinion nor seek any ruling from the IRS as to its treatment as a partnership. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately conclude, that the Issuer should be treated as a publicly traded partnership or a taxable mortgage pool and therefore not as a partnership for United States federal income tax purposes.

To the extent the Issuer is treated as a partnership, the Issuer will not be subject to United States federal income tax on its net income, but would be required to withhold U.S. tax on income effectively connected with the conduct of a trade or business within the United States to the extent such income, if any, is allocable to non-U.S. persons holding its Subordinated Notes (including the Income Note Issuer) or any other equity interests in the Issuer. On the Closing Date, the Issuer expects to receive an opinion from Freshfields Bruckhaus Deringer US LLP ("**U.S. Income Tax Counsel**") that, although there is no direct authority addressing transactions similar to those contemplated herein, under current law and assuming the Issuer conducts its activities in accordance with certain assumptions and representations as to the Issuer's contemplated activities and in compliance with the Transaction Documents, the Issuer will not be treated as engaged in a trade or business within the United States except to the extent it acquires investments in certain Equity Securities, Defaulted Obligations and securities or obligations received in an offer issued by non-corporate entities that are so engaged. The opinion of U.S. Income Tax Counsel is not binding on the IRS, and no ruling will be sought from the IRS regarding these or any other aspects of the United States federal income tax treatment of the Issuer. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately conclude, that the Issuer should be treated as engaged in a trade or business within the United States for United States federal income tax purposes as the result of unanticipated activities by the Issuer, changes in law, contrary conclusions by the IRS or other causes. See "Certain United States Federal Income Tax Considerations".

Potential investors in the Subordinated Notes should consider certain United States federal income tax considerations arising from owning an interest in a partnership. In particular, holders of Subordinated Notes will be required to take into account their allocable shares of the Issuer's income, gain, deduction or loss whether or not the Issuer makes cash distributions on the Subordinated Notes. In addition, such holders generally will be treated as paying their pro rata shares of the Issuer's expenses. The deductibility of losses and expenses of certain noncorporate holders may be subject to limitations such as the "at risk" rules, limitations on the deductibility of investment interest and limitations on deductions for miscellaneous expenses (including management fees and swap expenses). The deductibility of interest expense attributable to original issue discount accruing with respect to any Class of Secured Notes that is treated as an applicable high yield discount obligation ("**AHYDO**") that is proportionately allocable to holders of Notes that are treated as corporations for United States federal income tax purposes may be deferred until the original issue discount is paid and, the portion, if any, that exceeds a qualifying threshold may be permanently disallowed. Potential investors in the Subordinated Notes should consult their own tax advisors regarding the United States federal income tax consequences of owning the Subordinated Notes.

The Issuer's income from collateral assets and payments on Notes may be subject to withholding taxes under FATCA.

Subject to the discussion relating to FATCA below, the Issuer expects that payments it receives 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 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.

Under FATCA, the Issuer and the Income Note Issuer will be subject to a 30% U.S. withholding tax on (x) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain dispositions (including retirement) received 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 or the Income Note 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 or Income Note Issuer, as applicable, complies with the Cayman IGA or (b) the Issuer or Income Note Issuer, as applicable, 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 person or a 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 (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 (such agreement, a "**FATCA Agreement**"). The Issuer and the Income Note Issuer expect to enter into FATCA Agreements unless they are entitled to an exemption from FATCA under an IGA. 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, a FATCA Agreement.

The terms of the Cayman IGA require the Issuer and the Income Note Issuer to comply with Cayman Islands legislation that would be implemented to give effect to FATCA, and the Issuer and Income Note Issuer would be responsible for collecting information in respect of any U.S. holders and providing such information to the Tax Information Authority of the Cayman Islands. The Tax Information Authority would then pass on such information to the IRS as required pursuant to the terms of the Cayman IGA. Under the terms of the Cayman IGA, withholding will not be imposed on payments made to the Issuer and the Income Note Issuer, or on certain payments made by the Issuer and the Income Note Issuer to a holder of Notes, unless the IRS has specifically listed the Issuer as a nonparticipating financial institution.

To enable the Issuer and the Income Note 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, the Income Note Issuer, the Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer and the Income Note Issuer or the Trustee, as applicable) for the Issuer, the Income Note Issuer, the Trustee and their agents and delegates 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, Income Note Issuer, the Trustee and their agents and delegates 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 the Income Note Issuer, the Trustee and their agents and delegates 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, the Income Note Issuer, the Trustee and their agents and delegates 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 obligations and agreement to provide information, the "**Noteholder Reporting Obligations**"). See "Transfer Restrictions—Additional Restrictions; Information required to be provided by holders of Notes".

If any purchaser, beneficial owner or subsequent transferee of Notes fails to comply with the Noteholder Reporting Obligations, the Issuer and the Income Note 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 and the Income Note Issuer will have the right to sell such Notes or interest therein on behalf of such person or entity, or may assign such Notes a different CUSIP or CUSIPs. See "Transfer Restrictions—Non-Permitted Holder/Non-Permitted ERISA Holder". In addition, the Co-Issuers and the Income Note Issuer will be permitted to amend the Indenture and the Income Note Paying Agency Agreement 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 and the Income Note Issuer from becoming subject to withholding or other taxes, fees or assessments or to prevent the Issuer and the Income Note 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. See "Description of the Notes—The Indenture—Modification of the Indenture".

The imposition of unanticipated withholding taxes or Taxes on the Issuer's net income could materially impair the Issuer's ability to make payments on the Secured Notes and Subordinated Notes and the Income Note Issuer's ability to make payments on the Income Notes, cause the Issuer to sell the relevant Collateral Obligations or cause a Tax Redemption if certain requirements are met.

Except as described in the foregoing paragraphs, the Issuer and Income Note Issuer expect 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 United States 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 the Co-Issuers nor the Income Note Issuer shall be under any obligation to make any additional payments in respect of such withholding or deduction.

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 United States federal income tax purposes. No opinion will be received with respect to the Class E Notes. 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 class of Secured 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 United States 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.

Treatment of the Income Note Issuer for United States Federal Income Tax Purposes.

The Income Note Issuer expects to be treated as an association taxable as a corporation for United States federal income tax purposes. The activities of the Income Note Issuer will be limited to investing in the Subordinated Notes, issuing the Income Notes and engaging in certain related transactions. Accordingly, so long as the Issuer is not engaged in a U.S. trade or business, the Income Note Issuer expects that it will not be treated as so engaged and therefore its net income will not be subject to United States federal income tax. If the Income Note Issuer were deemed to be engaged in a U.S. trade or business, it would generally be subject to substantial United States federal corporate income tax and an additional branch profits tax of 30% on its allocable share of the Issuer's

effectively connected earnings and profits that would materially impair its ability to pay interest on and principal on the Income Notes.

The Income Note Issuer will be treated as a passive foreign investment company for United States federal income tax purposes.

The Income Note Issuer will be a passive foreign investment company ("PFIC") for United States federal income tax purposes. In order to avoid certain adverse tax rules, U.S. holders of Income Notes may wish to make an election to treat the Income Note 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 Income Note 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 Income Notes. 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 Income Notes should be aware that it is expected that the income allocated to the Income Note Issuer with respect to the Subordinated Notes may exceed the actual amounts distributed with respect to those Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. holders that make a QEF election with respect to the Income Note Issuer may owe tax on significant amounts of "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 tax basis in the Income Notes of a U.S. holder that makes a QEF election with respect to its Income Notes will generally be increased by the amount of the Income Note 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 Income Notes unless the Income Note Issuer makes a payment with respect to the Income Notes in amounts in excess of the current and accumulated earnings and profits of the Income Note Issuer that is not an "excess distribution". Accordingly, as a practical matter, because the applicable United States 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 Income Notes will be reduced other than in years in which the cash payments with respect to the Income Notes exceed the Income Note Issuer's income, which may happen only in the later years, or not at all. Therefore, potential purchasers of the Income Notes should be aware that although they may be required to recognize ordinary income annually based on their share of the Income Note 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 Income Notes and such loss generally will be capital in character.

The Income Note Issuer may be treated as a Controlled Foreign Corporation for United States federal income tax purposes.

In addition, the Income Note 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 United States federal income tax purposes as owning 10% or more of the Income Note 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 Income Note Issuer's "subpart F income" for the tax year, as determined for United States 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 Income Notes who makes a QEF election and may have other potentially adverse tax consequences. See "Certain United States Federal Income Tax Considerations—United States Income Taxation of the Income Notes".

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

Each of the Issuer, the Co-Issuer and the Income Note 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 arrangements to facilitate the acquisition of Collateral Obligations prior to the Closing Date in contemplation of the transactions described herein. See "—Relating to the Collateral Obligations—Closing Date

and Pre-Closing Date acquisition of Collateral Obligations". Accordingly, none of the Issuer, the Co-Issuer or the Income Note 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, the Income Note Issuer, Citigroup, the Collateral Manager, the Collateral Administrator, the Trustee or the Income Note Paying Agent.

None of the Co-Issuers, the Income Note Issuer, Citigroup, the Collateral Manager, the Collateral Administrator, the Trustee or the Income Note Paying Agent 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, the Income Note 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 Co-Issuers nor the Income Note 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 and the Income Note Issuer as investment companies under the Investment Company Act.

If the SEC or a court of competent jurisdiction were to find that the Issuer, the Co-Issuer or the Income Note 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, the Co-Issuer and/or the Income Note 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, the Co-Issuer or the Income Note Issuer be subjected to any or all of the foregoing, the Issuer, the Co-Issuer and the Income Note Issuer would be materially and adversely affected.

Book-entry holders are not considered holders of Notes under the Indenture or the Income Note Paying Agency Agreement.

Holders of beneficial interests in any Notes held in global form will not be considered holders of such Notes under the Indenture or the Income Note Paying Agency Agreement. After payment of any interest, principal or other amount to DTC, none of the Issuer, the Co-Issuer or the Income Note 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 or the Income Note Paying Agency Agreement (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, the Issuer or the Income Note 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 and Interest Diversion Test".

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"). 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 Class E Notes and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation. The Income Notes will likely be treated as equity interests in the Income Note Issuer, and may 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, the Class E Notes, the Subordinated Notes and the Income Notes by Benefit Plan Investors and Controlling Persons so that no assets of the Issuer or the Income Note 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. For this purpose, interests in Subordinated Notes held by the Income Note Issuer would be treated as held by Benefit Plan Investors or by Controlling Persons to the extent that Income Notes issued by the Income Note Issuer (or interests therein) are held by Benefit Plan Investors or Controlling Persons, as applicable.

However, there can be no assurance that ownership of the Class D Notes, the Class E Notes and the Subordinated Notes by Benefit Plan Investors will always remain below the 25% limitation established under the Plan Asset Regulation. In this regard, it should be noted that U.S. persons acquiring interests in Class D Notes, Class E Notes, Subordinated Notes and Income Notes after the Closing Date will be deemed to represent that they are not Benefit Plan Investors or Controlling Persons, but in many cases will not be required to provide written certificates to that effect. This will result in increased risk that the 25% limitation could be exceeded with respect to the Class D Notes, Class E Notes and Subordinated Notes as a class.

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 December 2011, the Director of FinCEN announced that FinCEN is working on a regulatory proposal that would require investment advisers to establish anti-money laundering programs and report suspicious activity. It is possible that there could be promulgated legislation or regulations that would require the Co-Issuers, the Income Note Issuer, the Initial Purchaser, the Placement Agent or other service providers to the Co-Issuers or the Income Note Issuer, 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 and the Income Note Issuer to implement additional restrictions on the transfer of the Notes. The Co-Issuers and Income Note Issuer 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 or the Income Note Issuer (as applicable) has the right to require holders of the Notes to sell their holdings in certain circumstances.

In certain circumstances, if the Issuer or the Income Note Issuer, as applicable, 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 or the Income Note 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 or the Income Note 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 and the Income 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".

Closing Date and Pre-Closing Date acquisition of Collateral Obligations.

Prior to the Closing Date, the Issuer entered into total return swap transactions (collectively, the "**TRS**") with Citibank, N.A. (in its capacity as counterparty to the TRS, the "**TRS Provider**"), an affiliate of the Initial Purchaser and the Placement Agent. The TRS references a portfolio of bank loans and debt securities, most of which are expected to satisfy the criteria expected to be applicable to the purchase by the Issuer of Collateral Obligations. Such assets will be selected by the Collateral Manager, subject to the approval of the TRS Provider, to serve as reference assets for the TRS, and are expected to be purchased by a wholly owned, special purpose vehicle subsidiary of the TRS Provider (the "**TRS Merger Subsidiary**") as a hedge to the TRS Provider's obligations under the TRS. On the Closing Date, the TRS will be terminated. It is expected that the Collateral Manager will arrange for purchase by the Issuer of the bank loans and debt securities in the TRS reference portfolio from the TRS Merger Subsidiary through the Closing Merger described below.

The Issuer has posted a defined amount of cash collateral with the TRS Provider to secure its obligations under the TRS. Funds for such cash collateral were raised by the Issuer through the sale of the Issuer's preference shares (the "**Preference Shares**") to a third party investor and to the Collateral Manager (together, the "**Preference Shareholders**"). The Preference Shareholders, their affiliates or accounts managed by them are expected to purchase a portion of the Subordinated Notes or Income Notes on the Closing Date.

Under the TRS, the TRS Provider is obligated to pay to the Issuer amounts equal to all interest income and certain other amounts actually paid on the assets referenced by the TRS, in exchange for periodic financing payments from the Issuer computed based on the outstanding notional amount of the reference portfolio. On the Closing Date, the TRS Provider will pay to the Issuer an amount in respect of unpaid interest accrued to the Closing Date on the TRS Reference Assets (and through the Closing Merger (as defined below), the Issuer will purchase from the TRS Merger Subsidiary the unpaid interest accrued to the Closing Date on the TRS Reference Assets). Upon removal of a reference asset, the Issuer either is entitled to receive a payment from the TRS Provider reflecting realized gains on the reference asset, or is required to make a payment to the TRS Provider reflecting realized losses on the reference assets, as applicable. On the Closing Date, (x) if the amounts owed to the Issuer under the TRS exceed the amounts owed to the TRS Provider thereunder, the Issuer will receive the net amount of such payments and the cash collateral will be returned to the Issuer and (y) if the amounts owed to the TRS Provider under the Warehouse TRS exceed the amounts owed to the Issuer thereunder, the net amount of such payments will be deducted from the cash collateral and the remainder of the cash collateral will be returned to the Issuer. On the Closing Date, the Preference Shares will be redeemed (at their original purchase price) using a portion of the

amounts received by the Issuer as described in this paragraph, and the remainder of such amounts will be used by the Issuer to pay a dividend to the Preference Shareholders.

On the Closing Date, the Issuer expects to use a portion of the proceeds from the issuance of the Notes to pay merger consideration to the TRS Provider, which will cause the TRS Merger Subsidiary to then merge into the Issuer, with the Issuer being the entity surviving such merger (such merger transaction, the "**Closing Merger**"). Under the terms of the Closing Merger, the rights and property of the TRS Merger Subsidiary (including the Collateral Obligations and Eligible Investments (if any) purchased by the TRS Merger Subsidiary as a hedge for the TRS Provider's obligations under the TRS) will immediately vest in the Issuer. In addition, the Issuer will become liable for and subject, in the same manner as the TRS Merger Subsidiary, to all funding obligations on any Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and all other liabilities and obligations related to the Collateral Obligations previously owned by the TRS Merger Subsidiary. So far as each of the Issuer and the TRS Provider is aware, no claim, cause or proceeding, whether civil (including arbitration) or criminal, is pending by or against the TRS Merger Subsidiary. Further, so far as each of the Issuer and the TRS Provider is aware, no petition or other similar proceeding has ever been filed or order made or resolution adopted to wind up or liquidate the TRS Merger Subsidiary in any jurisdiction. It is a condition to the issuance of the Notes that a search of certain public filing records be concluded that reveals no effective notices of any security interest or other lien (other than those to be released on the Closing Date) on the assets of the TRS Merger Subsidiary.

It is expected that the Collateral Manager will arrange for sale to the Issuer by the TRS Merger Subsidiary (through the Closing Merger) of the bank loans and debt securities in the TRS reference portfolio at prices that are expected to be equal to the respective acquisition costs of such assets upon addition to the TRS reference portfolio.

Market valuation deviations from cost of purchase are expected to occur.

Because the Issuer will acquire the assets as described above at prices determined prior to the Closing Date, the prevailing market prices of such Collateral Obligations on the Closing Date may be higher or lower than such purchase prices. If the market price of such a Collateral Obligation increases from the date on which its price was determined to the Closing Date, the Issuer will on the Closing Date hold a Collateral Obligation whose market value exceeds its cost of purchase. Likewise, if the market price of such a Collateral Obligation decreases from the date on which its price was determined to the Closing Date, the Issuer will on the Closing Date hold a Collateral Obligation whose market value is less than its cost of purchase. Such market valuation deviations from cost of purchase are expected to occur, and the deviations could be material (either individually or in the aggregate).

By its acquisition of such Collateral Obligations, the Issuer is deemed to have consented on behalf of itself and prospective investors in the Issuer to such transactions, and, by its purchase of Notes, each holder is deemed to have consented on behalf of itself to such acquisitions described above and the arrangements described above in relation to such acquisitions.

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, the Trustee or the Income Note Paying Agent 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, the Trustee and the Income Note Paying Agent 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 and the Income 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 and Income 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 45 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 and the Income 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, the Class E Notes and the Subordinated Notes will affect their right to payment; effect on the Income Notes". 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 that 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 a portion of the Class A-2 Notes, a portion of the Class E 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 a portion of the Subordinated Management Fee. See "The Collateral Manager". 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 Secured Notes (voting separately by Class) does not disapprove of such replacement collateral manager within 15 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 the Income 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 has entered into the TRS with Citibank, N.A. as the TRS Provider. Under the TRS, the Issuer is obligated to make certain payments to the TRS Provider and the TRS Provider is obligated to make certain payments to the Issuer. The Issuer has posted a defined amount of collateral with the TRS Provider to secure its obligations under the TRS, and on the Closing Date the Issuer is expected to purchase the reference assets for the TRS via the Closing Merger and to pay the merger consideration to the TRS Provider. These assets initially were acquired by the TRS Merger Subsidiary to hedge the TRS Provider's exposure under the TRS. See "Risk Factors—Relating to the Collateral Obligations—Closing Date and Pre-Closing Date acquisition of Collateral Obligations".

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 (other than the Income Notes) will be issued pursuant to the Indenture. However, only the Secured Notes will be secured obligations of the Issuer. The Income Notes will be issued pursuant to the Income Note Documents. The following summary describes certain provisions of the Secured Notes and the Indenture and, to a limited extent, the Subordinated Notes and the Income 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 and the Income Note Documents. Additional information regarding the Subordinated Notes and Income Notes appears under "—The Subordinated Notes" and "—The Income Notes", respectively.

Status and security of the Secured Notes

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 "Overview 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 "Overview 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, the Class D Notes or the Class E 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,

(iii) on the Class D Notes as long as any Class A Notes, Class B Notes or Class C Notes are outstanding and (iv) on the Class E Notes so long as any Class A Notes, Class B Notes, Class C Notes or Class D 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, or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, any Class E 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 seven 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 Floating Rate Notes will be calculated on the basis of the actual number of days elapsed in the applicable Interest Accrual Period (or, for each calculation during the first Interest Accrual Period, the related portion thereof) *divided* by 360. Interest on the Class B-2 Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Calculation Agent will determine LIBOR for each Interest Accrual Period (or, for the first Interest Accrual Period, the related portion thereof) 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 Floating Rate Notes during the related Interest Accrual Period (or, for the first Interest Accrual Period, the related portion thereof) and, except in the case of the first Interest Determination Date, the Calculation Agent will calculate 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 Floating Rate 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 (except in the case of the first Interest Determination Date) Note Interest Amount, together with its reasons therefor. The Calculation Agent's determination of the foregoing rates and amounts for any Interest Accrual Period (or, for the first Interest Accrual Period, the related portion thereof) 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 via the Irish Stock Exchange, 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", "Overview of Terms—Priority of Payments—Application of Interest Proceeds", "Overview 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 and after the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase prior to the end of the Reinvestment Period 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 "Overview 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 (or in the case of the Class B Notes, ratably among the Class B-1 Notes and the Class B-2 Notes as provided in the Priority of Payments).

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 Majority of the Subordinated Notes (with a copy to the Collateral Manager) as follows: based upon such written direction, (i) the Secured Notes are subject to redemption in whole (with respect to all Classes of Secured Notes) but not in part from Sale Proceeds and/or Refinancing Proceeds and all other funds available for such purpose in the Collection Account and the Payment Account; or (ii) the Secured Notes are subject to redemption in part by Class from Refinancing Proceeds and Partial Refinancing Interest 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 Majority of the Subordinated Notes has consented to a redemption by Refinancing. To effect an Optional Redemption, a Majority 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 20 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 the case of any redemption of the Secured Notes in whole or in part by Class from Refinancing Proceeds, the Co-Issuers or the Issuer, as applicable, shall obtain 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 Majority of the Subordinated Notes and such Refinancing otherwise satisfies the conditions described below.

In the case of a Refinancing upon a redemption of all Classes 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 funds in the Collection Account and the Payment Account available on the related Redemption Date to make payments under the Priority of Payments prior to distributions with respect to the Subordinated Notes on such date, 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 Rating Agencies have been notified of the Class or Classes of Secured Notes subject to such Refinancing, (ii) the Refinancing Proceeds together with available Partial Refinancing Interest 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 and available Partial Refinancing Interest 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 equal to the aggregate outstanding principal amount of the Secured Notes being redeemed with the proceeds of such obligations, (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 and the Partial Refinancing Interest 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, from amounts available in the Collection Account and the Payment Account on the related Redemption Date under the Priority of Payments prior to distributions with respect to the Subordinated Notes on such date), (viii) the spread over LIBOR (or the Interest Rate, in the case of a Refinancing of the Class B-2 Notes) of any obligations providing the Refinancing will not be greater than the spread over LIBOR (or the Interest Rate, in the case of a Refinancing of the Class B-2 Notes) 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 (except that, at the Issuer's election, the earliest date, if any, on which the obligations providing the Refinancing may be redeemed as part of a Refinancing in part by Class of fewer than all Classes of Secured Notes, or re-priced, at the option of the Issuer may be different than the earliest date on which the Secured Notes redeemed in connection with such Refinancing were subject to redemption or re-pricing at the option of the Issuer) 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 of any Class A Notes, Class B Notes or Class C Notes will be treated as debt and that any

obligations providing the refinancing of any Class D Notes should be treated as debt, in each case for United States 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).

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 a Majority of the Subordinated Notes 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 excess of U.S.\$1,000,000 in any Collection Period or in any 12-month period. 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 (with the consent of a Majority of the Subordinated Notes). See "—The Subordinated Notes". The Income Notes will be redeemed upon the redemption in full of the Subordinated Notes held by the Income Note Issuer.

Redemption Procedures. In the event of any Optional Redemption, the written direction of a Majority 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 17 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 via the Irish Stock Exchange. 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 Majority 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.

No Secured Notes may be optionally redeemed unless (i) in the case of any Optional Redemption which is funded, in whole or in part, from the proceeds of a sale of the Collateral Obligations and other Assets, at least five Business Days before the scheduled Redemption Date the Collateral Manager has 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 to purchase (directly or by participation or other arrangement), not later than the Business Day immediately preceding the scheduled Redemption Date, all or part of the Collateral Obligations, in immediately available funds, at a purchase price at least equal to an amount sufficient, together with the Eligible Investments maturing, redeemable (or puttable to the issuer thereof at par) on or prior to the scheduled Redemption Date, any Refinancing Proceeds and all other available funds, to pay all Administrative Expenses (regardless of the Administrative Expense Cap) and other amounts, fees and expenses payable in accordance with the Priority of Payments and to redeem all of the Secured Notes being redeemed on the scheduled Redemption Date at the applicable Redemption Price (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 (ii) prior to entering into any Refinancing or selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager certifies to the Trustee that, in its judgment, the aggregate sum of (A) any expected proceeds from the sale of Eligible Investments, (B) any Refinancing Proceeds and (C) in the case of any Optional Redemption which is funded, in whole or in part, from the proceeds of a sale of the Collateral Obligations, for each Collateral Obligation to be sold, the product of its principal balance and its Market Value, will exceed the sum of (x) the aggregate Redemption Prices of the outstanding Secured Notes (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) and (y) all applicable Administrative Expenses (regardless of the Administrative Expense Cap) and other amounts, fees and expenses payable pursuant to the Priority of Payments. Any certification delivered by the Collateral Manager as described above must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) of any Collateral Obligations and Eligible Investments and (2) all calculations required as described above.

If a Class or Classes of Secured Notes is redeemed in connection with a Refinancing in part by Class, the Refinancing Proceeds, together with available Partial Refinancing Interest Proceeds, shall be used to pay the

Redemption Price(s) of such Class or Classes of Secured Notes without regard to the Priority of Payments. See "Security for the Secured Notes—The Collection Account and Payment Account".

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 and Interest Diversion Test") 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 "Overview 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 prior to the applicable Special Redemption Date that it has been unable, for a period of at least 45 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 (or to allow the Issuer or the Collateral Manager to provide a Passing Report to Moody's) 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 described in clause (i) above, 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 described in clause (ii) above, 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 (or to allow the Issuer or the Collateral Manager to provide a Passing Report to Moody's) 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 via the Irish Stock Exchange.

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, 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 via the Irish Stock Exchange.

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.

Optional Re-Pricing

On any Business Day after the Non-Call Period, at the direction of a Majority of the Subordinated Notes, the Issuer shall be required to reduce the spread over LIBOR (or the Interest Rate, in the case of the Class B-2 Notes) applicable with respect to any Class of Re-Pricing Eligible Secured Notes (such reduction, a "**Re-Pricing**" and any such Class to be subject to a Re-Pricing, a "**Re-Priced Class**"); provided that the Issuer shall not effect any Re-Pricing unless (i) each condition specified below is satisfied with respect thereto and (ii) each outstanding Note of a Re-Priced Class shall be subject to the related Re-Pricing. In connection with any Re-Pricing, the Issuer may engage a broker-dealer (the "**Re-Pricing Intermediary**") upon the recommendation and subject to the approval of a Majority of the Subordinated Notes and such Re-Pricing Intermediary shall assist the Issuer in effecting the Re-Pricing.

At least 20 Business Days prior to the Business Day selected by a Majority of the Subordinated Notes for the Re-Pricing (the "**Re-Pricing Date**"), the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall deliver a notice (the "**Re-Pricing Notice**") in writing (with a copy to the Collateral Manager, the Trustee and each

Rating Agency) to each holder of the proposed Re-Priced Class, which notice shall: (i) specify the proposed Re-Pricing Date and the revised spread over LIBOR (or the revised Interest Rate, in the case of the Class B-2 Notes) to be applied with respect to such Class (the "**Re-Pricing Rate**"), (ii) request each holder of the Re-Priced Class to approve the proposed Re-Pricing, and (iii) specify the price at which Notes of any holder or beneficial owner of the Re-Priced Class which does not approve the Re-Pricing may be sold and transferred pursuant to the following paragraph, which, for purposes of such Re-Pricing, shall be 100% of the aggregate outstanding principal amount of such Secured Note plus all accrued and unpaid interest thereon to but excluding the Re-Pricing Date (in the case of a Re-Pricing Date occurring on a Payment Date, after giving effect on a pro forma basis to all payments to be made pursuant to the Priority of Payments on the Re-Pricing Date) (the "**Re-Pricing Transfer Price**").

In the event that any holders of the Re-Priced Class do not deliver to the Issuer written consent to the proposed Re-Pricing on or before the date that is 10 Business Days prior to the proposed Re-Pricing Date, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall deliver written notice thereof to the consenting holders or beneficial owners of the Re-Priced Class, specifying the aggregate outstanding principal amount of the Notes of the Re-Priced Class held by such non-consenting holders or beneficial owners, and shall request each such consenting holder or beneficial owner to provide written notice to the Issuer, the Trustee, the Collateral Manager and the Re-Pricing Intermediary if such holder or beneficial owner would like to purchase all or any portion of the Notes of the Re-Priced Class held by the non-consenting holders or beneficial owners at the Re-Pricing Transfer Price with respect thereto (each such notice, an "**Re-Pricing Exercise Notice**") within five Business Days after receipt of such notice. In the event the Issuer shall receive Re-Pricing Exercise Notices with respect to an amount equal to or more than the aggregate outstanding principal amount of the Notes of the Re-Priced Class held by non-consenting holders or beneficial owners, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall cause the sale and transfer of such Notes at the Re-Pricing Transfer Price with respect thereto for settlement on the Re-Pricing Date, without further notice to the non-consenting holders or beneficial owners thereof, on the Re-Pricing Date to the holders or beneficial owners delivering Re-Pricing Exercise Notices with respect thereto, *pro rata* based on the aggregate outstanding principal amount of the Notes such holders or beneficial owners indicated an interest in purchasing pursuant to their Re-Pricing Exercise Notices (subject to reasonable adjustment, as determined by the Re-Pricing Intermediary on behalf of the Issuer, to comply with minimum denomination requirements and the applicable procedures of DTC). In the event the Issuer shall receive Re-Pricing Exercise Notices with respect to less than the aggregate outstanding principal amount of the Notes of the Re-Priced Class held by non-consenting holders or beneficial owners, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall cause the sale and transfer of such Notes, without further notice to the non-consenting holders or beneficial owners thereof, on the Re-Pricing Date to the holders delivering Re-Pricing Exercise Notices with respect thereto (subject to reasonable adjustment, as determined by the Re-Pricing Intermediary on behalf of the Issuer, to comply with minimum denomination requirements and the applicable procedures of DTC), and any excess Notes of the Re-Priced Class held by non-consenting holders or beneficial owners shall be sold at the Re-Pricing Transfer Price with respect thereto for settlement on the Re-Pricing Date to one or more transferees designated by the Re-Pricing Intermediary on behalf of the Issuer. All sales of Notes to be effected pursuant to this paragraph shall be made at the Re-Pricing Transfer Price with respect to such Notes, and shall be effected only if the related Re-Pricing is effected in accordance with the provisions of the Indenture. Each holder and beneficial owner of each Note, by its acceptance of an interest in the Notes, agrees to sell and transfer its Notes in accordance with the provisions of the Indenture described in this section and agrees to cooperate with the Issuer, the Re-Pricing Intermediary and the Trustee to effect such sales and transfers. The Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, shall deliver written notice to the Trustee and the Collateral Manager not later than four Business Days prior to the proposed Re-Pricing Date confirming that the Issuer has received written commitments to purchase all Notes of the Re-Priced Class held by non-consenting holders or beneficial owners.

The Issuer shall not effect any proposed Re-Pricing unless: (i) the Co-Issuers and the Trustee shall have entered into a supplemental indenture dated as of the Re-Pricing Date (such supplemental indenture to be prepared and provided by the Issuer or the Collateral Manager acting on its behalf) solely to reduce the spread over LIBOR (or the Interest Rate, in the case of the Class B-2 Notes) applicable to the Re-Priced Class (and to make changes necessary to give effect to such reduction); (ii) each Rating Agency shall have been notified of such Re-Pricing; and (iii) all expenses of the Issuer and the Trustee (including the fees of the Re-Pricing Intermediary and fees of counsel) incurred in connection with the Re-Pricing (including in connection with the supplemental indenture described in preceding subclause (i)) shall not exceed the amount of Interest Proceeds available to be applied to the payment thereof under the Priority of Payments on the subsequent Payment Date, after taking into account all amounts

required to be paid pursuant to the Priority of Payments on the subsequent Payment Date prior to distributions to the holders of the Subordinated Notes, unless such expenses shall have been paid or shall be adequately provided for as an Administrative Expense or by an entity other than the Issuer.

Notwithstanding the foregoing, in the event any non-consenting holder of a Re-Priced Class does not cooperate in accordance with the preceding provisions to effect the sale and transfer of its Notes, the Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, may effect the Re-Pricing by issuing new Notes of the Re-Priced Class with new securities identifiers to the consenting holders and any other purchasers of the Notes of the Re-Pricing Class and, upon payment of the Re-Pricing Transfer price to such non-consenting holder, cancelling the Notes of the Re-Priced Class held by such holder.

Notice of a Re-Pricing will be given by the Trustee, at the expense of the Issuer, by first class mail, postage prepaid, mailed not less than 20 Business Days prior to the proposed Re-Pricing Date, to each holder of Notes of the Re-Priced Class at the address in the Note register (with a copy to the Collateral Manager), specifying the applicable Re-Pricing Date, Re-Pricing Rate and Re-Pricing Transfer Price. Any notice of a Re-Pricing may be withdrawn by a Majority of the Subordinated Notes on or prior to the Business Day prior to the scheduled Re-Pricing Date by written notice to the Issuer, the Trustee, and the Collateral Manager for any reason. Upon receipt of such notice of withdrawal, the Trustee shall transmit such notice to the holders and each Rating Agency. Notwithstanding anything contained herein to the contrary, failure to effect a Re-Pricing, whether or not notice of Re-Pricing has been withdrawn, will not constitute an Event of Default.

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 on any Business Day, 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 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) (i) the Issuer has obtained the consent thereto of a Majority of the Subordinated Notes;
- (ii) 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; *fifth*, the Class D Notes, until the Class D Notes are retired in full; and, *sixth*, the Class E Notes, until the Class E Notes are retired in full;
- (iii) (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;
- (iv) each such purchase shall be effected only at prices discounted from par;

- (v) each such purchase of Secured Notes shall be effected with Principal Proceeds, *provided* that the purchase of accrued and unpaid interest on such Secured Notes shall be effected with Interest Proceeds, solely to the extent that, after giving effect on a *pro forma* basis to such application of Interest Proceeds and taking into account Scheduled Distributions on the Assets that are expected to be received prior to the next Determination Date, sufficient Interest Proceeds will be available on the next Payment Date to pay in full all amounts due under clauses (C) and (D) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds";
- (vi) each Overcollateralization Ratio Test will be satisfied, or if not satisfied, such Overcollateralization Ratio Test will be maintained or improved, after giving effect to such purchase, when compared to the level of compliance with each such Overcollateralization Ratio 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;
- (vii) no Event of Default or Enforcement Event shall have occurred and be continuing; and
- (viii) each such purchase will otherwise be conducted in accordance with applicable law; and
- (b) 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.

Any Secured Notes to be purchased shall be surrendered to the Trustee for cancellation as described under "—Cancellation".

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, Global Subordinated Notes or Global Income Notes will be made to DTC or its nominee, as the registered owner thereof. The Issuers, the Collateral Manager, the Trustee, the Income Note Paying Agent and any Paying Agent will not 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, Global Subordinated Notes or Global Income Notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Secured Note representing a Class of Notes held by it or its nominee or a payment of a distribution in respect of a Global Subordinated Note or Global Income Note held by it or its nominee, will immediately credit participants' accounts (through which, in the case of Regulation S Global Secured Notes, Global Subordinated Notes or Global Income 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, a Global Subordinated Note or a Global Income Note, 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, Global Subordinated Note or Global Income 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, and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, Interest Proceeds will be applied in the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds".

On each Payment Date, unless an Enforcement Event has occurred and is continuing, and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) other than a Redemption Date in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, Principal Proceeds will be applied in the order of priority described under "Overview of Terms—Priority of Payments—Application of Principal Proceeds".

Notwithstanding the provisions of "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview 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, governmental fees and registered office fees owing by the Issuer, the Co-Issuer or the Income Note Issuer, 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;
- (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-1 Notes and the Class B-2 Notes, *pro rata*, based on the respective amounts of accrued and unpaid interest on each such Class;
- (H) to the payment of any Secured Note Deferred Interest on the Class B-1 Notes and the Class B-2 Notes, *pro rata*, based on the respective amounts of accrued and unpaid Secured Note Deferred Interest on each such Class;
- (I) to the payment of principal of the Class B-1 Notes and the Class B-2 Notes, *pro rata*, based on their respective aggregate outstanding principal amounts;
- (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 accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class E Notes;
- (Q) to the payment of any Secured Note Deferred Interest on the Class E Notes;
- (R) to the payment of principal of the Class E Notes;
- (S) to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;
- (T) 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;
- (U) to pay the holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 12.0%; and
- (V) 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 or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, any Class E 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 (x) 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 seven 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) and (y) in the case of a default in the payment of any principal of any Secured Note on any Redemption Date related to an Optional Redemption or Tax Redemption where (A) such default is due solely to a delayed or failed settlement of any Asset sale by the Issuer (or the Collateral Manager on the Issuer's behalf), (B) the Issuer (or the Collateral Manager on the Issuer's behalf) had entered into a binding agreement for the sale of such Asset prior to the applicable Redemption Date, (C) such delayed or failed settlement is due solely to circumstances beyond the control of the Issuer and the Collateral Manager, and (D) the Issuer (or the Collateral Manager on the Issuer's behalf) has used commercially reasonable efforts to cause such settlement to occur prior to the Redemption Date and without such delay or failure, then such default will not be an Event of Default unless such failure continues for 60 calendar days after such Redemption Date;

- (b) unless the Issuer is legally required to withhold such amounts, 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 excess of U.S.\$10,000 in accordance with the Priority of Payments set forth in the Indenture and continuation of such failure for a period of seven 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 or due to another non-credit related reason, such default will not be an Event of Default unless such failure continues for seven 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 material default in the performance, or material breach, 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, Interest Diversion 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 Supermajority of the Controlling Class), and shall (upon the written direction of a Supermajority 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, Class D Notes and Class E 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 Event of Default or Enforcement Event shall have occurred and be continuing, the Trustee will retain the Assets intact, 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) in the case of an Event of Default pursuant to clause (a) or (f) of the definition of "Event of Default", a Supermajority of the Class A-1 Notes, or (b) in all other cases, 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 Supermajority 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 Supermajority 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 (other than in connection with a Re-Pricing) or the Redemption Price or Re-Pricing Transfer Price with respect to any Note (*provided* that, in connection with any Tax Redemption or Re-Pricing, any holder of Secured Notes of any Class may elect to receive less than 100% of the Redemption Price or Re-Pricing Transfer Price that would otherwise be payable to the holders of such Class of Secured Notes), 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 terms "Controlling Class", "Outstanding", "Majority" or "Supermajority" 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 contained therein 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, for a Re-Pricing of such Secured Notes or in connection with an additional issuance of Notes.

The Co-Issuers and the Trustee may also enter into supplemental indentures, without requiring any determination as to whether or not any Class of Notes would be materially and adversely affected thereby (except in the case of clause (xii) below) and without obtaining the consent of holders of the Notes (except any consent required by clause (xi), (xii), (xvii), (xix) or (xx) 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;

- (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;
- (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, any Blocker Subsidiary and the holders of any Class of Notes from becoming subject to (or otherwise to minimize) 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 or to prevent the Issuer from being treated as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes;
- (x) to take any action necessary or advisable (I) to give effect to any Bankruptcy Subordination Agreement, including to (A) issue a new Note or Notes in respect of, or issue one or more new sub-classes of, any Class of Notes, in each case with new identifiers (including CUSIPs, ISINs and Common Codes, as applicable) in connection with any Bankruptcy Subordination Agreement; *provided* that any sub-class of a Class of Notes issued pursuant to this clause shall be issued on identical terms as, and rank *pari passu* in all respects with, the existing Notes of such Class and (B) provide for procedures under which beneficial owners of such Class that are not subject to a Bankruptcy Subordination Agreement may take an interest in such new Note(s) or sub class(es) and (II) to issue a new Note or Notes of, or issue one or more new sub-classes of, any Class of Notes, in each case with new identifiers (including CUSIPs, ISINs and Common Codes, as applicable), to the extent that the Issuer, the Income Note Issuer or the Trustee determines that one or more beneficial owners of the Notes of such Class have not complied with their Noteholder Reporting Obligations, or otherwise to facilitate withholding in respect of FATCA;
- (xi) 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 Junior Mezzanine Notes, *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 effect a Re-Pricing or to issue replacement securities in connection with a Refinancing in accordance with the Indenture;
- (xii) 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 by a Rating Agency of any requirement in the Indenture that such 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 (which elimination may take the form of Moody's indicating to the Issuer (or the Collateral Manager on its behalf) or publishing a statement that it will not provide confirmation with respect to a particular category or type of action or designation (other than not providing confirmation because Moody's has determined that such action or designation would cause a withdrawal or reduction with respect to Moody's then-current rating of any Class of Secured Notes)) 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 with respect to any proposed supplemental indenture pursuant to this clause (xii), 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;

- (xiii) to accommodate the issuance of any Notes in book-entry form through the facilities of DTC or otherwise;
- (xiv) 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;
- (xv) 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;
- (xvi) to modify the procedures in the Indenture relating to compliance with Rule 17g-5 under the Exchange Act;
- (xvii) to modify (i) any Collateral Quality Test, (ii) any defined term identified in the Indenture utilized in the determination of any Collateral Quality Test or (iii) any defined term in the Indenture or any schedule thereto that begins with or includes the word "Moody's" or "S&P"; *provided* that, other than with respect to modifications to correct ambiguities, errors (including typographical errors), mistakes or inconsistencies otherwise permitted pursuant to clause (viii) above, a Majority of the Controlling Class and a Majority of the Subordinated Notes consent in writing thereto;
- (xviii) to amend, modify or otherwise accommodate changes to the Indenture relating to the administrative procedures for reaffirmation of ratings on the Notes;
- (xix) with the consent of the Collateral Manager, to modify the definition of "Credit Improved Obligation", "Credit Risk Obligation", "Defaulted Obligation" or "Equity Security", the restrictions on the sales of Collateral Obligations set forth in the Indenture or the Investment Criteria set forth in the Indenture (other than the calculation of the Concentration Limitations and the Collateral Quality Test); *provided* that a Majority of the Controlling Class and a Majority of the Subordinated Notes consent in writing thereto; or
- (xx) subject to the consent of a Majority of the Subordinated Notes, change the minimum denomination of any Class of Notes; *provided* in the case of a reduction in such a minimum denomination, such reduction does not have an adverse effect on the trading or clearing of such Class of Notes (including through any clearance or settlement system) or on the availability of any resale exemption for such Class of Notes under applicable securities laws.

Not later than 20 Business Days prior to the execution of any proposed supplemental indenture pursuant to the preceding two paragraphs, the Trustee, at the expense of the Co-Issuers, will deliver to the holders of Notes and the Rating Agencies a copy of such proposed supplemental indenture and will request any required consent from the

applicable holders of Notes to be given within 20 Business Days. Any consent given to a proposed supplemental indenture by the holder of any Notes will be irrevocable and binding on all future holders or beneficial owners of that Note, irrespective of the execution date of the supplemental indenture. If the holders of less than the required percentage of the aggregate outstanding principal amount of the relevant Notes consent to a proposed supplemental indenture within 20 Business Days, on the first Business Day following such period, the Trustee will provide copies of the received consents to the Issuer and the Collateral Manager so that they may determine which holders of Notes have consented to the proposed supplemental indenture and which holders of Notes (and, to the extent such information is available to the Trustee, which beneficial owners) have not consented to the proposed supplemental indenture.

In the case of a supplemental indenture to be entered into pursuant to clause (xi)(C) of the second preceding paragraph, the foregoing notice periods shall not apply and a copy of the proposed supplemental indenture shall be included in, in the case of a Re-Pricing, the notice of Re-Pricing delivered to each holder of the Re-Priced Class (with a copy to the Collateral Manager) described in the last paragraph under "—Optional Re-Pricing" and, in the case of a Refinancing, the notice of Optional Redemption given to each Rating Agency and each holder of Notes under the provisions of the Indenture described under "—Optional Redemption and Tax Redemption of the Secured Notes—Redemption Procedures"; and, upon execution of the supplemental indenture, a copy thereof shall be delivered to each Rating Agency and each holder of Notes.

To give effect to the treatment of the Class B-1 Notes and the Class B-2 Notes as separate Classes in the circumstances set forth in the proviso to the definition of "Class", in connection with the proviso to clause (xii) described in the second paragraph under "Description of the Notes—The Indenture—Modification of Indenture", the words "Majority of the Controlling Class" shall be interpreted as follows: with respect to the right of a Majority of the Controlling Class to provide written notice to the Trustee that such Class would be materially and adversely affected by a proposed supplemental indenture, (x) if the Class B Notes are the Controlling Class, such right shall be exercisable separately by a Majority of the Class B-1 Notes and a Majority of the Class B-2 Notes, regardless of whether such Majority constitutes a Majority of the Class B Notes as a whole (and such right shall also be exercisable by a Majority of the Class B Notes, voting together as a single Class) and (y) the requirement that, following such a notice, the Trustee obtain consent to such a proposed supplemental indenture from a "Majority of the Controlling Class" shall be satisfied (if the Class B Notes are the Controlling Class) if the Trustee obtains consent from: (1) a Majority of the Class B-1 Notes, if the holders who delivered such notice included a Majority of the Class B-1 Notes, (2) a Majority of the Class B-2 Notes, if the holders who delivered such a notice included a Majority of the Class B-2 Notes and (3) a Majority of the Class B Notes, voting as a single Class, if the holders who delivered such a notice constituted a Majority of the Class B Notes (voting as a single Class) but included less than a Majority of the Class B-1 Notes or less than a Majority of the Class B-2 Notes.

At the cost of the Co-Issuers, the Trustee will provide to the holders of Notes, the Collateral Manager and the Rating Agencies a copy of any executed supplemental indenture after its execution. Any failure of the Trustee to supply such copy will not, however, in any way impair or affect the validity of any such supplemental indenture. 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.

The Collateral Manager will not be bound to follow any amendment or supplement to the Indenture unless it has received written notice of such amendment or supplement and a copy of the amendment or supplement from the Issuer or the Trustee prior to the execution thereof in accordance with the notice requirements of the Indenture. The Issuer agrees that it will not permit to become effective any amendment or supplement 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 the priority of any fees or other amounts payable to the Collateral Manager), or adversely change the economic consequences to, the Collateral Manager, (ii) directly or indirectly modify the restrictions on the purchases or sales of Collateral Obligations under the Indenture or the Investment Criteria described under "Security for the Secured Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria", (iii) expand or restrict the Collateral Manager's discretion or (iv) adversely affect the Collateral Manager, unless the Collateral Manager has consented in advance thereto in writing, such consent to not be unreasonably withheld or delayed (provided that the Collateral Manager may withhold its consent in its sole discretion if such amendment or supplement affects the amount, timing or priority of payment of the Collateral Manager's fees or increases or adds to the obligations of the Collateral

Manager), and the Issuer will not enter into any such amendment or supplement unless the Collateral Manager has given its prior written consent.

In connection with any proposed supplemental indenture requiring a determination as to whether any Class of Notes would be materially and adversely affected by the execution thereof, the Trustee will be entitled to receive, and (subject to the provisions of the Indenture) will be fully protected in relying 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 the opinion) as to whether the interests of any Holder of Notes would be materially and adversely affected by the modifications set forth in such supplemental indenture.

The Issuer and the Co-Issuer agree that they will not consent to or enter into any supplemental indenture or any amendment to any other document related to the Indenture that:

- (i) amends any provisions of the Indenture or any other agreement entered into by the Issuer or the Co-Issuer with respect to the transactions contemplated by the Indenture relating to the institution of bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under Cayman Islands, United States federal or state bankruptcy or similar laws, against the Issuer or the Co-Issuer, or the filing of petitions seeking relief, reorganization, arrangement, adjustment or composition of or in respect of the Issuer or the Co-Issuer under applicable bankruptcy law or other applicable law, or the obligation of the Issuer and the Co-Issuer to object to the institution of such proceedings and to the filing of any such petition; or
- (ii) amends any provision of the Indenture or such other document that provides that the obligations of the Co-Issuers are limited recourse obligations of the Co-Issuers, payable solely from the Assets in accordance with the terms of the Indenture.

Hedge Agreements. 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; *provided* that before entering into any such hedge agreement, the following conditions must be satisfied: (a) except as the Initial Purchaser, a Majority of the Controlling Class and a Majority of the Subordinated Notes shall otherwise direct in a notice to the Issuer and the Trustee, the Issuer obtains an opinion of counsel to the effect that (i) 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, (ii) 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 (iii) if the Issuer would be a commodity pool, that (A) the Collateral Manager and no other party would be the commodity pool operator and commodity trading adviser thereof, and (B) 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; (b) the Collateral Manager agrees 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; (c) if the Issuer would be a commodity pool, the Issuer receives 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 "hedge fund or a private equity fund" as defined for purposes of Section 13 of the Bank Holding Company Act, as amended; (d) the Moody's Rating Condition has been satisfied (or deemed inapplicable as described under "Ratings of the Secured Notes – Inapplicability of the Rating Conditions"); (e) the applicable S&P counterparty criteria then in effect are satisfied with respect to the counterparty under such hedge agreement; and (f) each of S&P and Moody's receives notice of such hedge agreement and a copy of such hedge agreement is sent to each of S&P and Moody's promptly after execution thereof.

Additional issuance. The Indenture will provide that, at any time during the Reinvestment Period (or, in the case of an issuance solely of additional Subordinated Note and/or Junior Mezzanine Notes, at any time), the Co-

Issuers may issue and sell (i) 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) (such additional notes, "**Junior Mezzanine Notes**", (ii) additional Subordinated Notes and/or (iii) additional notes of any one or more existing Classes of Secured Notes (subject to clause (e) below) and, in each case, use the net proceeds to purchase additional Collateral Obligations or as otherwise permitted under the Indenture; *provided* that the following conditions are met: (a) such issuance is consented to by the Collateral Manager, a Majority of the Subordinated Notes and, unless only Junior Mezzanine Notes or additional subordinated notes are being issued, a Supermajority of the Controlling Class; (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 shall 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, *provided* that in the case of additional secured notes of any one or more existing Classes, the interest rate spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) must not exceed the interest rate spread over LIBOR (or Interest Rate, in the case of the Class B-2 Notes) applicable to the initial Notes of that Class); (d) in the case of additional notes of any one or more existing Classes, unless only additional subordinated notes or Junior Mezzanine 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 the principal amount of Subordinated Notes or Junior Mezzanine Notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes or Junior Mezzanine Notes; (e) unless only additional subordinated notes or Junior Mezzanine Notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date; (f) 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; (g) immediately after giving effect to such issuance, each Overcollateralization Ratio Test is satisfied or, with respect to any Overcollateralization Ratio 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 Overcollateralization Ratio Test is maintained or improved immediately after giving effect to such issuance and the application of the proceeds thereof; and (h) unless only additional subordinated notes or Junior Mezzanine 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 Issuer, with a copy to the Trustee, to the effect that 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 United States 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). 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 (including an existing Class of Junior Mezzanine Notes) 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 proportional holdings of Notes of such Class and any additional Junior Mezzanine Notes of a class of Junior Mezzanine Notes that does not already exist will, to the extent reasonably practicable, be offered first to the existing holders of Subordinated Notes in such amounts as are necessary to allow each such holder to purchase a share of such additional Junior Mezzanine Notes that is proportional to its then current ownership of Subordinated Notes. Any holder of existing Notes that has not, within 10 Business Days after delivery of such offer by or on behalf of the Issuer, accepted an offer required to be made by this paragraph shall be deemed to have declined to purchase the additional notes subject to such offer.

In the case of an issuance of Junior Mezzanine Notes, if a holder of Subordinated Notes does not maintain its proportional interest in residual cash flows of the Issuer by purchasing a proportional share of such Junior Mezzanine Notes, its share of residual cash flows as represented solely by the Subordinated Notes could be significantly reduced or entirely eliminated.

The use of additional 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.

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, the Income Note Issuer or any Blocker Subsidiary any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, or other proceedings under Cayman Islands, United States 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 (a "**Bankruptcy Subordination Agreement**"). 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 "Overview of Terms—Priority of Payments—Application of Interest Proceeds" (including any dissolution and discharge expenses) and, notwithstanding the order of priority described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and "Overview 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 U.S. Bank National Association 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. U.S. Bank National Association 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 Notes (voting separately) 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://usbtrustgateway.usbank.com/portal/login.do>. 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 and the holders of Class A Notes (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 (other than a Class E 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 Class E Notes sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of such Class E Note, is both a Qualified Institutional Buyer and a Qualified Purchaser (or an entity (other than a trust) owned exclusively by Qualified Purchasers) shall be issued in the form of one or more definitive, fully registered notes without coupons, registered in the name of the beneficial owner or its nominee (each, a "**Certificated Class E Note**"). 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 in a Class E Note and each subsequent transferee of a Certificated Class E Note will be required to provide a purchaser representation letter in which it will be required to certify, and 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 required or deemed to represent, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. No transfer of a Class D Note or any interest therein to a Benefit Plan Investor or 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 Controlling Person, except as may be expressly agreed in writing between such Person and the Issuer.

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.

Each Subordinated Note sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Subordinated 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 Subordinated Notes**"). Subordinated Notes sold to U.S. purchasers that are Accredited Investors 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, registered in the name of the beneficial owner or its nominee ("**Certificated Subordinated Notes**") or, if requested by the beneficial owner thereof, will be issued in uncertificated, fully registered form, registered in the name of the beneficial owner or its nominee ("**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. The Rule 144A Global Subordinated Notes and the Regulation S Global Subordinated Notes are referred to herein collectively as the "**Global Subordinated Notes**".

Each initial investor in a Subordinated Note 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, and each subsequent transferee of an interest in a Global Subordinated Note will be required or deemed to represent, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. No transfer of a Subordinated Note or any interest therein to a Benefit Plan Investor or 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 Controlling Person, except as may be expressly agreed in writing between such Person and the Issuer.

The Income 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.

Each Income Note sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Income 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 Income Notes**"). Income Notes sold to U.S. purchasers that are Accredited Investors and, at the option of the Income Note Issuer (with the written consent of the Collateral Manager), certain Income 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, registered in the name of the beneficial owner or its nominee ("**Certificated Income Notes**") or, if requested by the beneficial owner thereof, will be issued in uncertificated, fully registered form, registered in the name of the beneficial owner or its nominee ("**Uncertificated Income Notes**"). All other Income 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 Income Notes**"). Uncertificated Income Notes registered in the name of a Person shall be considered "held" by such Person for all purposes under the Indenture. The Rule 144A Global Income Notes and the Regulation S Global Income Notes are referred to herein collectively as the "**Global Income Notes**".

Each initial investor in an Income Note and each subsequent transferee of a Certificated Income Note or an Uncertificated Income Note will be required to provide a purchaser representation letter in which it will be required to certify, and each subsequent transferee of an interest in a Global Income Note will be required or deemed to represent, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. No transfer of an Income Note or any interest therein to a Benefit Plan Investor or a Controlling Person will be effective, and the Income Note Paying Agent will not recognize any such transfer to a Person that has been determined by the Income Note Issuer to be a Benefit Plan Investor or a Controlling Person, except as may be expressly agreed in writing between such Person and the Income Note Issuer (and the Income Note Issuer will not so agree without the consent of the Issuer).

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, the Global Subordinated Notes and the Global Income 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, the Regulation S Global Subordinated Notes and Regulation S Global Income 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 (other than a Regulation S Global Class E 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 (x) is a Qualified Institutional Buyer and is a Qualified Purchaser and (y) with respect to an interest

in a Class D Note, is not a Benefit Plan Investor or a Controlling Person. 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 corresponding 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 (x) is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S and (y) with respect to an interest in a Class D Note, is not a Benefit Plan Investor or a Controlling Person. 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 Class E Note may be transferred to a person who takes delivery in the form of a Certificated Class E Note only upon receipt by the Trustee of (i) written certification from the transferor in the form prescribed 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) certificates substantially in the form of Annex A-2 and Annex A-3 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA.

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 a Rule 144A Global Subordinated 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 a Qualified Institutional Buyer and is a Qualified Purchaser and (y) is not a Benefit Plan Investor or a Controlling Person. Beneficial interests in a Rule 144A Global 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 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 (x) is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S and (y) is not a Benefit Plan Investor or a Controlling Person. Any beneficial interest in one of the Global Subordinated Notes that is transferred to a person who takes delivery in the form of an interest in another Global Subordinated Note will, upon transfer, cease to be an interest in such Global Subordinated Note, and become an interest in such other Global Subordinated Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Subordinated Notes for as long as it remains such an interest.

A beneficial interest in a Global Subordinated Note may be transferred to a person who takes delivery in the form of a Certificated Subordinated Note or an Uncertificated Subordinated Note only upon receipt by the Trustee of (i) written certification from the transferor in the form prescribed 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 or an Accredited Investor and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA.

A beneficial interest in a Global Income Note may be transferred to a person who takes delivery in the form of a Certificated Income Note or an Uncertificated Income Note only upon receipt by the Income Note Paying Agent of (i) written certification from the transferor in the form prescribed by the Income Note Paying Agency Agreement 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 or an Accredited Investor and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) certificates substantially in the form of Annex A-4 and Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA.

A beneficial interest in a Rule 144A Global Secured Note, a Rule 144A Global Subordinated Note or a Rule 144A Global Income Note may be transferred to a person who takes delivery in the form of an interest in such Rule 144A Global Secured Note, Rule 144A Global Subordinated Note or Rule 144A Global Income Note, as applicable, without the provision of any transferor or transferee certifications. A beneficial interest in a Regulation S Global Secured Note, a Regulation S Global Subordinated Note or a Regulation S Global Income Note may be transferred to a person who takes delivery in the form of an interest in such Regulation S Global Secured Note, Regulation S Global Subordinated Note or Regulation S Global Income Note, as applicable, without the provision of any transferor or transferee certifications.

A Certificated Class E Note, 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 Class E Note or a Regulation S Global Subordinated Note, as applicable, only upon receipt by the Trustee of (i) in the case of a Certificated Class E Note or a Certificated Subordinated Note, the transferor's Certificated Class E Note or Certificated Subordinated Note, as applicable, together with written certification from the transferor in the form prescribed by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and (ii) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify as to its status under ERISA. 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 Rule 144A Global Subordinated Note only upon receipt by the Trustee of (i) in the case of a Certificated Subordinated Note, the transferor's Certificated Subordinated Note, together with 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, (ii) a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is a Qualified Institutional Buyer and is a Qualified Purchaser and (iii) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify as to its status under ERISA. A Certificated Class E Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Class E Note only upon receipt by the Trustee of (i) the transferor's Certificated Class E Note together with a written certification from the transferor in the form prescribed 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) certificates substantially in the form of Annex A-2 and Annex A-3 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. 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 Trustee of (A) the transferor's Certificated Subordinated Note together with written certification from the transferor in the form prescribed 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 or an Accredited Investor and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (B) certificates substantially in the form of Annex A-1 and Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. 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 Certificated Income Note or an Uncertificated Income Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Income Note only upon receipt by the Income Note

Paying Agent of (i) in the case of a Certificated Income Note, the transferor's Certificated Income Note, together with written certification from the transferor in the form prescribed by the Income Note Paying Agency Agreement to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and (ii) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify as to its status under ERISA. A Certificated Income Note or an Uncertificated Income Note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Income Note only upon receipt by the Income Note Paying Agent of (i) in the case of a Certificated Income Note, the transferor's Certificated Income Note, together with written certification from the transferor in the form required by the Income Note Paying Agency Agreement 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, (ii) a written certification from the transferee in the form required by the Income Note Paying Agency Agreement to the effect, among other things, that such transferee is a Qualified Institutional Buyer and is a Qualified Purchaser and (iii) a certificate substantially in the form of Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify as to its status under ERISA.

A Certificated Income Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Income Note or an Uncertificated Income Note only upon receipt by the Income Note Paying Agent of (A) the transferor's Certificated Income Note together with written certification from the transferor in the form prescribed by the Income Note Paying Agency Agreement 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 or an Accredited Investor and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (B) certificates substantially in the form of Annex A-4 and Annex A-2 attached hereto executed by the transferee in which the transferee will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and ERISA. An Uncertificated Income Note may be transferred to a person who takes delivery in the form of an interest in a Certificated Income Note or an Uncertificated Income Note only upon receipt by the Issuer and the Trustee of certificates substantially in the form of Annex A-4 and Annex A-2 attached hereto executed by the transferee.

No transfer of any Class E 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 Class E Notes would be held by Persons who have represented that they are Benefit Plan Investors, disregarding Class E Notes held by Controlling Persons. No purported transfer of a Class D Note, a Regulation S Global Class E Note, a Subordinated Note or an Income Note to a Benefit Plan Investor or a Controlling Person, will be effective, and the Trustee or Income Note Paying Agent, as applicable, 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, as applicable, unless such person has obtained the prior written consent of the Issuer (or, with respect to the Income Notes, the Income Note Issuer, which will not so consent without the consent of the Issuer) (such transferee, a "**Permitted Purchaser**").

No purchase or transfer of a beneficial interest in a Subordinated Note will be recorded or otherwise recognized if the beneficial interest will be owned by any bank (within the meaning of section 881(c)(3)(A) of the Code) that is not a U.S. person within the meaning of section 7701(a)(30) of the Code. Each Holder and beneficial owner of a Subordinated Note or a beneficial interest therein, by acceptance of such Note or interest represents that the beneficial owner of such Subordinated Note, if it is not a United States Person, will not be ineligible to receive portfolio interest free of US withholding tax under sections 871(h)(3) or 881(c)(3) of the Code. Notwithstanding the foregoing, this restriction shall not apply with respect to any purchase or transfer of a Subordinated Note made solely in connection with the immediate transfer of such Subordinated Note to the Income Note Issuer in exchange for the issuance of an Income Note by the Income Note Issuer to such transferee.

No transfer of an interest in a Subordinated Note shall be recorded or otherwise recognized if such transfer results in a single holder of a beneficial interest (or persons treated for United States federal tax purposes as a single holder of a beneficial interest) owning more than 99% of the outstanding Subordinated Notes.

No transfer of Class D Notes, Class E Notes, or Subordinated Notes (or interests therein) will be recorded or otherwise recognized if made to any person that is classified for United States federal income tax purposes as a partnership, subchapter S corporation or grantor trust unless (i) (A) no more than 40% of the value of any direct or indirect beneficial owner's interest in such person is (or, after the transfer, would be) attributable to such person's

interest in any such Notes, and (B) it is not and will not be a principal purpose of the arrangement involving the investment of such person in any such Notes to permit the Issuer to satisfy the "private placement" safe harbor of Treasury Regulation section 1.7704-1(h)(1)(ii), or (ii) such person obtains either (A) written advice of Cleary, Gottlieb, Steen & Hamilton or Freshfields Bruckhaus Deringer US LLP or (B) a written opinion of other nationally recognized tax counsel experienced in such matters reasonably satisfactory to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation.

No sale, transfer, assignment, participation, pledge or other disposition of any Class D Notes, Class E Notes, or Subordinated Notes (or beneficial interests therein) will be recognized or, if applicable, recorded if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the Class D Notes, Class E Notes and Subordinated Notes, collectively, to be held or beneficially owned by more than 98 persons.

No sale, transfer, assignment or other disposition of any Class E Notes or Subordinated Notes (or beneficial interests therein) will be recognized if effected through (x) a United States national, regional or local securities exchange, (y) a foreign securities exchange or (z) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers ((x), (y) and (z), collectively, an "**Exchange**"). Holders and beneficial owners of Class E Notes and Subordinated Notes will be deemed to agree by acceptance of such Note or beneficial interest therein that they shall not cause any such Notes or any interest therein to be marketed on or through an Exchange.

The Issuer has the right, under the Indenture (and, with respect to the Income Notes, under the Income Note Paying Agency Agreement), to compel any beneficial owner of a Note who has made or has been deemed to make a prohibited transaction, Benefit Plan Investor, Controlling Person, Other Plan Law, 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". If the Issuer (or, in the case of the Income Notes, the Income Note Issuer, which will not so consent without the consent of the Issuer) consents to the purchase of an interest in a Class D Note, Regulation S Global Class E Note, Global Subordinated Note or Global Income Note by a Benefit Plan Investor or a Controlling Person, the Issuer and the Trustee (or, in the case of the Income Notes, the Income Note Issuer and the Income Note Paying Agent) shall be required to assume that such interest is being held by a Benefit Plan Investor or Controlling Person, respectively, until the Stated Maturity, or earlier date of redemption, of the Class D Notes, Class E Notes, Subordinated Notes or Income Notes, as the case may be; *provided* that such requirement shall cease to apply with respect to the amount of any such interest subsequently transferred by a Permitted Purchaser if, in connection with such transfer, (1) such Permitted Purchaser delivers a transferor certificate to the Trustee (or, in the case of Income Notes, the Income Note Paying Agent) and (2) the transferee delivers a transferee certificate to the Trustee (or, in the case of Income Notes, the Income Note Paying Agent) in which it certifies that it is not a Benefit Plan Investor or a Controlling Person, as the case may be.

No service charge will be made for any registration of transfer or exchange of Notes but the Co-Issuers, the Income Note Issuer, the registrar or the Trustee or the Income Note Paying Agent 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 or Income Note Paying Agent 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, Global Subordinated Note or Global Income Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Co-Issuers, the Issuer or the Income Note Issuer, as applicable, will be discharged by payment to, or to the order of, the registered owner of such Global Secured Note, Global Subordinated Note or Global Income Note in respect of each amount so paid. No person other than the registered owner of the relevant Global Secured Note, Global Subordinated Note or Global Income Note will have any claim against the Co-Issuers, the Issuer, or the Income Note Issuer as applicable, in respect of any payment due on that Global Secured Note, Global Subordinated Note or Global Income Note. Account holders or participants in Euroclear and Clearstream shall have no rights under the Indenture or the Income Note Paying Agency Agreement with respect to Global Secured Notes, Global Subordinated Notes or Global Income Notes held on their behalf by the Trustee or Income Note Paying Agent as custodian for DTC, and DTC may be treated by the Co-Issuers, the Income Note Issuer, the Trustee, the Income Note Paying Agent and any of their agents as the holder of Global Secured Notes, Global Subordinated Notes or Global Income 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 Global Subordinated Notes and Global Income Notes will receive definitive Subordinated Notes or Income Notes, as applicable, registered in their names in connection with a Depository Event, and may also exchange such beneficial interests for Certificated Subordinated Notes, Uncertificated Subordinated Notes, Certificated Income Notes or Uncertificated Income Notes, as applicable, 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 (or, in the case of the Income Notes, the Income Note Paying Agency Agreement) and the Notes (other than Uncertificated Subordinated Notes and Uncertificated Income Notes) will bear the restrictive legend set forth under "Transfer Restrictions".

The Secured Notes other than the Class D Notes and Class E Notes will be issued in minimum denominations of U.S.\$500,000 and integral multiples of U.S.\$1.00 in excess thereof. The Class D Notes and Class E Notes will be issued in minimum denominations of U.S.\$750,000 and integral multiples of U.S.\$1.00 in excess thereof and the Subordinated Notes will be issued in minimum denominations of U.S.\$1,200,000 and integral multiples of U.S.\$1.00 in excess thereof; *provided* that, solely in connection with a transfer of Subordinated Notes after the Closing Date, the minimum denominations of Subordinated Notes subject to any such transfer may be less than U.S.\$1,200,000 if, after giving effect to such transfer, each of the transferor and the transferee owns either (i) \$0 in aggregate principal amount of Subordinated Notes or (ii) at least U.S.\$1,200,000 in aggregate principal amount of Subordinated Notes. The Income Notes will be issued in minimum denominations of U.S.\$250,000 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 "Overview 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 (with the consent of a Majority of the Subordinated Notes) (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 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 Junior Mezzanine Notes 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".

The Income Notes

The Income Notes will be issued by the Income Note Issuer in an aggregate face amount of U.S.\$10,000,000. After the Closing Date, additional Income Notes may be issued as described below under "—Additional issuance of Income Notes". Income Notes represent unsecured debt obligations of the Income Note Issuer. The subordination provided by the Income Notes is included in (and is not in addition to) the subordination provided by the Subordinated Notes.

The Income Notes will be issued pursuant to the Deed of Covenant (together with the Income Note Paying Agency Agreement (including the terms and conditions of the Income Notes attached thereto), the "**Income Note Documents**"). The following summary describes certain provisions of the Income Notes and the Deed of Covenant, but does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Income Note Documents. Copies of the Income Note Documents may be obtained by prospective purchasers of Income Notes upon request in writing to the Income Note Paying Agent.

Status and Ranking. The Income Notes will constitute debt obligations of the Income Note Issuer, will not be secured obligations of the Income Note Issuer and, except as provided below, will be entitled only to receive a *pro rata* share of amounts received by the Income Note Issuer in respect of the Subordinated Notes owned by the Income Note Issuer on each Payment Date. The Income Notes are not obligations of the Issuer and the holders of

the Income Notes will not have any direct recourse to the Assets. Because the Income Notes will entitle holders to receive a *pro rata* share of amounts received by the Income Note Issuer in respect of the Subordinated Notes, an investor considering acquiring Income Notes should review all portions of this Offering Circular that relate to the Subordinated Notes.

Distributions on the Income Notes. Any distributions on the Income Notes pursuant to the Income Note Documents will be payable only to the extent funds are received by the Income Note Paying Agent from the Issuer with respect to the Subordinated Notes owned by the Income Note Issuer and only to the extent that the payment of such distributions would not render the Income Note Issuer insolvent under Cayman Islands law. Amounts paid by the Income Note Paying Agent on behalf of the Income Note Issuer to the Holders of the Income Notes will be made on a *pro rata* basis.

Payments on the Income Notes will be made to the person in whose name the Income Notes are registered on the applicable Record Date.

Redemption. The Income Notes will be redeemed upon the redemption in full of the Subordinated Notes held by the Income Note Issuer. All redemption payments to holders of Income Notes will be made *pro rata* in the proportion that the aggregate outstanding principal amount of Income Notes held by a holder bears to the total aggregate outstanding principal amount of Income Notes. The Redemption Price with respect to each Income Note will equal the Redemption Price of the corresponding principal amount of Subordinated Notes held by the Income Note Issuer.

Voting. Holders of the Income Notes will have no voting rights, either general or special, in the Income Note Issuer, except pursuant to the Income Note Paying Agency Agreement and the Deed of Covenant. The Income Note Issuer will, among other things, vote its Subordinated Notes pursuant to the written direction of the holders of the Income Notes. The Income Note Issuer will vote its Subordinated Notes in direct proportion to the manner in which the aggregate outstanding principal amount of Income Notes are voted by the holders thereof.

Income Note Paying Agent. Pursuant to a custodial and paying agency agreement dated as of the Closing Date between the Income Note Issuer and the Income Note Paying Agent (such agreement, the "**Income Note Paying Agency Agreement**"), U.S. Bank National Association will be appointed by the Income Note Issuer to act as custodian of the accounts of and Subordinated Notes owned by the Income Note Issuer and paying and transfer agent for the Income Notes. Pursuant to the Income Note Paying Agency Agreement, the Income Note Paying Agent will, among other things, maintain custody of the Subordinated Notes owned by the Income Note Issuer, vote such Subordinated Notes in accordance with the written direction of the holders of the Income Notes and distribute payments received on such Subordinated Notes from the Issuer to the holders of the Income Notes.

Additional Issuance of Income Notes. The Income Note Issuer will issue additional Income Notes upon either: (i) the additional issuance of Subordinated Notes as described under "—The Indenture—Additional Issuance," to the extent such additional Subordinated Notes will be sold to the Income Note Issuer or (ii) delivery by any transferor of Subordinated Notes for the purpose of exchanging such Subordinated Notes for Income Notes, in each case subject to and in accordance with the provisions of the Income Note Paying Agency Agreement. In the case of an additional issuance of Income Notes in accordance with the foregoing clause (i), additional Income Notes will be issued to purchasers or existing holders of Income Notes who subscribe to purchase Income Notes corresponding to additional Subordinated Notes issued by the Issuer.

Restriction on Exchanges for Subordinated Notes. Holders of Income Notes will not be permitted to exchange their Income Notes for the related Subordinated Notes held by the Income Note Issuer or cause such related Subordinated Notes to be transferred to any potential purchaser or other transferee.

Amendments. The Income Note Paying Agency Agreement or the Deed of Covenant may be amended (a) without the consent of holders of Income Notes, in the case of certain amendments similar to the types of supplemental indentures described in the second paragraph under "Description of the Notes—The Indenture—Modification of the Indenture" and (b) with the consent of a Majority of the Income Notes, if the Income Notes would be materially and adversely affected thereby, provided that without the consent of each Holder of Income Notes, if the Income Notes would be materially and adversely affected thereby, no amendment described in this clause (b) may (i) change the Stated Maturity, the amount of payment or payment terms of the Income Notes

(including the date, location or currency of such payment); or (ii) modify any of the provisions in the Income Note Paying Agency Agreement relating to when consent is required from holders of Income Notes, except to increase any such percentage or to provide that certain other provisions in the Income Note Paying Agency Agreement cannot be modified or waived without the consent of each holder of Income Notes materially and adversely affected thereby.

Notwithstanding the foregoing, the Income Note Issuer and Income Note Paying Agent shall not consent to any amendment to the Income Note Paying Agency Agreement or the Deed of Covenant that would (x) modify or eliminate any provisions of the Income Note Paying Agency Agreement relating to the transfer or exchange of Subordinated Notes for Income Notes or (y) modify the material terms of the Income Notes, in each case without the written consent of a Majority of the Subordinated Notes. For this purpose, "material terms of the Income Notes" means any of the following (A) terms of the Income Notes or (B) restrictions on the Income Note Issuer's business or activities:

- (i) the economic terms of the Income Notes as representing only the right to receive a *pro rata* share of amounts received by the Income Note Issuer in respect of its Subordinated Notes;
- (ii) except for additional Income Notes permitted to be issued after the Closing Date under the Income Note Paying Agency Agreement, no issuance by the Income Note Issuer of any other class of debt or equity securities after the Closing Date;
- (iii) no ownership by the Income Note Issuer of any material assets other than Subordinated Notes and the proceeds thereof;
- (iv) no execution by the Income Note Issuer of any agreements or contracts after the Closing Date, except as permitted by the terms of the Income Note Paying Agency Agreement;
- (v) any provisions relating to (i) the exchange of Income Notes for any of the Subordinated Notes held by the Income Note Issuer or (ii) any in-kind distribution of Subordinated Notes to holders of Income Notes; and
- (vi) no engagement by the Income Note Issuer in any other business except as described in this Offering Circular.

Notwithstanding anything to the contrary in the Income Note Paying Agency Agreement, no amendment of the Income Note Paying Agency Agreement or the Deed of Covenant may become effective without the consent of the holders of all Income Notes unless such amendment will not, in the reasonable judgment of the Income Note Issuer in consultation with legal counsel experienced in such matters, as certified by the Income Note Issuer to the Income Note Paying Agent (upon which certification the Income Note Paying Agent may conclusively rely), (A) result in the Income Note Issuer being treated as being engaged in a trade or business within the United States or becoming subject to U.S. federal income taxation with respect to its net income, or (B) have a material adverse effect on the tax treatment of the Issuer or the Income Note Issuer or the tax consequences to the holders of Income Notes or any Issuer Notes outstanding at the time of such amendment, as described in this Offering Circular under the heading "Certain U.S. Federal Income Tax Considerations."

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 or Income Note Issuer is so required to deduct or withhold, then none of the Issuer, the Co-Issuer or the Income Note 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, and (iii) the Income Notes as equity interest in the Income Note Issuer, in each case for United States 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 partnership for United States federal income tax purposes and the Indenture will provide that the Issuer agrees not to elect to be treated otherwise. The Income Note Issuer expects to be treated as a corporation for United States federal income tax purposes.

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 "Overview 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 action taken or to be taken by or on behalf of the Issuer, (A) if Moody's has indicated to the Issuer (or the Collateral Manager on its behalf) or has published a statement that it will not provide confirmation with respect to a particular category or type of action or designation (other than not providing confirmation because Moody's has determined that such action or designation would cause a withdrawal or reduction with respect to Moody's then-current rating of any Class of Secured Notes), then the Moody's Rating Condition will be inapplicable on and after the date that is 10 Business Days after the Issuer (or the Collateral Manager on its behalf) provides notice of such proposed action or designation to Moody's and (B) the Moody's Rating Condition will be inapplicable if no Class of Secured Notes then outstanding has a rating from Moody's that was solicited by the Issuer.

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) 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;
- (b) 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;
- (c) 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 Custodial Account, (G) the Interest Reserve 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;
- (d) the Issuer's rights under the Collateral Management Agreement and the Collateral Administration Agreement;
- (e) all cash or money delivered to the Trustee (or its bailee) for the benefit of the Secured Parties;
- (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 U.S.\$250 transaction fee paid to the Issuer in consideration of the issuance of the Notes, the proceeds of the issue and allotment of the Issuer's ordinary shares, the bank account in the Cayman Islands in which such funds are deposited (or any interest thereon) or the membership interests of the Co-Issuer.

Collateral Obligations

It is anticipated that the Issuer will have completed the purchase (or commitment to purchase) of at least 70% (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 the applicable Class of Secured Notes, on or about the Determination Date related 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 Defaulted Obligation or a Credit Risk Obligation;
- (iii) is not a lease (including a Finance 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, (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, and (C) withholding tax imposed under FATCA;
- (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", "sf" or "t" subscript assigned by S&P;
- (xii) is not a Related Obligation, a Zero Coupon Bond, a Middle Market Loan, a Bridge Loan, a Real Property Secured Asset 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 Rating that is below "Caa3";

- (xvii) does not mature after the earliest Stated Maturity of any Class of 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 United States 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 50.0% of its principal balance;
- (xxvii) is issued by an obligor that is a Non-Emerging Market Obligor; 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 "Overview 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 and in the Post-Reinvestment Period Substitution 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, with respect to certain specified tests in the Collateral Quality Test, 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 "Overview 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 and in the Post-Reinvestment Period Substitution 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 Deferrable 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 Deferrable 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 Floating Rate Notes during the Interest Accrual Period (or portion thereof, in the case of the first 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 (a) the Weighted Average Coupon plus the Excess Weighted Average Floating Spread equals or exceeds the Minimum Weighted Average Coupon or (b) the aggregate principal balance of all Fixed Rate Obligations is zero.

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 Deferrable 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 lesser of (a) 3200 and (b) 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 the Moody's Rating Factor set forth above opposite the then-current rating of the United States government.

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
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

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
2.9500	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 42%.

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; or
- (b) if the preceding clause does not apply to the Collateral Obligation, except with respect to DIP Collateral Obligations, 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 Secured Bonds, Senior Secured Notes*	Other Collateral Obligations
+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%

or

- (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%.

*If such Collateral Obligation does not have both a corporate family rating and an instrument rating from Moody's, such Collateral Obligation's Moody's Recovery Rate will be determined under the "Other Collateral Obligations" column.

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 December 17, 2021.

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 Interest Diversion Test and 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 purposes of calculating the Coverage Tests and the Interest Diversion Test, except as otherwise specified in the Coverage Tests and the Interest Diversion Test, such calculations will not include scheduled interest and principal payments on Defaulted Obligations unless and until such payments are actually made.

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 and the Interest Diversion Test), the principal balance of a Revolving Collateral Obligation, Delayed Drawdown Collateral Obligation or Letter of Credit Reimbursement 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 and Post-Reinvestment Period Substitution 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.

References under "Overview 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 and the Post-Reinvestment Period Substitution 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 or the Post-Reinvestment Period Substitution 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 Determination 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 or the Post-Reinvestment Period Substitution Criteria, as applicable, are satisfied prospectively after giving effect to a Trading Plan but are not satisfied upon the expiry of the related Trading Plan Period, notice will be provided to each Rating Agency by the Collateral Manager and, prior to commencement of each subsequent Trading Plan, the Issuer shall obtain confirmation from S&P (which may take the form of a press release or other written communication) of its then-current ratings of the Secured Notes.

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.

For purposes of calculating the amount of any Interest Proceeds to be applied to satisfy any Coverage Test or the Interest Diversion Test on any Payment Date occurring after the Reinvestment Period pursuant to any clause of the provision described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds", the aggregate outstanding principal amount of each Class of Secured Notes shall be reduced by (i) the amount of Principal Proceeds transferred to the Payment Account to be applied on such Payment Date to repay principal of such Class of Secured Notes pursuant to the provision described under "Overview of Terms—Priority of Payments—Application of Principal Proceeds" and (ii) the amount of Interest Proceeds to be applied on such Payment Date to repay principal of such Class of Secured Notes pursuant to all preceding clauses of the provision described under "Overview of Terms—Priority of Payments—Application of Interest Proceeds".

Any future anticipated tax liabilities of a Blocker Subsidiary related to an Asset held by such Blocker Subsidiary shall be excluded from the calculation of the Interest Coverage Test, Weighted Average Floating Spread and Weighted Average Coupon.

Determination of the purchase price of a Collateral Obligation shall be made independently each time such Collateral Obligation is purchased by the Issuer and pledged to the Trustee, without giving effect to whether the Issuer has previously purchased such Collateral Obligation (or an obligation of the related borrower or issuer).

The Coverage Tests and the Interest Diversion Test

See "—Collateral Assumptions" for a description of the assumptions applicable to the determination of satisfaction of the Coverage Tests and the Interest Diversion Test.

See "Overview of Terms—Coverage Tests and Interest Diversion Test" for a description of the calculation of the Overcollateralization Ratio Test, Interest Coverage Test and the Interest Diversion 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 make-whole 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 related to the second Payment Date. Measurement of the degree of compliance with the Interest Diversion Test will be required as of each Measurement Date occurring during the Reinvestment Period on or after the Effective Date.

If the Interest Diversion Test is not satisfied on any Determination Date during the Reinvestment Period, the Issuer will be required to apply the Required Interest Diversion Amount to make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations.

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 at any time without restriction;
- (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 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);

- (f) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Collateral Obligation at any time (each such sale, a "**Discretionary Sale**") if:
 - (i) if the commitment to sell or otherwise dispose of such Collateral Obligation occurs on or after the Effective Date, then after giving effect to such disposition, the aggregate principal balance of all Collateral Obligations disposed of as described in this subparagraph (f) during the preceding period of 12 calendar months (or, for the first 12 calendar months after the Effective Date, during the period commencing on the Effective 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 Effective 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 within 45 Business Days after such disposition; or
 - (B) during or after the Reinvestment Period, (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 sale), (2) the Sale Proceeds from such Discretionary Sale are at least sufficient to maintain or increase the Adjusted Collateral Principal Amount (when compared to the Adjusted Collateral Principal Amount immediately prior to such sale), or (3) after giving effect to such Discretionary Sale, 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 or equal to the Reinvestment Target Par Balance;

For purposes of determining the percentage of Collateral Obligations sold during any such period, the amount of any Collateral Obligations sold will be reduced to the extent of any purchases of Collateral Obligations of the same obligor (which are *pari passu* or senior to such sold Collateral Obligations) occurring within 45 Business Days of such sale (determined based upon the date of any relevant trade confirmation or commitment letter) so long as any such Collateral Obligation was sold with the intention of purchasing a Collateral Obligation of the same obligor (which would be *pari passu* or senior to such sold Collateral Obligation);

- (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 United States 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, the Interest Diversion Test 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).

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 United States federal income tax purposes, such Blocker Subsidiary shall file a United States 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 "Overview 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 a Supermajority of each Class of Notes (voting separately) 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.

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 (d) and (e) 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, by its terms, convertible into or exchangeable for Equity Securities, or attached with a warrant to purchase Equity Securities;
- (c) 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 related to the second Payment Date), (i) each Coverage Test will be satisfied, or if not satisfied, such Coverage Test will be maintained or improved and (ii) 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 shall not be reinvested in additional Collateral Obligations;
- (d) (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 or (2) the Reinvestment Balance Criteria will be satisfied 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, the Reinvestment Balance Criteria will be satisfied;
- (e) either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test (except the S&P CDO Monitor Test, in the case of (x) 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 (y) a Substitute Obligation) 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
- (f) 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 45 Business Days after such disposition; *provided* that any such purchase must comply with the Investment Criteria.

Not later than the last Business Day of the Reinvestment Period, the Collateral Manager shall deliver to the Trustee a schedule of Collateral Obligations purchased by the Issuer with respect to which purchases the trade date has occurred but the settlement date has not yet occurred and shall certify to the Trustee that sufficient Principal Proceeds are available (including for this purpose cash on deposit in the Principal Collection Subaccount as well as any Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred) to effect the settlement of such Collateral Obligations. Such Collateral Obligations will be treated as having been purchased by the Issuer prior to the end of the Reinvestment Period for purposes of the Investment Criteria and such Principal Proceeds that will be received by the Issuer from the sale of Collateral Obligations for which the trade date has already occurred but the settlement date has not yet occurred may be applied to the purchase of such Collateral Obligations.

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**") prior to the second Determination Date occurring after the receipt of such Eligible Post Reinvestment Proceeds; *provided* that no Event of Default or Enforcement Event shall have occurred and be continuing and the following criteria (the "**Post-Reinvestment Period Substitution Criteria**") are satisfied, in each case after giving effect to such reinvestment and all other sales (or other dispositions) or purchases previously or simultaneously committed to:

- (i) either (x) the Reinvestment Balance Criteria will be satisfied or (y) with respect to Sale Proceeds from sales of Credit Risk Obligations, the aggregate principal balance of the Substitute Obligations purchased with Sale Proceeds of such Credit Risk Obligations equals or exceeds the amount of such Sale 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) the S&P Rating of each Substitute Obligation is equal to or higher than the S&P Rating of each Collateral Obligation that produced such Eligible Post Reinvestment Proceeds;
- (iv) (x) the Weighted Average Life Test, the Minimum Weighted Average Coupon Test, the Minimum Floating Spread Test, the Minimum Weighted Average Moody's Recovery Rate Test, the Minimum Weighted Average S&P Recovery Rate Test and the Concentration Limitations are satisfied, or if not satisfied, are maintained or improved and (y) the Maximum Moody's Rating Factor Test is satisfied;
- (v) each Coverage Test with respect to each Class of Secured Notes is satisfied; and
- (vi) a Restricted Trading Period is not then in effect.

During and after the Reinvestment Period, the Issuer will not be permitted to execute, enter into, agree to or vote in favor of any Maturity Amendment unless (x) such Maturity Amendment would not cause such Collateral Obligation to mature after the Stated Maturity and (y) the Weighted Average Life Test will be satisfied after giving effect to such Maturity Amendment or, if the Weighted Average Life Test was not satisfied immediately prior to such Maturity Amendment, the level of compliance with the test will be maintained or improved after giving effect to such Maturity Amendment. However, the Issuer will not be in violation of this restriction if any Maturity Amendment is effected in violation of clause (y) above so long as the Issuer (or the Collateral Manager on behalf of the Issuer) has either (A) refused to consent to such Maturity Amendment or (B) provided its consent in connection with the restructuring of such Collateral Obligation as a result of an actual or imminent bankruptcy or insolvency of the related obligor.

The Collection Account and Payment Account

All distributions on the Collateral Obligations and any proceeds received from the disposition of any Collateral Obligations, any Refinancing Proceeds and the proceeds of any issuance of additional notes 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 "Overview 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 U.S. Bank National Association.

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".

In connection with a Refinancing in part by Class of one or more Classes of Secured Notes, the Collateral Manager on behalf of the Issuer may direct the Trustee to apply Partial Refinancing Interest Proceeds from the Interest Collection Account on the Refinancing Date to the payment of the Redemption Price(s) of the Class or Classes of Secured Notes subject to Refinancing without regard to the Priority of Payments.

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 and, if applicable, the Post-Reinvestment Period Substitution Criteria, or used as otherwise permitted under the Indenture. See "—Sales of

Collateral Obligations; additional Collateral Obligations and Investment Criteria" and "Overview of Terms—Priority of Payments".

On the Business Day immediately preceding each Payment Date and on any Redemption Date (to the extent that such Redemption Date is not a Payment Date) and, in the case of proceeds received in connection with a Refinancing of the Secured Notes in whole or an issuance of additional notes, on the date of receipt thereof, 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 (x) amounts to be applied in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, which amounts may be retained in the Collection Account for application to the redemption of such Secured Notes and (y) amounts that the Issuer is entitled to reinvest in accordance with the Investment Criteria and, if applicable, the Post-Reinvestment Period Substitution 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 "Overview 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 U.S. Bank National Association. Amounts in the Payment Account shall remain uninvested.

The Ramp-Up Account

The net proceeds of the issuance of the Notes remaining after (i) payment of fees and expenses (including making a deposit into the Expense Reserve Account) and making a deposit to the Interest Reserve Account and (ii) payment of merger consideration to the TRS Provider (as sole member of the TRS Merger Subsidiary) in connection with the Closing Merger and payment to the Preference Shareholders of an amount equal to unpaid interest accrued to the Closing Date on the TRS reference assets acquired by the Issuer in the Closing Merger, in each case as described under "Risk Factors—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations", will be deposited as Principal Proceeds on the Closing Date, in the amount specified under "Use of Proceeds", 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**"). 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 (x) first, from Principal Proceeds on deposit in the Collection Account and (y) second, from available funds in the Ramp-Up Account (with amounts in the Ramp-Up Account invested in Eligible Investments if 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; *provided* that, on or prior to the following Determination Date, all or a portion of such remaining amounts, as designated by the Collateral Manager, may be deposited into the Interest Collection Account as Interest Proceeds (amounts so designated as Interest Proceeds, "**Designated Unused Proceeds**"), so long as, after giving effect to such designation, the aggregate amount of Designated Unused Proceeds does not exceed an amount equal to 1.0% of the Target Initial Par Amount. 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 U.S. Bank National Association.

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 U.S. Bank National Association.

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 or the Moody's Counterparty Criteria (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 the Moody's Counterparty Criteria); or (2) such Selling Institution Collateral shall be deposited with an Eligible Custodian.

The amount specified under "Use of Proceeds" 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 U.S. Bank National Association.

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**". The amount specified under "Use of Proceeds" 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 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 U.S. Bank National Association.

The Interest 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 "**Interest Reserve Account**". On the Closing Date, at the direction of the Collateral Manager, the Trustee will deposit in the Interest Reserve Account proceeds from the offering of the Notes in an amount equal to the Interest Reserve Amount. On or before the Determination Date relating to the first Payment Date, at the direction of the Collateral Manager, the Issuer may direct that any portion then remaining of the Interest Reserve Amount be transferred to the Collection Account and included as Interest Proceeds or Principal Proceeds for the related Collection Period. On the first Payment Date, all amounts on deposit in the Interest Reserve Account will be transferred to the Payment Account and applied as Interest Proceeds or Principal Proceeds (as directed by the Collateral Manager) in accordance with the Priority of Payments, and the Trustee will close the Interest Reserve Account. The Interest Reserve Account will be established at U.S. Bank National Association.

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 U.S. Bank National Association.

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 United States 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 each Rating Agency 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" (short-term) and "A" (long-term) 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" (short-term) or "A" (long-term) 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 30 calendar days to another institution that is rated at least "A-1" (short-term) and "A" (long-term) 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 30 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), and if such institution's rating falls below "Baa3" by Moody's, the assets held in such account shall be moved within 30 calendar days to another institution that is rated at least "Baa3" by Moody's and satisfies the other requirements of clause (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 Interest Reserve Account are expected to be approximately U.S.\$674,920,000.

On the Closing Date, approximately U.S.\$674,160,000 of the net proceeds of the issuance of the Notes will be used to (a) pay merger consideration to the TRS Provider (as sole member of the TRS Merger Subsidiary) in connection with the Closing Merger in an aggregate amount expected on the Original Distribution Date to be approximately U.S.\$245,960,000 as described under "Risk Factors—Relating to the Collateral Obligations—Closing Date and pre-Closing Date acquisition of Collateral Obligations" and (b) make a deposit into the Ramp-Up Account on the Closing Date for the purchase of additional Collateral Obligations prior to the Effective Date and for deposit into the Collection Account on the Effective Date as described herein.

Approximately U.S.\$428,200,000 will be deposited into the Ramp-Up Account on the Closing Date for use as described herein, approximately U.S.\$11,820,000 will be deposited into the Expense Reserve Account on the Closing Date for use as described herein, an amount equal to the Interest Reserve Amount will be deposited into the Interest Reserve Account on the Closing Date for use as described herein and approximately U.S.\$760,000 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 May 17, 2014, Collateral Obligations such that the Target Initial Par Condition is satisfied.

- (a) Unless clause (b) 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.

- (b) (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, each 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 (a) 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 (a) 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, Class D Notes or Class E 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 Co-Issuers confirm that this information has been accurately reproduced and as far as they are aware and are able to ascertain from the information provided by the Collateral Manager, no facts have been omitted which would render the reproduced information inaccurate or misleading. 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, 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 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 Base Management Fee and 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.\$508 billion of assets under management as of December 31, 2012. 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. 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 December 1, 2013, 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 March 31, 2013, OppenheimerFunds, Inc. (including subsidiaries) had over U.S.\$208 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 September 2013, Baring Asset Management Limited had over U.S.\$60.3 billion of assets under management.

Babson Capital Management LLC. Established in 1940, Babson Capital Management LLC is a global investment management organization and, with over U.S.\$188.3 billion of assets under management (including subsidiaries) as of September 30, 2013, offers access to investment opportunities around that globe and across the investment universe, providing uniquely tailored investment strategies.

As of September 30, 2013, Babson Capital Management LLC and subsidiaries managed over U.S.\$146.5 billion in global 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.\$22.9 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 CDOs backed by leveraged loans. BCE invests in senior loans, mezzanine loans and buyout-related high yield bonds, predominantly in Europe, and manages ten CDO funds.

As of September 30, 2013, Babson Capital Management LLC, directly or as the designee of MassMutual, served as the investment manager for over 45 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 Fixed Income Group. He has over 22 years of industry experience. He previously served as the Head of Babson Capital Management LLC's Global High Yield Investment Group. 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 Merrill Lynch. 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 0.20% 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 0.30% 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 (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 (U) of the Priority of Payments as described in "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and 20% of any remaining Principal Proceeds distributable pursuant to clause (T) of the Priority of Payments as described in "Overview of Terms—Priority of Payments—Application of Principal Proceeds" or (y) 20% of any remaining Interest Proceeds and Principal Proceeds distributable pursuant to clause (V) 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 Base Management Fee or Subordinated 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 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 a Majority 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 a Qualifying Affiliate without (i) the prior written consent of a Majority of the Subordinated Notes and (ii) notice to each Rating Agency. No consent or other action under either of the preceding sentences shall be required, however, if a Change-in-Control of the Collateral Manager occurs or 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; *provided* that (x) the Collateral Manager shall give written notice to the holders of the Subordinated Notes of the occurrence of a Change-in-Control or any such consolidation, merger, amalgamation or transfer and (y) a Majority of the Subordinated Notes shall have the right (which must be exercised within 15 days of delivery of the notice referred to in the preceding clause (x)), in its sole discretion, to direct the Issuer to remove the Collateral Manager. Notice shall be provided to each Rating Agency of any assignment, in whole or in part, of the Collateral Management Agreement.

A "**Qualifying Affiliate**" means an Affiliate of the Collateral Manager that: (i) employs principal investment professionals which manage non-investment grade loans and that are actively involved in the management of the Issuer's Assets and (ii) has other comparable personnel, expertise and capitalization to the Collateral Manager.

A "**Change-in-Control**" means the entity or entities with the power to direct or cause the direction of the management or policies of the Collateral Manager as of the Closing Date, whether through the ownership of voting securities, by contract or otherwise, cease to have such power, unless there is no material change to the principal investment professionals which manage non-investment grade loans of the Collateral Manager and such investment professionals remain actively involved in the selection and management of the Issuer's Assets.

The Collateral Manager may employ third parties (including Affiliates) to perform any of its duties under the Collateral Management Agreement; *provided* that (x) the Collateral Manager will not be relieved of any of its duties under the Collateral Management Agreement as a result of such delegation to or employment of third parties and will be liable for acts and omissions of such third parties to the same extent (including the same standard of care) as if such acts and omissions were acts or omissions of the Collateral Manager, (y) the Collateral Manager will be solely responsible for the fees and expenses payable to any such third party except to the extent such expenses are payable by the Issuer under the Collateral Management Agreement and (z) the Collateral Manager shall obtain the prior written consent of a Majority of the Subordinated Notes to any delegation under the Collateral Management Agreement of portfolio management or credit research duties to any third party that is not an Affiliate of the Collateral Manager. The Collateral Manager shall notify Moody's of any such delegation of its duties.

With the consent of a Majority of the Subordinated Notes, the Collateral Management Agreement may be amended by the Issuer and the Collateral Manager for any reason following notice to each Rating Agency.

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 of a material fact or any omission of any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in (A) the preliminary offering circular and the final 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 the final offering circular. 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 Supermajority of the Controlling Class (or, if all of the Controlling Class is deemed not to be outstanding, a Supermajority 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 (it being understood that any failure by the Issuer to meet any Concentration Limitation, Collateral Quality Test or Coverage Test or the Interest Diversion Test is not such a breach; *provided* that the foregoing will not limit the Collateral Manager's or the Issuer's obligations in respect of any such test when purchasing or selling Collateral Obligations on behalf of the Issuer), 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, the Indenture or the Collateral Administration 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 or (B) any officer, director or investment professional 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 10 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 United States 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 each Class of Secured Notes (voting separately by Class) within 15 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. 2013-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 September 9, 2013 in the Cayman Islands with registered number 280879 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 David Hogan. 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 arrangements to facilitate the acquisition of Collateral Obligations prior to the Closing Date in contemplation of the transactions described herein. See "Risk Factors—Relating to the Collateral Obligations—Closing Date and 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 2013-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 and the Class E Notes. The Co-Issuer was formed on November 27, 2013 in the State of Delaware with registered number 5439847 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 of 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	\$415,000,000
Class A-2 Notes	\$97,000,000
Class B-1 Notes	\$32,000,000
Class B-2 Notes	\$16,000,000
Class C Notes	\$38,000,000
Class D Notes	\$29,000,000
Class E Notes	\$10,000,000
Subordinated Notes	\$60,725,000
Total Debt	\$697,725,000
Issuer Ordinary Shares	250
Retained Earnings	
Total Equity	\$250
Total Capitalization	\$697,725,250 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 and the Class E 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 the Class E 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 Interest Diversion Test, 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 U.S. Bank National Association, 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 September 10, 2013 (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.

THE INCOME NOTE ISSUER

General

Babson CLO Ltd. Income Note 2013-II 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 investing in the Subordinated Notes, issuing the Income Notes and engaging in certain related transactions. The Income Note Issuer was incorporated on October 10, 2013 in the Cayman Islands with registered number 281864 and has an indefinite existence. The Income Note 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 Income Note Issuer are Andrew Dean and David Hogan. The directors of the Income Note Issuer serve as directors of and provide services to other special purpose entities that issue collateralized obligations and perform other duties for the Income Note Administrator. The Income Note Issuer will have no operating history prior to the Closing Date, will not have any substantial assets other than certain Subordinated Notes, and will not have any substantial liabilities other than administrative fees and expenses (which administrative fees and expenses are expected to be paid by the Issuer in accordance with the Priority of Payments). The Income Note Issuer will not publish any financial statements. The Deed of Covenant sets out the objects of the Income Note Issuer, which are restricted to the business to be carried out by the Income Note Issuer in connection with holding Subordinated Notes.

As of the Closing Date, the authorized share capital of the Income Note Issuer will consist of U.S.\$50,000, divided into 50,000 ordinary voting shares of U.S.\$1.00 par value per share (the "**Income Note Issuer Ordinary Shares**"). As of the Closing Date, 250 of the Income Note Issuer Ordinary Shares will have been issued and will be held by MaplesFS Limited (in such capacity, the "**Income Note Share Trustee**") under the terms of a declaration of trust ultimately for charitable purposes. Under the terms of such declaration of trust, the Income Note Share Trustee will, among other things, agree not to dispose of or otherwise deal with the Income Note Issuer Ordinary Shares while any Income Notes remain outstanding. The Income Note Share Trustee, in its capacity as such, will have no beneficial interest in and derive no benefit other than its fees from its holding of the Income Note Issuer Ordinary Shares.

Capitalization

The initial capitalization and indebtedness of the Income Note Issuer as of the Closing Date, after giving effect to the issuance of the Income Notes and the Income Note Issuer Ordinary Shares but before deducting expenses of the offering of the Income Notes, is expected to be as follows:

	Amount
Income Notes	\$10,000,000
Total Debt	\$10,000,000
Income Note Issuer Ordinary Shares.....	250
Retained Earnings	
Total Equity	\$250
Total Capitalization	\$10,000,250 ¹

1 Unaudited.

MaplesFS Limited will act as the administrator of the Income Note Issuer (in such capacity, the "**Income Note Administrator**"). The office of the Income Note Administrator will serve as the general business office of the Income Note Issuer. Through the office, and pursuant to the terms of an Income Note Administration Agreement to be entered into between the Income Note Issuer and the Income Note Administrator (the "**Income Note Administration Agreement**"), the Income Note 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 Income Note Issuer and the provision of certain clerical, administrative and other services until termination of the Income Note Administration Agreement. The Income Note Issuer and the Income Note Administrator have entered

into a registered office agreement dated October 10, 2013 (the "**Income Note Registered Office Agreement**") for the provision of registered office facilities to the Income Note Issuer. In consideration of the foregoing, the Income Note Administrator will receive various fees payable by the Income Note Issuer at rates agreed upon from time to time, plus expenses. The terms of the Income Note Administration Agreement and the Income Note Registered Office Agreement provide that either the Income Note Issuer or the Income Note 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 Income Note Administration Agreement and the Income Note 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 Income Note Administrator under the Income Note Administration Agreement will be subject to the overview of the Income Note Issuer's Board of Directors.

The Income Note Administrator's principal office and the business address of each of the directors of the Income Note Issuer is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Business

The Income Note Issuer will not undertake any business other than the issuance and selling of the Income Notes and other related transactions. The Income Note Issuer will not have any employees (other than its directors) or subsidiaries.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following is a summary based on present law of certain United States federal income tax considerations for prospective purchasers of the Notes. It addresses only purchasers that buy Notes in the original offering at the original offering price, hold the Notes as capital assets and use the U.S. dollar as their functional currency. The discussion is a general summary; 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, this discussion does not consider the circumstances of particular purchasers, some of which (such as banks, insurance companies, securities traders and dealers, tax-exempt investors (other than to the limited extent specifically discussed below) or persons holding the Notes as part of a hedge, straddle, conversion, integrated or constructive sale transaction) are subject to special tax regimes. This summary does not describe any United States federal estate or gift tax or state, local or non-U.S. tax considerations.

THE STATEMENTS ABOUT U.S. FEDERAL TAX ISSUES HEREIN 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.

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, (i) an individual citizen or resident of the United States, (ii) a corporation or other business entity treated as a corporation organized under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a United States person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to United States federal income tax regardless of its source. 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 United States federal income tax purposes holds Notes, the United States 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 United States federal income tax purposes with the Notes issued in the original offering.

Tax Treatment of the Issuer

United States Federal Income Taxes

The Issuer expects to be treated as a partnership for United States federal income tax purposes (and will make an election in that regard), provided that at least two and not more than 100 persons are treated as the owners of the Subordinated Notes and any other equity interests in the Issuer for such purposes. If the Issuer were a "publicly traded partnership" or a "taxable mortgage pool," it would be treated as a corporation for United States federal income tax purposes. Based on certain restrictions on the transfer of the Class D Notes, the Class E Notes and the Subordinated Notes and the assets that the Issuer is permitted to own, however, the Issuer expects that it will neither be a publicly traded partnership nor a taxable mortgage pool. The Issuer will not receive any opinion nor seek any ruling from the IRS as to its treatment as a partnership. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately conclude, that the Issuer should be treated as a publicly traded partnership or a taxable mortgage pool and therefore not as a partnership for United States federal income tax purposes. The remainder of this discussion assumes that the Issuer will be treated as a partnership for United States federal income tax purposes.

To the extent the Issuer is treated as a partnership, the Issuer will not be subject to United States federal income tax on its net income, but would be required to withhold U.S. tax on income effectively connected with the conduct of a trade or business within the United States to the extent such income, if any, is allocable to non-U.S. persons holding its Subordinated Notes (including the Income Note Issuer) or any other equity interests in the Issuer. On the Closing Date, the Issuer expects to receive an opinion from U.S. Income Tax Counsel that, although there is no direct authority addressing transactions similar to those contemplated herein, under current law and assuming the Issuer conducts its activities in accordance with certain assumptions and representations as to the Issuer's contemplated activities and in compliance with the Transaction Documents, the Issuer will not be treated as engaged in a trade or business within the United States except to the extent it acquires investments in certain Equity Securities, Defaulted Obligations and securities or obligations received in an offer issued by non-corporate entities that are so engaged. The opinion of U.S. Income Tax Counsel is not binding on the IRS, and no ruling will be sought from the IRS regarding these or any other aspects of the United States federal income tax treatment of the Issuer. Accordingly, there can be no assurance that the IRS will not contend, and that a court will not ultimately conclude, that the Issuer should be treated as engaged in a trade or business within the United States for United States federal income tax purposes as the result of unanticipated activities by the Issuer, changes in law, contrary conclusions by the IRS or other causes. The imposition of unanticipated net income taxes could materially impair the Issuer's ability make payments on the Notes and could constitute a Tax Event. See "Description of the Notes—Optional Redemption and Tax Redemption".

Withholding Taxes

Generally, United States source interest income received by a foreign partnership not engaged in a trade or business within the United States is subject to United States withholding tax. Subject to the discussion relating to FATCA below, 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 and Eligible Investments on which withholding tax is generally 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 payments received by the Issuer on Collateral Obligations or Eligible Investments will not be subject to withholding taxes imposed by the United States or other countries from which such payments are sourced as a result of a change in law or administrative practice, procedure, or interpretations thereof. Payments from Equity Securities and certain Defaulted Obligations of U.S. issuers are likely to be subject to U.S. withholding tax.

In the event that a Non-U.S. holder of Subordinated Notes (or any Class D Notes or Class E Notes that are treated as equity in the Issuer for United States federal income tax purposes) is (i) a bank (within the meaning of section 881(c)(3)(A) of the Code), (ii) owns 10% or more of the voting stock or profits or capital interests in the issuer of a Collateral Debt Obligation or Eligible Asset, or (iii) is a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code with respect to any issuer of a Collateral Debt Obligation or Eligible Asset, the Issuer could be subject to United States federal withholding tax on income allocable to such Non-U.S. holder. 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 U.S. withholding tax, which would 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 U.S. 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.

The imposition of unanticipated net income taxes could materially impair the Issuer's ability make payments on the Notes and could constitute a Tax Event. See "Description of the Notes—Optional Redemption and Tax Redemption".

Issuance of the Secured Notes

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

FATCA Withholding

Under FATCA, the Issuer and the Income Note Issuer will be subject to a 30% U.S. withholding tax on (x) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain sales received by the Issuer and the Income Note 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 and the Income Note 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 and Income Note Issuer, as applicable, is entitled to an exemption from FATCA under the Cayman IGA or (b) the Issuer and Income Note Issuer, as applicable, has in effect a FATCA Agreement. The Issuer and the Income Note Issuer expect to comply with the Cayman IGA.

The terms of the Cayman IGA require the Issuer and the Income Note Issuer to comply with Cayman Islands legislation that would be implemented to give effect to FATCA, and the Issuer and Income Note Issuer would be responsible for collecting information in respect of any U.S. holders and providing such information to the Tax Information Authority of the Cayman Islands. The Tax Information Authority would then pass on such information to the IRS as required pursuant to the terms of the Cayman IGA. Under the terms of the Cayman IGA, withholding will not be imposed on payments made to the Issuer and the Income Note Issuer, or on certain payments made by the Issuer and the Income Note Issuer to a holder of Notes, unless the IRS has specifically listed the Issuer or the Income Note Issuer (as applicable) as a nonparticipating financial institution.

To enable the Issuer and the Income Note 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, the Income Note Issuer, the Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer and the Income Note Issuer or the Trustee, as applicable) for the Issuer, the Income Note Issuer, the Trustee and their agents and delegates 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, Income Note Issuer, the Trustee and their agents and delegates 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 the Income Note Issuer, the Trustee and their agents and delegates 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, the Income Note Issuer, the Trustee and their agents and delegates 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. Holders which fail to comply with the Noteholder Reporting Obligations may be subject to withholding and other adverse consequences. See "Transfer Restrictions—Additional Restrictions; Information required to be provided by holders of Notes".

Additionally, holders of Subordinated Notes may be subject to withholding tax under FATCA on (x) certain U.S.-source payments made after June 30, 2014, and the proceeds of certain sales received by the Issuer and the Income Note 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 and the Income Note 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", if such holders or the beneficial owners of the Subordinated Notes are non-U.S. financial institutions that are not exempt from FATCA withholding by reason of entering into a FATCA Agreement or under an IGA. Additionally, holders of Income Notes may be subject to withholding tax under FATCA on payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer and the Income Note 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", if such holders or the beneficial owners of the Income Notes are non-U.S. financial institutions that are not exempt from FATCA withholding by reason of entering into a FATCA Agreement or under an IGA.

Except as described in the foregoing paragraphs, the Issuer and Income Note Issuer expect 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 "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 the Co-Issuers nor the Income Note Issuer shall be under any obligation to make any additional payments in respect of such withholding or deduction.

Tax Treatment of U.S. Holders of Secured Notes

Status of the Co-Issued Notes

The Issuer expects to receive an opinion from U.S. Income Tax Counsel on the Closing Date 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, 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 United States federal income tax purposes.

Status of the Class D Notes and Class E Notes

The Issuer expects to receive an opinion from U.S. Income Tax Counsel on the Closing Date that the Class D Notes should be treated as debt for United States federal income tax purposes. No opinion will be received with respect to the Class E Notes. The Issuer will treat, and each holder of a Class D Note or a Class E Note, by acceptance of such Note, will agree to treat the Class D and Class E Notes as debt for such purposes. The United States federal income tax treatment of the Class D Notes and Class E 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 or Class E Notes are properly characterized as equity in the Issuer for United States federal income tax purposes.

The following discussion assumes that the Class D Notes and Class E Notes will be treated entirely as debt of the Issuer. If the Class D Notes or Class E Notes were characterized as equity in the Issuer for United States federal income tax purposes, U.S. holders of such Notes generally would be subject to the treatment described below for U.S. holders of Subordinated Notes.

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. A U.S. holder of a Secured Note issued with more than de minimis original issue discount ("**OID**") also must include the OID in income on a constant yield to maturity basis whether or not it receives cash payments in the relevant accrual period. A Class of Secured Notes will have been issued with more than de minimis OID if the sum of all payments due (other than payments of qualified stated interest, if any) exceeds their issue price by an amount that is at least 0.25% of their stated redemption price multiplied by the number of full years to their weighted average maturity. The issue price of each Class of Secured Notes is the price at which a substantial portion is sold to investors (other than the Initial Purchaser, dealers or other distributors). Qualified stated interest is generally interest that is unconditionally payable at a single fixed rate or certain floating rates.

Because payments on each Payment Date of stated interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E 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, the Class D Notes and the Class E Notes (collectively, the "**Deferred Interest Notes**") for United States federal income tax purposes as having 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. Interest and OID recognized by certain non-corporate U.S. holders will generally be includible in "net investment income" for purposes of the Medicare contribution tax.

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. Gain realized by certain non-corporate U.S. holders will generally be includible in "net investment income" for purposes of the Medicare contribution tax.

Tax Treatment of U.S. Holders 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. Each U.S. holder of Subordinated Notes must report its share of the Issuer's income and other tax items on its United States federal income tax return whether or not such U.S. holder receives cash distributions from the Issuer. The use of the Issuer's income to fund reserves and to repay the Issuer's debt, in particular, will cause an U.S. holder of Subordinated Notes to recognize income even though it does not receive the related cash. It also is possible, as a result of rules governing OID and market discount, that the Issuer and holders of Subordinated Notes in some years will have taxable income greater than cash receipts.

Distributions; Basis

A cash distribution on Subordinated Notes generally will be taxable only to the extent that the distribution exceeds the U.S. holder's tax basis in its Subordinated Notes. The taxable portion of the distribution generally will be capital gain.

A U.S. holder's tax basis in its Subordinated Notes generally will equal the amount paid to the Issuer for the Subordinated Notes in the initial offering increased by (i) the U.S. holder's distributive share of the Issuer's income

and (ii) the U.S. holder's share of the Issuer's debt and decreased by (x) the amount of the Issuer's distributions to the Subordinated Noteholder, (y) the U.S. holder's distributive share of the Issuer's loss and (z) any reduction in the U.S. holder's share of the Issuer's debt.

Allocations of Income and Loss

U.S. holder's distributive share of partnership income, gain, loss, deduction or credit is determined in accordance with the provisions of the Indenture.

Losses and Expenses

A U.S. holder's ability to deduct its share of the Issuer's losses and expenses is subject to a number of limitations. A U.S. holder may not deduct any net loss in excess of its tax basis in its Subordinated Notes. Certain non-corporate U.S. holders of Subordinated Notes and closely-held corporations may not deduct a net loss in excess of the amount such U.S. holder has put at risk (which will not include the Issuer's debt or debt used to fund investment in the Subordinated Notes unless the U.S. holder is personally liable for the debt or the debt is secured by assets of the U.S. holder other than its Subordinated Notes). If the Issuer were found to be engaged in a trade or business, those U.S. holders also could be subject to restrictions on the deduction of passive losses.

Deductions for particular losses or expenses may be limited even if a U.S. holder has overall income or gain from its investment in the Issuer. A U.S. holder may deduct capital losses from all sources only to the extent of its capital gains (plus, in the case of individuals U.S.\$3,000 of ordinary income). Excess capital losses of corporations may be carried back for three and forward for five taxable years, and excess capital losses of individuals may be carried forward indefinitely. Assuming the Issuer is not engaged in a trade or business, restrictions on deductions for investment interest and miscellaneous expenses could restrict a non-corporate U.S. holder's ability to deduct its allocable share of the Issuer's interest and other expenses (including management, advisor fees and swap expense). The deductibility of interest expense attributable to OID accruing with respect to the Class E Notes and any other Class of Secured Notes that is treated as an applicable high yield discount obligation ("**AHYDO**") that is proportionately allocable to U.S. holders of Subordinated Notes that are treated as corporations for United States federal income tax purposes may be deferred until the OID is paid and, the portion, if any, that exceeds a qualifying threshold may be permanently disallowed. U.S. holders should consult their tax advisors about how these limitations could affect them.

U.S. holders of Subordinated Notes may not deduct their share of fees and other expenses (so-called syndication expenses) incurred by the Issuer in the offering and sale of the Subordinated Notes. The Issuer will elect to amortize expenses incurred in its organization over 60 months. The Issuer also will amortize expenses incurred in the issuance of the Secured Notes over the term of the Secured Notes. IRS may challenge the Issuer's allocation of expenses between amortizable organization and debt issuance expenses and nonrecoverable syndication expenses.

Issuer Income and Loss

The Issuer will adopt an accrual method of accounting for tax purposes and generally will recognize income on an accrual basis. Interest income accrued on the Assets generally will be ordinary income. However, the Assets held by the Issuer may include instruments subject to the following special tax rules:

Original Issue Discount. The Assets may include debt instruments with OID. OID generally is the difference between an instrument's issue price and its stated redemption price at maturity. The issue price generally is the amount paid for the instrument in its initial offering. The stated redemption price at maturity is the total of all payments due under the terms of the instrument other than qualified stated interest. Qualified stated interest is interest based on a fixed rate or certain variable rates and unconditionally payable in cash or property at least annually. The Issuer must include in income the sum of the daily portions of OID that accrue on the instrument for each day when the Issuer holds the instrument.

Holders of a debt instrument with OID may be required to accrue OID even when, on account of the obligor's financial condition, there is no reasonable expectation of repayment in accordance with the

terms of the instrument. The taxable income reported by the Issuer with respect to defaulted or delinquent instruments therefore could exceed significantly the cash received by the Issuer during a particular period.

Market Discount. The Assets may include debt instruments acquired at a market discount. Market discount is the amount by which the stated redemption price at maturity (or, in the case of an instrument with OID, the revised issue price) exceeds the Issuer's basis in the instrument immediately after acquisition. (The revised issue price of an instrument is its initial issue price increased by the OID includible in the gross income of previous holders.) The Issuer generally must treat payments other than qualified stated interest on an instrument with market discount as ordinary income to the extent of accrued market discount and to treat gain on the disposition or redemption of the instrument as ordinary income to the extent of accrued market discount not previously included in income. Market discount will accrue, at the election of the Issuer, either ratably or at a constant yield to maturity. The Issuer may elect to take market discount into income as it accrues, but this election applies to all market discount obligations acquired in or after the first year in which the election applies and may not be revoked without the IRS's consent.

Premium. The Assets may include debt instruments acquired at a price greater than their stated redemption prices at maturity. The Issuer may elect to amortize the bond premium on such instruments. If the Issuer makes this election, the amount of interest that the Issuer otherwise would recognize on the instruments each year generally will be reduced by the amount of amortizable bond premium allocable to the year on a constant yield to maturity basis. Amortized bond premium will reduce the Issuer's basis in the instruments.

Foreign Tax Credits. Non-U.S. withholding taxes may apply to income paid to the Issuer by non-U.S. borrowers, and the Issuer does not expect to obtain the benefit of reduced rates of withholding under U.S. or other income tax treaties. A U.S. holder of a Subordinated Note should be entitled to claim foreign tax credits for its share of non-U.S. withholding taxes subject to generally applicable limitations. A U.S. holder of Subordinated Notes may not be entitled to claim foreign tax credits, however, for withholding tax that could have been avoided if the Issuer had taken steps to claim on behalf of the U.S. holder of Subordinated Notes treaty benefits to which such U.S. Holder was entitled.

Disposition

A U.S. holder of Subordinated Notes generally will recognize capital gain or loss on the sale or other disposition of the Subordinated Notes. The amount of gain or loss will be the difference between the amount realized and the U.S. holder's adjusted tax basis in the Subordinated Notes. The amount realized includes the U.S. holder's share of the Issuer's liabilities on the Secured Notes.

A U.S. holder of Subordinated Notes will recognize ordinary gain or loss on the disposition of the Subordinated Notes to the extent of its share in the Issuer's property described in Section 751 of the Code (which generally is property the sale of which would produce ordinary income for the Issuer). Debt securities with market discount are, in part, property described in Section 751 of the Code.

If 50 percent or more of the Subordinated Notes were transferred within any 12-month period, the Issuer would be deemed to have terminated for United States federal income tax purposes and then reconstituted as a new partnership. The deemed termination and reconstitution might have certain tax disadvantages for U.S. holders of Subordinated Notes.

Basis Adjustments

An entity treated as a partnership for tax purposes can elect, and in some circumstances may be required, to adjust the tax basis of its assets to reflect gain or loss attributable to a partner's sale or exchange of a partnership interest. The election can produce benefits for transferees of Subordinated Notes if the partnership's assets have appreciated, but the resulting record keeping can become complex. Failure to make the election could cause transferees of Subordinated Notes to recognize more income or less loss than would be the case if the election were made. The Issuer will make this election upon request of a holder of Subordinated Notes or if required to by law. The Issuer expects to qualify as a "securitization partnership" so that it will not be obligated to reduce its adjusted

tax basis in a proportionate part of its Assets if, immediately after a transfer of Subordinated Notes, the Issuer has a "substantial built-in loss" (generally, an aggregate adjusted tax basis in its assets that exceeds the fair market value of such assets by more than \$250,000).

Tax Returns; Audit; Special Information Reporting

The Issuer's taxable year is expected to be the calendar year (although the taxable year actually adopted will depend on the taxable years of the partners). The Issuer intends to distribute tax information to each holder of Subordinated Notes no later than 90 days after the end of the taxable year. Each holder of Subordinated Notes required to file a United States federal income tax return generally must file its return in conformity with the information returns filed by or for the Issuer or must disclose any differences.

The Issuer's returns are subject to review by the IRS and other taxing authorities, which may dispute the Issuer's tax positions. Recharacterizations or adjustments resulting from an audit may require each holder of Subordinated Notes to file amended tax returns and to pay additional income tax, interest or penalties. They also may result in an audit of the tax returns of holders of Subordinated Notes.

The Issuer will have a tax matters partner, who will have considerable authority with respect to the tax treatment of items and the procedural rights of the holders of Subordinated Notes. The tax matters partner generally can extend the statute of limitations for a partnership item on behalf of all holders of Subordinated Notes and can make settlements of tax deficiencies that bind holders of Subordinated Notes unless they have filed a statement with the IRS.

Medicare Contribution Tax on Net Investment Income

The "net investment income", which includes interest, dividends and gain, of certain individuals, estates and trusts is subject to a 3.8% Medicare contribution tax. The time at which income with respect to the Subordinated Notes is taken into account for purposes of computing this tax may differ from the time at which it is taken into account for purposes of the United States federal income tax. Whether the time will differ will depend on how the activities of the Issuer are characterized for such purposes and on elections made by the holder. Distributions on the Subordinated Notes received by certain individuals, estates and trusts generally will be includible in "net investment income", even though such distributions otherwise are not taxable to U.S. holders as ordinary income.

Tax Treatment of the Income Note Issuer

United States Federal Income Taxes

The Income Note Issuer expects to be treated as an association taxable as a corporation for United States federal income tax purposes. The activities of the Income Note Issuer will be limited to investing in the Subordinated Notes, issuing the Income Notes and engaging in certain related transactions. Accordingly, so long as the Issuer is not engaged in a U.S. trade or business, the Income Note Issuer expects that it will not be treated as so engaged and therefore its net income will not be subject to United States federal income tax.

If the Income Note Issuer were determined to be engaged in a U.S. trade or business, it would generally be subject to substantial United States federal corporate income tax and an additional branch profits tax of 30% on its allocable share of the Issuer's effectively connected earnings and profits. The imposition of such taxes could materially impair the Income Note Issuer's ability to pay interest on and principal on the Income Notes.

Tax Treatment of U.S. Holders of Income Notes

Status of the Income Notes

Under United States federal income tax principles, the Income Notes will be treated as equity of the Income Note Issuer. The Income Note Issuer will treat, and each U.S. holder of the Income Notes, by acquiring an interest in an Income Note, will agree to treat, the Income Notes as equity of the Income Note Issuer for United States federal income tax purposes, and the following discussion assumes the Income Notes constitute equity for such purposes.

Passive Foreign Investment Company Rules

The Income Note Issuer will constitute a "passive foreign investment company" ("**PFIC**") for United States federal income tax purposes, and the Income Notes will be subject to treatment as equity in a PFIC. In general, a U.S. holder of an Income Note may desire to make an election to treat the Income Note 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 Income 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 Income Note Issuer's ordinary earnings and net capital gain, whether or not distributed, assuming that the Income Note 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 Income 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 Income Note 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 Income Note 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 Income Notes in amounts significantly greater than the distributions received from the Income Note Issuer on such Income 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 Income Notes should be aware that it is expected that the income allocated to the Income Note Issuer with respect to the Subordinated Notes may exceed the actual amounts distributed with respect to those Subordinated Notes. Thus, absent an election to defer payment of taxes, U.S. holders that make a QEF election with respect to the Income Note Issuer may owe tax on significant amounts of "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 Income Note Issuer will provide, upon request, all information and documentation that a U.S. holder of an Income Note making a QEF election is required to obtain for United States federal income tax purposes (e.g., the "**PFIC Annual Information Statement**," as described in applicable Treasury Regulations, including a U.S. holder's *pro rata* share of ordinary income and net capital gain).

If a U.S. holder does not make a timely QEF election, a U.S. holder of Income Notes would generally be required to report any gain on disposition of such Income Notes (including any deemed disposition resulting from the use of such Income 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 Income 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 Income Notes as security for a loan may be treated as a taxable disposition of such Income Notes. An "**excess distribution**" is the amount by which distributions during a taxable year in respect of an Income 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 Income Note). In addition, a stepped-up basis in such Income 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 Income 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 Income 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 INCOME NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF

ELECTION WITH RESPECT TO THE INCOME NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

Controlled Foreign Corporation Rules

The Income Note 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. This discussion assumes the Income Notes are voting equity for such purposes. If the Income Note Issuer were to constitute a CFC, a U.S. Shareholder of the Income Note 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 Income Note Issuer an amount equal to that person's *pro rata* share of the subpart F income and certain United States source income of the Income Note Issuer. Any such inclusion would increase the U.S. Shareholder's basis in its Income 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 Income Note Issuer were to constitute a CFC, all or substantially all of its income would be subpart F income.

If the Income Note Issuer were treated as a CFC, a U.S. Shareholder of the Income Note Issuer would generally be taxable on the subpart F income of the Income Note 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 Income Note 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 Income Note Issuer is not a CFC) and does not elect to treat the Income Note 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 Income Notes or in the status of the Income Note 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 Income Note 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 Income 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 Income 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 Income Notes, then such U.S. holder would be treated as acquiring a new equity interest in the Income Note Issuer on the day following the date on which the holder ceased to be subject to the CFC inclusion rules. Because such Income 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 INCOME NOTES UNDER SUCH CIRCUMSTANCES, INCLUDING THE POTENTIAL INTERPLAY OF THE PFIC, QEF AND CFC RULES, ARE QUITE COMPLEX, AND U.S. HOLDERS OF INCOME NOTES (ACTUALLY OR CONSTRUCTIVELY BY ATTRIBUTION) SHOULD CONSULT THEIR TAX ADVISORS IN THIS REGARD.

Distributions on the Income Notes

The treatment of actual distributions of cash on the Income 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 Income Note 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 Income 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 Income 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 Income 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".

Distributions on the Income Notes received by certain individuals, estates and trusts will generally be includible in "net investment income" for purposes of the Medicare contribution tax, whether or not such distributions otherwise are taxable to U.S. holders as ordinary income. Provided that the Income Note Issuer is not treated as engaged in a trade or business of trading in securities or commodities, QEF or Subpart F inclusions in respect of the Income Notes generally will not be includible in "net investment income" subject to the Medicare contribution tax at the time such amounts otherwise are includible in ordinary income by a U.S. holder. Under recently proposed regulations, a U.S. holder may elect to compute investment income from an interest in a QEF or CFC for purposes of the Medicare contribution tax in the same manner as inclusions, distributions and gain or loss are determined for ordinary income tax purposes. Under these proposed regulations, once such an election is made, it will apply to all interests in CFCs and PFICs owned by the electing U.S. holder, including interest in CFCs and PFICs that subsequently are acquired by the electing U.S. holder, and cannot be revoked, except with the consent of the IRS. U.S. holders making QEF elections or required to include income under the CFC inclusion rules as a U.S. 10% Shareholder should consult their own tax advisors with respect to the tax consequences to them of income inclusions and receipt of distributions with respect to the Income Notes for purposes of the Medicare contribution tax.

Sale or Other Disposition of the Income 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 an Income Note equal to the difference between the amount realized and such holder's adjusted tax basis in such Income Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held such Income 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 Income 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 Income Note 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 Income 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 an Income Note generally will 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 Income Note 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 Income 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 Income Note 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.

Gain or loss realized on the disposition of the Income Notes by certain individuals, estates and trusts will generally be includible in "net investment income" for purposes of the Medicare contribution tax. The amount of gain or loss realized by a U.S. holder generally will be determined without regard to any basis adjustments arising by virtue of a QEF election or the CFC rules, as applicable. Under recently proposed regulations, a U.S. holder may elect to compute investment income from an interest in a QEF or CFC for purposes of the Medicare contribution tax in the same manner as inclusions, distributions and gain or loss are determined for ordinary income tax purposes. Under these proposed regulations, once such an election is made, it will apply to all interests in CFCs and PFICs owned by the electing U.S. holder, including interest in CFCs and PFICs that subsequently are acquired by the electing U.S. holder, and cannot be revoked, except with the consent of the IRS. U.S. holders disposing of Income Notes that have elected to treat the Income Note Issuer as a QEF or are U.S. 10% Shareholders under the CFC inclusion rules should consult their own tax advisors with respect to the tax consequences to them of disposing of Income Notes for purposes of the Medicare contribution tax.

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 and Income Notes to file a Form 926 with the IRS and to supply certain additional information to the IRS. Investors who fail to file required forms or supply required information may be subject to substantial penalties. Recently enacted legislation may add additional reporting requirements. Purchasers of Subordinated Notes and Income Notes are urged to consult their tax advisors regarding these and any other reporting requirements.

Tax Shelter Regulations

A U.S. holder of Subordinated Notes or Income Notes that dispose of such Subordinated Notes or Income 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 and Income 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 or Income Notes.

Re-Pricing

The treatment of a Re-Pricing of a Note for United States federal income tax purposes is not entirely clear. It is possible that the Re-Pricing could be treated as occurring pursuant to a unilateral option of the Issuer. In that event, the Re-Pricing would not result in a deemed exchange of the Notes of the Re-Priced Class for new notes. It is likely, however, that a Re-Pricing will be treated as a deemed exchange of old Notes of the Re-Priced Class for new notes of the Re-Priced Class. In that event, a U.S. holder may be required to recognize gain or loss with respect to its Notes that are part of the Re-Priced Class, and would have their holding period in such Notes reset. This gain or loss would be equal to the difference between the issue price of the deemed new notes of the Re-Priced Class, which depending on whether such notes are then treated as traded on an established market, may be the fair market value rather than the principal amount of the notes, and the U.S. holder's tax basis in the deemed old notes of the Re-Priced Class. Moreover, Notes of the Re-Priced Class would be treated as newly issued for purposes of determining whether FATCA withholding applies to payments on those Notes.

In the event that the stated redemption price at maturity of the new notes of a Re-Priced Class received in the deemed exchange is greater than the issue price of such notes, a U.S. holder of a new note of a Re-Priced Class may be required to include additional OID in income as a result of the Re-Pricing. In the event that the issue price of the deemed new notes of the Re-Priced Class is less than the principal amount of such notes, the Issuer may be required to recognize cancellation of indebtedness income. Recognition of cancellation of indebtedness income may result in adverse consequences for the Subordinated Notes and Income Notes. For example, a U.S. holder of a Subordinated Note, and the U.S. holder of an Income Note that has made a QEF election may be required to include its allocable share of the Issuer's cancellation of indebtedness income. Each prospective investor should consult its

own tax advisor regarding the tax consequences to it of a Re-Pricing, including whether income must be recognized as a result of the Re-Pricing and the source and character of any such income.

Tax Treatment of Non-U.S. Holders

Subject to the discussion "FATCA" above, 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.

Assuming the Issuer is not engaged in a United States trade or business, non-U.S. holders of Subordinated Notes (including the Income Note Issuer) will not be considered to be engaged in a United States trade or business solely by reason of holding Subordinated Notes. If the Issuer were found to be engaged in a trade or business within the United States, the Issuer would be required to withhold tax in respect of Subordinated Notes held by Non-U.S. holders, and each Non-U.S. holder of Subordinated Notes would be required to file an annual United States federal income tax return reporting its share in the Issuer's income. The Issuer expects to conduct its activities so that it will not become engaged in a U.S. trade or business. The Issuer can offer no assurance, however, that it might not become engaged in a U.S. trade or business because, for example, it conducts unexpected activities, misunderstands the tax consequences of its activities or holds an equity interest in a fiscally transparent entity that engages in a U.S. trade or business.

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 United States 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. Since the Issuer will incur debt to finance the acquisition of its assets, any U.S. holder of Subordinated Notes that is a U.S. tax exempt entity will recognize unrelated business taxable income. All income on a Subordinated Note would be unrelated business taxable income if the Issuer were treated as engaged in a trade or business for United States federal income tax purposes. A tax-exempt U.S. holder that directly or indirectly owns more than 50% of the outstanding Income Notes or Subordinated Notes and also owns other Notes should consider the possible application of the special UBTI rules for amounts received from controlled entities.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE

INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

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 and the Income 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 or Income 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, has obtained 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. 2013-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 24th day of September 2013.

CLERK OF THE CABINET"

The Income Note Issuer has been incorporated as an exempted company with limited liability under the laws of the Cayman Islands and, as such, has applied 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. Income Note 2013-II "the Company"

- (c) 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
- (d) 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 October 2013.

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 and the Class E Notes may, and the Subordinated Notes will likely, be treated as equity interests in the Issuer for purposes of the Plan Asset Regulation. The Income Notes will likely be treated as equity interests in the Income Note Issuer, and may be treated as equity interests in the Issuer, for the purposes of the Plan Asset Regulation. If the Income Notes were treated as equity interests in the Issuer for purposes of the Plan Asset Regulation, interests in Subordinated Notes held by the Income Note Issuer would be treated as held by Benefit Plan Investors or by Controlling Persons to the extent that Income Notes issued by the Income Note Issuer (or interests therein) were held by Benefit Plan Investors or Controlling Persons, as applicable. 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, the Class E Notes, the Subordinated Notes and the Income Notes will be subject to restrictions on ownership by Benefit Plan Investors and Controlling Persons.

If you are a purchaser or transferee of Class A Notes, Class B Notes or Class C Notes, you will be 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, Regulation S Global Class E Notes, Subordinated Notes or Income Notes or an interest therein, you will be deemed or required to represent and warrant that (1) except as may be expressly agreed in writing between you and the Issuer (or, with respect to the Income Notes, the Income Note Issuer, which will not so agree without the consent of the Issuer), 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 will not be a Controlling Person, 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 any 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, a Subordinated Note or an Income Note (or any interest therein) to a Benefit Plan Investor or a Controlling Person will be permitted or recognized, except as may be expressly agreed in writing by the Issuer (or, with respect to the Income Notes, the Income Note Issuer, which will not so agree without the consent of the Issuer).

If you are a purchaser or subsequent transferee of Certificated Class E Notes, you will be required to (i) represent and warrant in writing (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.

The Issuer and the Trustee (or, in the case of the Income Notes, the Income Note Issuer and the Income Note Paying Agent) shall be required to assume that an interest in a Class D Note, Regulation S Global Class E Note, Global Subordinated Note or Global Income Note purchased by a Benefit Plan Investor or a Controlling Person with the prior written consent of the Issuer (or, with respect to the Income Notes, the Income Note Issuer) (such a purchaser, a "**Permitted Purchaser**") is being held by a Benefit Plan Investor or Controlling Person, respectively, until the Stated Maturity, or earlier date of redemption, of the Class D Notes, Class E Notes, Subordinated Notes or Income Notes, as the case may be; *provided* that such requirement shall cease to apply with respect to the amount of any such interest subsequently transferred by the Permitted Purchaser if, in connection with such transfer, (1) such Permitted Purchaser delivers a transferor certificate to the Trustee (or, in the case of Income Notes, the Income Note Paying Agent) and (2) the transferee delivers a transferee certificate to the Trustee (or, in the case of Income Notes, the Income Note Paying Agent) in which it certifies that it is not a Benefit Plan Investor or a Controlling Person, as the case may be.

No transfer of an interest in Class D Notes, Class E Notes or Subordinated Notes will be permitted or recognized if it would cause the 25% Limitation described above to be exceeded with respect to the Class D Notes, Class E Notes or Subordinated Notes. No transfer of an interest in a Class D Note, Regulation S Global Class E Note, Subordinated Note or Income Note to a person that is a Benefit Plan Investor or a Controlling Person will be

permitted or recognized unless such person has obtained the prior written consent of the Issuer (or, with respect to the Income Notes, the Income Note Issuer, which will not so consent without the consent of the Issuer).

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 or Income Note Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or the Income Note Issuer or upon notice from the Trustee or the Income Note Paying Agent (if the Trustee or the Income Note Paying Agent 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 14 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its interest in such Notes, the Issuer or Income Note Issuer, as applicable, 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 or the Income Note Issuer that is not a Non-Permitted ERISA Holder on such terms as the Issuer or the Income Note Issuer may choose. None of the Issuer, the Income Note Issuer, the Collateral Manager, the Trustee, the Income Note Paying Agent, the Collateral Administrator, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer or Income Note Issuer, as applicable, 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 or Income Note 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 or the Income Note Issuer, and none of the Issuer, the Income Note Issuer, the Collateral Manager, the Trustee or the Income Note Paying Agent 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, Class E Notes and Subordinated Notes to less than 25%, Benefit Plan Investors will not in actuality own 25% or more of the Class D Notes, the Class E Notes or the Subordinated Notes, disregarding Notes held by Controlling Persons and treating Subordinated Notes held by the Income Note Issuer as held by Benefit Plan Investors or Controlling Persons to the extent Income Notes issued by the Income Note Issuer are held by Benefit Plan Investors or Controlling Persons, as applicable. In this regard, it should be noted that, although subsequent transferees of interests in Class D Notes represented by Rule 144A Global Secured Notes, Rule 144A Global Subordinated Notes and Rule 144A Global Income Notes acquiring such interests after the Closing Date will be deemed to represent that they are not Benefit Plan Investors or Controlling Persons (unless such subsequent transferees have obtained the prior written consent of the Issuer or the Income Note Issuer, as applicable), the Issuer and the Trustee will not obtain written confirmation from such transferees that such deemed representations are accurate. It is therefore possible that some or all such subsequent transferees of interests in Class D Notes represented by Rule 144A Global Secured Notes, Rule 144A Global Subordinated Notes or Rule 144A Global Income Notes might be Benefit Plan Investors, in violation of such representations. (It is less likely that subsequent transferees of interests in Class D Notes represented by Regulation S Global Secured Notes, Class E Notes represented by Regulation S Global Secured Notes, Regulation S Global Subordinated Notes and Regulation S Global Income Notes acquiring them after the Closing Date will be Benefit Plan Investors because such transferees will be non-U.S. Persons.) The possibility that some or all subsequent transferees of interests in Class D Notes represented by Rule 144A Global Secured Notes, Rule 144A Global Subordinated Notes or Rule 144A Global Income Notes might be Benefit Plan Investors will result in increased risk that the 25% Limitation could be exceeded with respect to the Class D Notes or Subordinated Notes as a class.

The assets of the Income Note Issuer may be treated as plan assets for purposes of ERISA, depending on the extent to which, despite the transfer restrictions prohibiting (without the prior written consent of the Income Note Issuer, which shall not consent without the consent of the Issuer) acquisitions by Benefit Plan Investors of Income Notes, Benefit Plan Investors own the Income Notes (or interests therein). However, it is not anticipated that this will be problematic, since it is not anticipated that there will be discretionary activities at the Income Note Issuer level that could be subject to the fiduciary responsibility provisions of ERISA. If for any reason the assets of the Issuer were deemed to be "plan assets" of a Plan, however, 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 Income Note Issuer, the Collateral Manager, Citigroup, the Trustee, the Income Note Paying Agent 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 Income Note Issuer, the

Collateral Manager, Citigroup, the Trustee, the Income Note Paying Agent 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 Income Note Issuer (or, in each case, 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, the Income Note 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 or the Income Note Issuer any such requested information, the Issuer or the Income Note Issuer (or, in each case, 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 Income Note Issuer (or, in each case, 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 Income Note Issuer, the Trustee, the Income Note Paying Agent, 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 Income Note Issuer, the Trustee, the Income Note Paying Agent, 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 and Income Notes are being offered by the Issuer and the Income Note Issuer, respectively, 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 and Income Notes to investors on the Closing Date in negotiated transactions at varying prices. Citigroup may elect to purchase and resell the Subordinated Notes or Income 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 and the Income Note Issuer thereunder is subject to certain conditions.

In the Purchase Agreement and the Placement Agency Agreement, each of the Co-Issuers and the Income Note Issuer 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, the Co-Issuer or the Income Note 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 and Income 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, Regulation S Global Subordinated Note or a Regulation S Global Income 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 and the Income Note Issuer 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 Income Note Issuer, 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 none of the Issuer, the Co-Issuer or the Income Note Issuer is registered as an investment company under the Investment Company Act, and that the Co-Issuers and the Income Note Issuer 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, Global Subordinated Notes and Global Income Notes

If you are either an initial purchaser or a transferee of Notes represented by an interest in a Global Secured Note, Global Subordinated Note or Global Income 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, the Issuer, or the Income Note 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 Income Note Issuer, the Collateral Manager, Citigroup, the Trustee, the Income Note Paying Agent, 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 Income Note Issuer, the Collateral Manager, the Trustee, the Income Note Paying Agent, 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 Income Note Issuer, the Collateral Manager, the Trustee, the Income Note Paying Agent, 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 or the Income Note Issuer, as applicable, 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) 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; and (J) such beneficial owner will provide notice of the relevant transfer restrictions to subsequent transferees.

- (ii) (1) Each purchaser and subsequent transferee of Class A Notes, Class B Notes or Class C Notes, or any interest therein, will be 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, Regulation S Global Class E Notes, Subordinated Notes or Income Notes or any interest therein will be deemed to represent and warrant that (a) except as may be expressly agreed in writing by the Issuer (or, with respect to the Income Notes, the Income Note Issuer, which will not so agree without the consent of the Issuer), 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 or interest therein 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 or the Income Note Paying Agency Agreement, as applicable, 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 the Co-Issuers and the Income Note Issuer have not been registered under the Investment Company Act, and that the Co-Issuers and the Income Note Issuer 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, Regulation S Global Subordinated Notes or Regulation S Global Income 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.

Class E Notes

If you are a purchaser or transferee of a Certificated Class E Note after the Closing Date (including by way of a transfer of an interest in a Regulation S Global Class E Note to you as a transferee acquiring a Certificated Class E Note), 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-2 and Annex A-3 hereto in which you will be required to certify, among other matters, as to your status under the Securities Act, the Investment Company Act and ERISA. Initial investors in the Class E Notes on the Closing Date will be required to provide Citigroup or the Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-2 and Annex A-3 hereto in which they will be required to certify, among other matters, as to their status under the Securities Act, the Investment Company Act and ERISA.

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 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, in which you will be required to certify, among other matters, as to your status under the Securities Act, the Investment Company Act and ERISA. Initial investors in the Subordinated Notes on the Closing Date 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 in which they will be required to certify, among other matters, as to their status under the Securities Act, the Investment Company Act and ERISA. No purchase or transfer of a beneficial interest in a Subordinated Note will be recorded or otherwise recognized if the beneficial interest will be owned by any bank (within the meaning of section 881(c)(3)(A) of the Code) that is not a U.S. person within the meaning of section 7701(a)(30) of the Code. Each holder of a Subordinated Note and owner of a beneficial interest in a Subordinated Note will be required or deemed to represent that the beneficial owner of the Note, to the extent it is not a United States person within the meaning of section 7701(a)(30) of the Code, will not be a person that ineligible to receive portfolio interest free of US withholding tax under sections 871(h)(3) or 881(c)(3) of the Code. A transfer of a Subordinated Note to a transferee who cannot make the representation in the preceding sentence will be permitted, however, solely in connection with the immediate transfer of such Subordinated Note to the Income Note Issuer in exchange for the issuance of an Income Note by the Income Note Issuer to such transferee. No transfer of an interest in a Subordinated Note shall be recorded or otherwise recognized if such transfer results in a single holder (or persons treated for United States federal tax purposes as a single holder) owning more than 99% of the outstanding Subordinated Notes.

Income Notes

If you are a purchaser or transferee of an Income Note in certificated or uncertificated form after the Closing Date (including by way of a transfer of an interest in a Global Income Note to you as a transferee acquiring an Income Note in certificated or uncertificated form), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Income Note Issuer and the Income Note Paying Agent with certificates substantially in the form of Annex A-4 and Annex A-2 hereto, in which you will be required to certify, among other matters, as to your status under the Securities Act, the Investment Company Act and ERISA. Initial investors in the Income Notes on the Closing Date will be required to provide Citigroup or the Income Note Issuer with a subscription agreement containing representations substantially similar to those set forth in Annex A-4 and Annex A-2 hereto in which they will be required to certify, among other matters, as to their status under the Securities Act, the Investment Company Act and ERISA.

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, the Class E Notes or the Subordinated Notes being held by Benefit Plan Investors (the "**25% Limitation**"). For purposes of this determination, (1) the value of Notes held by Citigroup, the Trustee, the Income Note Paying Agent, 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 and (2) treating interests in Subordinated Notes held by the Income Note Issuer as held by Benefit Plan Investors or by Controlling Persons to the extent that Income Notes issued by the Income Note Issuer are held by Benefit Plan Investors or Controlling Persons, as applicable. If you are a Benefit Plan Investor or a Controlling Person, you may not acquire Class D Notes, Regulation S Global Class E Notes, Subordinated Notes, Income Notes or any interest therein (except with the prior consent of the Issuer or the Income Note Issuer (which will not so consent without the consent of the Issuer), as applicable). See "Certain ERISA and Related Considerations".

Each initial purchaser and transferee of Notes shall be required or deemed to agree that if it is notified or otherwise has knowledge that (i) it has made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) its beneficial ownership otherwise may cause a violation of the 25% Limitation, such initial purchaser or transferee shall promptly notify the Issuer and the Trustee thereof.

Any purported transfer of a beneficial interest (i) in any Class D Note, Regulation S Global Class E Note, Subordinated Note or Income Note to a Benefit Plan Investor or a Controlling Person or (ii) in any Note to a person who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Other Plan Law or Similar Law representation described in this Offering Circular that is subsequently shown to be false or misleading, or whose ownership otherwise causes a violation of the 25% Limitation, shall be null and void and any such purported transfer of which the Issuer, the Co-Issuer, the Income Note Issuer, the Trustee or Income Note Paying Agent, as applicable, shall have notice may be disregarded by the Issuer, the Co-Issuer, the Income Note Issuer, the Trustee or Income Note Paying Agent for all purposes.

Each purchaser, subsequent transferee and beneficial owner of Notes other than Subordinated Notes will be required or, by acceptance of a Note or interest therein, deemed to represent that beneficial ownership of the Notes is not being acquired by an Affected Bank. If you are a purchaser or transferee of Certificated Class E Notes, Certificated Subordinated Notes, Certificated Income Notes or Uncertificated Income 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 beneficial ownership of the Notes is being acquired by an Affected Bank. If you purchase an interest in a Class E Note, Subordinated Note or Income Note from the Issuer, the Income Note Issuer or Citigroup on the Closing Date, you will be required to provide the Issuer, the Income Note Issuer or Citigroup with a subscription agreement containing representations substantially similar to those set forth in Annex A-2 hereto as to whether beneficial ownership of the Notes is being acquired by an Affected Bank. Each purchaser and subsequent transferee of Notes other than Subordinated Notes will be deemed to represent that beneficial ownership of such Notes is not being acquired by an Affected Bank. No transfer of beneficial interests in Notes 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 of Notes (other than Subordinated Notes, which in no circumstances shall be transferred to a any bank within the meaning of Section 881 of the Code if it is not a United States person within the meaning of Section 7701(a)(30) of the Code) if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates, to beneficially own more than 33-1/3% of the aggregate outstanding principal amount of any Class of Notes, or (y) the beneficial owner transferring its interest in such Note 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), (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% nor (z) a bank that holds all of its Notes in connection with a United States trade or business and reports all income thereon on a form W-8ECI.

Each purchaser, beneficial owner and subsequent transferee of Notes or interests therein will: (1) be required or deemed to agree to provide the Issuer, the Income Note Issuer, the Trustee and their agents and delegates (i) any information as is necessary (in the sole determination of the Issuer and the Income Note Issuer or the Trustee, as applicable) for the Issuer, the Income Note Issuer, the Trustee and their agents and delegates 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, the Income Note Issuer, the Trustee and their agents and delegates 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, the Income Note Issuer, the Trustee and their agents and delegates 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, the Income Note Issuer, the Trustee and their agents and delegates 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 obligations and agreements to provide information, 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.

Each purchaser, beneficial owner and subsequent transferee of Class D Notes, Class E Notes or Subordinated Notes or interests therein also will be required or, by acceptance of such Notes or interest therein will be deemed, to have acknowledged and agreed that (1) no Class D Notes, Class E Notes or Subordinated Notes (or interests therein) may be acquired or owned by any person that is classified for United States federal income tax purposes as a partnership, subchapter S corporation or grantor trust unless (i) (A) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 40% of the value of its interest in such person attributable to such person's interest in any Class D Notes, Class E Notes or Subordinated Notes or other interest (direct or indirect) in the Issuer, and (B) it is not and will not be a principal purpose of the arrangement involving the investment of such Person in any Class D Notes, Class E Notes or Subordinated Notes to permit any partnership to satisfy the 100 partner limitation of Treasury Regulation section 1.7704-1(h)(1)(ii), or (ii) such person obtains an opinion of nationally recognized counsel reasonably satisfactory to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation, and (2) no Class D Notes, Class E Notes or Subordinated Notes (or interests therein) may be acquired, and no holder of a Class D Note, Class E Note or Subordinated Note may sell, transfer, assign, participate, pledge or otherwise dispose of any such Notes (or interests therein) if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the Class D Notes, Class E Notes and Subordinated Notes, collectively, to be held or beneficially owned by more than 98 persons.

No sale, transfer, assignment or other disposition of any Class E Notes or Subordinated Notes (or beneficial interests therein) will be recognized if effected through (x) a United States national, regional or local securities exchange, (y) a foreign securities exchange or (z) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers ((x), (y) and (z), collectively, an "**Exchange**"). Holders and beneficial owners of Class E Notes and Subordinated Notes will be deemed to agree by acceptance of such Note or beneficial interest therein that they shall not cause any such Notes or any interest therein to be marketed on or through an Exchange.

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.

Each purchaser, beneficial owner and subsequent transferee of an Income Note, by acceptance of such Note or an interest in such Note, shall be required or deemed to agree to provide the Income Note Issuer and Income Note Paying Agent (i) any information as is necessary (in the sole determination of the Income Note Issuer and Income Note Paying Agent, as applicable) for the Income Note Issuer and Income Note Paying Agent 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 Income Notes, and (ii) any additional information that the Income Note Issuer, Income Note Paying Agent 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 an Income Note shall be required or deemed to acknowledge that the Income Note Issuer or Income Note Paying Agent 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 Income Note Issuer, as determined by the Income Note Issuer or the Collateral Manager on behalf of the Income Note Issuer, the Income Note Issuer may, upon notice to the Income Note Paying Agent (with a copy to the Collateral Manager), impose additional transfer restrictions on the Income

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 an Income Note, as applicable, to make representations to the Issuer in connection with such compliance.

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 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 OTHER PLAN LAW REPRESENTATION THAT IS SUBSEQUENTLY SHOWN TO BE FALSE OR MISLEADING OR WHOSE OWNERSHIP OTHERWISE CAUSES 25% OR MORE OF THE VALUE OF ANY CLASS OF EQUITY INTEREST IN THE ISSUER TO BE HELD BY BENEFIT PLAN INVESTORS TO SELL ITS INTEREST IN SUCH NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.¹

[EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN A CLASS D NOTE WILL BE DEEMED OR REQUIRED TO REPRESENT AND WARRANT THAT (1) FOR SO LONG AS IT HOLDS SUCH CLASS D NOTE OR INTEREST THEREIN, IT IS NOT, AND IS NOT ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR AND IS NOT BE A CONTROLLING PERSON, UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER AND (2) 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 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 SUCH LAWS OR REGULATIONS, **"SIMILAR LAW"**), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH CLASS D 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 (**"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

¹ Insert only in the case of Class A Notes, Class B Notes, and Class C Notes.

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 AN INTEREST IN A CLASS D 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 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

[EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF A CERTIFICATED CLASS E NOTE WILL BE REQUIRED TO 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 CLASS E 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 CLASS E NOTES REPRESENTED BY A REGULATION S GLOBAL CLASS E NOTE WILL BE DEEMED OR REQUIRED TO REPRESENT AND WARRANT THAT FOR SO LONG AS IT HOLDS SUCH CLASS E 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, UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER. EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF AN INTEREST IN A CLASS E NOTE (OR AN INTEREST THEREIN) WILL BE REQUIRED OR DEEMED TO REPRESENT AND WARRANT

² Insert only in the case of Class D Notes.

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 ("**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH CLASS E 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 ("**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. "**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 CLASS E 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 CLASS E NOTES TO BE HELD BY BENEFIT PLAN INVESTORS, DISREGARDING CLASS E NOTES (OR INTERESTS THEREIN) HELD BY CONTROLLING PERSONS (THE "**25% LIMITATION**"). NO TRANSFER OF AN INTEREST IN A REGULATION S GLOBAL CLASS E 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, UNLESS SUCH PERSON HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER.

THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY BENEFICIAL OWNER OF A CLASS E 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 E NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER]³

[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.]⁴

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 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

³ Insert only in the case of Class E Notes.

⁴ Insert in the case of Global Secured Notes only.

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, THE TRUSTEE, THEIR AGENTS AND THEIR DELEGATES 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, THE TRUSTEE, THEIR AGENTS AND THEIR DELEGATES (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, THE TRUSTEE OR THEIR AGENTS AND THEIR DELEGATES 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 (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 THE BENEFICIAL OWNER OF THE NOTE 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 A BENEFICIAL INTEREST IN 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 BENEFICIALLY OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE [CLASS A-1]⁵ [CLASS A-2]⁶ [CLASS B-1]⁷ [CLASS B-2]⁸ [CLASS C]⁹ [CLASS

⁵ Insert in the case of a Class A-1 Note.

⁶ Insert in the case of a Class A-2 Note.

⁷ Insert in the case of a Class B-1 Note.

D]¹⁰ [CLASS E]¹¹ NOTES OR (Y) THE BENEFICIAL OWNER TRANSFERRING SUCH NOTE 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), (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% NOR (Z) A BANK THAT HOLDS ALL OF ITS NOTES IN CONNECTION WITH A UNITED STATES TRADE OR BUSINESS AND REPORTS ALL INCOME THEREON ON A FORM W-8ECI.

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.

Additionally, the Class A-2 Notes, Class B Notes, Class C Notes, Class D Notes and Class E 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

(cont'd from previous page)

⁸ Insert in the case of a Class B-2 Note.

⁹ Insert in the case of a Class C Note.

¹⁰ Insert in the case of a Class D Note.

¹¹ Insert in the case of a Class E Note.

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 AN INTEREST IN A SUBORDINATED NOTE WILL BE DEEMED OR REQUIRED TO REPRESENT AND WARRANT THAT (1) 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 UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER AND (2) 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 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 SUCH LAWS OR REGULATIONS, "**SIMILAR LAW**"), 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 ("**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. "**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 TO 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, UNLESS SUCH PERSON HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE ISSUER.

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, CONTROLLING PERSON, BENEFIT PLAN INVESTOR, 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.]¹²

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 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 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, THE TRUSTEE, THEIR AGENTS AND THEIR DELEGATES 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, THE TRUSTEE, THEIR AGENTS AND DELEGATES, (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

¹² Insert in the case of Regulation S Global Subordinated Notes only.

THE CODE) OR A UNITED STATES OWNED FOREIGN ENTITY, AND (Y) ANY ADDITIONAL INFORMATION THAT THE ISSUER, THE TRUSTEE, OR THEIR AGENTS AND DELEGATES 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 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 AND THE SECURED NOTES AS INDEBTEDNESS 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.

The Income Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS INCOME 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 INCOME 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 AN INTEREST IN AN INCOME NOTE WILL BE DEEMED OR REQUIRED TO REPRESENT AND WARRANT THAT (1) FOR SO LONG AS IT HOLDS SUCH INCOME 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 UNLESS IT HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE INCOME NOTE ISSUER, WHICH WILL NOT SO CONSENT WITHOUT THE CONSENT OF BABSON CLO LTD. 2013-II (THE "**ISSUER**") AND (2) 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 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 SUCH LAWS OR REGULATIONS, "**SIMILAR LAW**"), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH INCOME 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 ("**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. "**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 AN INTEREST IN AN INCOME NOTE TO A PERSON THAT IS A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON WILL BE PERMITTED, AND THE INCOME NOTE PAYING AGENT WILL NOT RECOGNIZE ANY SUCH TRANSFER TO A PERSON THAT HAS BEEN DETERMINED BY THE INCOME NOTE ISSUER TO BE A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON, UNLESS SUCH PERSON HAS OBTAINED THE PRIOR WRITTEN CONSENT OF THE INCOME NOTE ISSUER.

THE INCOME NOTE ISSUER HAS THE RIGHT, UNDER THE INCOME NOTE PAYING AGENCY AGREEMENT, TO COMPEL ANY BENEFICIAL OWNER OF AN INCOME 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 INCOME NOTE, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

THE INCOME NOTE ISSUER HAS THE RIGHT, UNDER THE INCOME NOTE PAYING AGENCY AGREEMENT, TO COMPEL ANY BENEFICIAL OWNER OF AN INTEREST IN AN INCOME 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 INCOME NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH OWNER.

[ANY TRANSFER, PLEDGE OR OTHER USE OF THIS INCOME 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 INCOME 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 INCOME 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.]¹³

DISTRIBUTIONS OF PRINCIPAL PROCEEDS AND INTEREST PROCEEDS TO THE HOLDER OF THE INCOME NOTES REPRESENTED HEREBY ARE SUBORDINATED TO THE PAYMENT ON EACH PAYMENT DATE OF PRINCIPAL OF AND INTEREST ON THE SECURED NOTES OF THE ISSUER AND THE PAYMENT OF CERTAIN OTHER AMOUNTS, TO THE EXTENT AND AS DESCRIBED IN THE INDENTURE AND THE INCOME NOTE PAYING AGENCY AGREEMENT.

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

¹³ Insert in the case of Regulation S Global Income Notes only.

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 INCOME NOTE OR AN INTEREST IN THIS INCOME 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 INCOME NOTE OR AN INTEREST IN THIS INCOME NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT (I) IT WILL PROVIDE TO THE ISSUER, THE TRUSTEE, THEIR AGENTS AND THEIR DELEGATES 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 INCOME NOTE OR ANY INTEREST IN THIS INCOME NOTE WILL MAKE, OR BY ACQUIRING THIS INCOME NOTE OR ANY INTEREST IN THIS INCOME NOTE WILL BE DEEMED TO MAKE, REPRESENTATIONS TO THE EFFECT THAT IT WILL PROVIDE TO THE ISSUER, THE TRUSTEE THEIR AGENTS AND THEIR DELEGATES (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, THE TRUSTEE, THEIR AGENTS AND THEIR DELEGATES REQUESTS IN CONNECTION WITH SECTIONS 1471-1474 OF THE CODE. EACH SUCH HOLDER AND BENEFICIAL OWNER WILL AGREE, OR BY ACQUIRING THIS INCOME NOTE OR AN INTEREST IN THIS INCOME 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 INCOME NOTE PAYING AGENCY AGREEMENT, 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 A REGULATION S GLOBAL INCOME NOTE OR AN INTEREST THEREIN WILL BE DEEMED TO MAKE A REPRESENTATION TO THE EFFECT THAT THE BENEFICIAL OWNER OF THE NOTE IS NOT AN AFFECTED BANK, AND EACH HOLDER AND BENEFICIAL

OWNER OF A CERTIFICATED INCOME NOTE OR UNCERTIFICATED INCOME NOTE OR AN INTEREST THEREIN WILL MAKE A REPRESENTATION AS TO WHETHER THE BENEFICIAL OWNER OF THE NOTE 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 BENEFICIAL INTEREST IN AN INCOME NOTE TO AN AFFECTED BANK WILL BE EFFECTIVE AND THE INCOME NOTE PAYING AGENT WILL NOT RECOGNIZE ANY SUCH TRANSFER, UNLESS SUCH TRANSFER IS SPECIFICALLY AUTHORIZED BY THE INCOME NOTE ISSUER IN WRITING; PROVIDED THAT THE INCOME NOTE ISSUER SHALL AUTHORIZE ANY SUCH TRANSFER IF (X) SUCH TRANSFER WOULD NOT CAUSE AN AFFECTED BANK, DIRECTLY OR IN CONJUNCTION WITH ITS AFFILIATES, TO BENEFICIALLY OWN MORE THAN 33-1/3% OF THE AGGREGATE OUTSTANDING PRINCIPAL AMOUNT OF THE INCOME NOTES OR (Y) THE BENEFICIAL OWNER TRANSFERRING SUCH NOTE IS AN AFFECTED BANK PREVIOUSLY APPROVED BY THE INCOME NOTE 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), (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% NOR (Z) A BANK THAT HOLDS ALL OF ITS NOTES IN CONNECTION WITH A UNITED STATES TRADE OR BUSINESS AND REPORTS ALL INCOME THEREON ON A FORM W-8ECI.

EACH HOLDER AND EACH BENEFICIAL OWNER OF THIS INCOME 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 INCOME NOTE AS EQUITY IN THE INCOME NOTE ISSUER, THE SUBORDINATED NOTES AS EQUITY IN THE ISSUER, AND THE SECURED NOTES AS INDEBTEDNESS 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.

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 an Income 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 or, in the case of the Income Notes, the Income Note Issuer shall, promptly after discovery that such person is a Non-Permitted Holder by the Issuer or the Income Note Issuer or upon notice from the Trustee or the Income Note Paying Agent (if the Trustee or Income Note Paying Agent 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, the Income Note Issuer or the Collateral Manager acting for the Issuer or the Income Note 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 or the Income Note Issuer, as applicable, that is not a Non-Permitted Holder on such terms as the Issuer or the Income Note Issuer may choose or assign to such Notes a separate CUSIP number or numbers. None of the Issuer, the Income Note Issuer, the Collateral Manager, the Trustee, the Income Note Paying Agent, the Collateral Administrator, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer, the Income Note Issuer or the Collateral Manager acting on behalf of the Issuer or Income Note 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, the Income Note 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 or, in the case of the Income Notes, the Income Note Issuer and the Income Note Paying Agent, 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 or the Income Note Issuer, as applicable, and none of the Issuer, the Income Note Issuer, the Collateral Manager, the Trustee and the Income Note Paying Agent 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 or Income Note Issuer shall, promptly after discovery that such person is a Non-Permitted ERISA Holder by the Issuer or the Income Note Issuer or upon notice from the Trustee or the Income Note Paying Agent (if the Trustee or Income Note Paying Agent 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 14 days after the date of such notice. If such Non-Permitted ERISA Holder fails to so transfer its Notes or interest therein, the Issuer or Income Note Issuer, as applicable, 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 or the Income Note 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 or Income Note Issuer may choose. None of the Issuer, Income Note Issuer, the Collateral Manager, the Trustee, Income Note Paying Agent, the Collateral Administrator, the Initial Purchaser or the Placement Agent shall be required to purchase any such Notes required to be sold. The Issuer or Income Note 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 or the Income Note 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 or Income Note Issuer, and none of the Issuer, the Income Note Issuer, the Collateral Manager, the Trustee and the Income Note Paying Agent 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 Listed 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 maintained. It is expected that the total expenses related to admission to trading will be approximately €14,500.
2. For the term of the Listed 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, and the Indenture, will be available in electronic form for inspection at the principal office of the Issuer and the offices of the Trustee at 214 N. Tryon Street, 26th Floor, Charlotte, NC 28202, Attention: Babson CLO Ltd. 2013-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.
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 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.
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 and the Class E 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. The Income Note Issuer is not required by Cayman Islands law, and the Income Note Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof.
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, the Regulation S Global Subordinated Notes or the Regulation S Global Income 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, Rule 144A Global Subordinated Notes or Rules 144A Global Income 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	05617YAA7	US05617YAA73
Class A-2 Notes	05617YAC3	US05617YAC30
Class B-1 Notes	05617YAE9	US05617YAE95
Class B-2 Notes	05617YAN9	US05617YAN94
Class C Notes	05617YAG4	US05617YAG44
Class D Notes	05618CAA4	US05618CAA45
Subordinated Notes	05618CAE6	US05618CAE66
Income Notes	05618EAA0	US05618EAA01

Rule 144A Certificated		
	CUSIP	ISIN
Class E Notes	05618CAC0	US05618CAC01
Subordinated Notes	05618CAE6	US05618CAE66
Income Notes	05618EAA0	US05618EAA01

Regulation S			
	Common Code	CUSIP	ISIN
Class A-1 Notes	099780495	G07007AA8	USG07007AA81
Class A-2 Notes	099780975	G07007AB6	USG07007AB64
Class B-1 Notes	099782633	G07007AC4	USG07007AC48
Class B-2 Notes	099782650	G07007AG5	USG07007AG51
Class C Notes	099793759	G07007AD2	USG07007AD21
Class D Notes	099793805	G07005AA2	USG07005AA26
Class E Notes	099894849	G07005AB0	USG07005AB09
Subordinated Notes	099894903	G07005AC8	USG07005AC81
Income Notes	100441004	G0760GAA5	USG0760GAA51

Accredited Investor		
	CUSIP	ISIN
Subordinated Notes	05618CAF3	US05618CAF32
Income Notes	05618EAB8	US05618EAB83

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for the Co-Issuers, the Income Note Issuer and Citigroup by Freshfields Bruckhaus Deringer US LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer and the Income Note 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, Deferring Securities and Long Dated Obligations), including, in the case of a Revolving Collateral Obligation, Delayed Drawdown Collateral Obligation or Letter of Credit Reimbursement Obligation, any undrawn commitments that have not been irrevocably reduced or withdrawn; *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, Deferring Securities and Long Dated Obligations and (ii) Moody's Collateral Value of all Defaulted Obligations, Deferring Securities and Long Dated Obligations; *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, Deferring Security, Discount Obligation, Long Dated 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) 0.0175% 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.\$200,000 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 "Overview of Terms—Application of Interest Proceeds", clause (A) under "Overview 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 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 and the Income Note Paying Agent pursuant to the Income Note Paying Agency Agreement, *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 and Income Note 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, the Registered Office Agreement, the Income Note Administration Agreement and the Income Note Registered Office Agreement; and
- (v) any other person in respect of any other fees or expenses permitted under the Indenture, the Income Note Paying Agency Agreement and the documents delivered pursuant to or in connection with the Indenture and Income Note Paying Agency Agreement (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, any other expenses incurred in connection with the Collateral Obligations and all fees and expenses of the Income Note Issuer payable in accordance with the Fee Letter) 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.

"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 United States federal income tax purposes, 100% of the equity interests in which are owned directly or indirectly by the Issuer.

"Bond" means a Senior Secured Bond or a Senior Unsecured Bond.

"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 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 (or, for the first Interest Accrual Period, each portion thereof).

"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:

- (a) 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
- (b) 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; *provided* that (i) except as provided in clause (ii) of this proviso, the Class B-1 Notes and the Class B-2 Notes shall constitute, and vote together as, a single Class, and (ii) subject to the fifth paragraph under "Description of the Notes—The Indenture—Modification of Indenture," the Class B-1 Notes and the Class B-2 Notes shall be treated as separate Classes, and shall vote separately, solely (A) for purposes of any determination as to whether a proposed supplemental indenture would have a material adverse effect on any Class of Notes, (B) for purposes of any vote in connection with a proposed supplemental indenture that would have a material adverse effect on either the Class B-1 Notes or the Class B-2 Notes but not both such Classes as described in "Description of the Notes—The Indenture—Modification of Indenture" and (C) in connection with a Refinancing in part by Class, including any determination as to whether the requirements described under "Description of the Notes—Optional Redemption and Tax Redemption—Optional Redemption and Tax Redemption" would be satisfied in relation to a Refinancing in part by Class.

"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-1 Notes and the Class B-2 Notes, collectively.

"Class B-1 Notes" means the Class B-1 Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"Class B-2 Notes" means the Class B-2 Senior Secured Deferrable Fixed 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, S&P Selected Maximum Average Life 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, S&P Selected Maximum Average Life 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 E Notes" means the Class E Senior Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"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 December 17, 2013.

"Code" means United States Internal Revenue Code of 1986, as amended and the Treasury regulations promulgated thereunder.

"Co-Issuer" means Babson CLO 2013-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 U.S. Bank National Association, 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 (or in the case of Subordinated Notes held by the Income Note Issuer, all such Subordinated Notes that correspond to Income 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 (or in the case of Subordinated Notes held by the Income Note Issuer, all such Subordinated Notes that correspond to Income 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.

"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; then the Class E Notes so long as any Class E Notes are outstanding; and then the Subordinated Notes.

"Cov-Lite Loan" means any Loan that, other than with respect to a period of no more than three months following origination of such Loan, either (A) does not contain any financial covenants or (B) requires the related borrower to comply with one or more Incurrence Covenants but does not require the related borrower to comply with any Maintenance Covenants.

"Credit Improved Obligation" means:

- (a) so long as a Restricted Trading Period is not in effect, any Collateral Obligation that in the Collateral Manager's commercially reasonable business judgment has significantly improved in credit quality from the condition of its credit at the time of purchase which judgment may (but need not) be based on one or more of the following facts:
 - (i) it has a market price that is greater than the price that is warranted by its terms and credit characteristics, or has improved in credit quality since its acquisition by the Issuer;
 - (ii) the issuer of such Collateral Obligation has shown improved financial results since the published financial reports first produced after it was purchased by the Issuer;
 - (iii) the obligor on such Collateral Obligation since the date on which such Collateral Obligation was purchased by the Issuer has raised significant equity capital or has raised other capital that has improved the liquidity or credit standing of such obligor; or
 - (iv) one or more of the following criteria applies to such Collateral Obligation:
 - (A) such Collateral Obligation has been upgraded or put on a watch list for possible upgrade by either Rating Agency since the date on which such Collateral Obligation was acquired by the Issuer;
 - (B) the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such Collateral Obligation would be at least 101.0% of its purchase price;
 - (C) if such Collateral Obligation is a Loan, the price of such Loan has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either at least 0.25% more positive, or 0.25% less negative, as the case may be, than the percentage change in the average price of the applicable Eligible Loan Index over the same period;
 - (D) if such Collateral Obligation is a Loan or Senior Secured Floating Rate Note, the price of such Loan or Senior Secured Floating Rate Note changed during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either at least 0.50% more positive, or at least 0.50% less negative, as the case may be, than the percentage change in a nationally recognized loan index selected by the Collateral Manager over the same period;
 - (E) if such Collateral Obligation is a Bond, the Market Value of such Bond has changed since the date of its acquisition by a percentage either at least 1.0% more positive or at least 1.0% less negative than the percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;
 - (F) if such Collateral Obligation is a Loan, the spread over the applicable reference rate for such Collateral Obligation has been decreased in accordance with the Underlying Instruments since the date of acquisition by (1) 0.25% or more (in the case of a Loan with a spread (prior to such decrease) less than or equal to 2.00%), (2) 0.375% or more (in the case of a Loan with a spread (prior to such decrease) greater than 2.00% but less than or

equal to 4.00%) or (3) 0.50% or more (in the case of a Loan with a spread (prior to such decrease) greater than 4.00%) due, in each case, to an improvement in the related borrower's financial ratios or financial results; or

- (G) if such Collateral Obligation is a Fixed Rate Obligation, there has been a decrease since the date of purchase of more than 7.5% in the difference between the yield on such Collateral Obligation and the yield on the relevant United States Treasury security; or

(b) if a Restricted Trading Period is in effect, any Collateral Obligation:

- (i) that in the Collateral Manager's commercially reasonable business judgment has significantly improved in credit quality from the condition of its credit at the time of purchase and with respect to which one or more of the criteria set out in clause (a)(iv) above applies, or
- (ii) that a Majority of the Controlling Class votes to treat as a Credit Improved Obligation.

"Credit Risk Obligation" means any Collateral Obligation that in the Collateral Manager's commercially reasonable business judgment has a significant risk of declining in credit quality and, with a lapse of time, becoming a Defaulted Obligation and, if a Restricted Trading Period is in effect:

(a) one or more of the following criteria applies to such Collateral Obligation:

- (i) such Collateral Obligation has been downgraded or put on a watch list for possible downgrade or on negative outlook by either of the Rating Agencies since the date on which such Collateral Obligation was acquired by the Issuer;
- (ii) if such Collateral Obligation is a Loan, the price of such Loan has changed during the period from the date on which it was acquired by the Issuer to the proposed sale date by a percentage either at least 0.25% more negative, or at least 0.25% less positive, as the case may be, than the percentage change in the average price of an Eligible Loan Index;
- (iii) the Market Value of such Collateral Obligation has decreased by at least 1.00% of the price paid by the Issuer for such Collateral Obligation;
- (iv) if such Collateral Obligation is a Bond, the Market Value of such Bond has changed since its date of acquisition by a percentage either at least 1.00% more negative or at least 1.00% less positive, as the case may be, than the percentage change in the Eligible Bond Index over the same period, as determined by the Collateral Manager;
- (v) if such Collateral Obligation is a Loan or Senior Secured Floating Rate Note, (A) the spread over the applicable reference rate for such Collateral Obligation has been increased in accordance with the underlying Collateral Obligation since the date of acquisition by (1) 0.25% or more (in the case of a Loan or Senior Secured Floating Rate Note with a spread (prior to such increase) less than or equal to 2.00%), (2) 0.375% or more (in the case of a Loan or Senior Secured Floating Rate Note with a spread (prior to such increase) greater than 2.00% but less than or equal to 4.00%) or (3) 0.50% or more (in the case of a Loan or Senior Secured Floating Rate Note with a spread (prior to such increase) greater than 4.00%) due, in each case, to a deterioration in the related borrower's financial ratios or financial results; or
- (vi) if such Collateral Obligation is a Fixed Rate Collateral Obligation, there has been an increase since the date of purchase of more than 7.5% in the difference between the yield on such Collateral Obligation and the yield on the relevant United States Treasury security; or

(b) 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 (i) would otherwise be a Defaulted Obligation but for the exclusion of Current Pay Obligations from the definition of Defaulted Obligation pursuant to the proviso at the end of such definition; (ii)(a) if the issuer of such Collateral

Obligation is subject to a bankruptcy proceeding, the relevant court has authorized the issuer to make payments of principal and interest on such Collateral Obligation and no such payments that are due and payable are unpaid (and no other payments authorized by the court that are due and payable are unpaid) and (b) otherwise, no interest payments or scheduled principal payments are due and payable that are unpaid; (iii) satisfies the S&P Additional Current Pay Criteria; and (iv) for so long as any Notes rated by Moody's are outstanding, satisfies the Moody's Additional Current Pay Criteria; *provided* that (A) to the extent the aggregate principal balance of all Collateral Obligations that would otherwise be Current Pay Obligations exceeds 7.5% in aggregate principal balance of the Current Portfolio, such excess over 7.5% will constitute Defaulted Obligations and (B) in determining which of the Collateral Obligations will be included in such excess, the Collateral Obligations with the lowest Market Value expressed as a percentage will be deemed to constitute such excess.

"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.

"Deed of Covenant" means the deed of covenant dated the Closing Date pursuant to which the Income Note Issuer will issue the Income Notes.

"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 three Business Days or five calendar days, whichever is greater);
- (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 three Business Days or five calendar days, whichever is greater) and such default is known to the Collateral Manager; *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;
- (c) (i) the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and (A) such proceedings have not been stayed or dismissed and (B) at least 60 days have elapsed since the institution of such proceedings or (ii) such issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;
- (d) such Collateral Obligation has (x) an S&P Rating of "CC" or below, "D" or "SD" or (y) a Moody's probability of default rating (as published by Moody's) of "D" or "LD" or, in the case of (x) or (y), had such ratings before they were withdrawn by S&P or Moody's, as applicable;
- (e) such Collateral Obligation is *pari passu* or junior in right of payment as to the payment of principal and/or interest to another debt obligation of the same issuer which has an S&P Rating of "CC" or lower, "D" or "SD" or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD" or, in each case, which had such rating immediately before such rating was withdrawn by S&P or Moody's, as applicable; *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 (except to the extent such defaults were cured within the applicable grace period under the Underlying Instruments of the obligor thereon); 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" (other than under this clause (i)) or with respect to which the Selling Institution has an S&P Rating of "CC" or lower, "D" or "SD" or a Moody's probability of default rating (as published by Moody's) of "D" or "LD" or, in each case, had such rating before such rating was withdrawn;

provided that (x) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (a) 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 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 any Collateral Obligation (other than a Zero-Coupon Bond) that is not a Swapped Non-Discount Obligation and that the Collateral Manager determines at the time of purchase is either:

- (a) a Senior Secured Loan that has a Moody's Rating of "B3" or above and that is acquired by the Issuer at a price that is lower than 80% of its principal balance;
- (b) a Senior Secured Loan that has a Moody's Rating below "B3" and that is acquired by the Issuer at a price that is lower than 85% of its principal balance;
- (c) an obligation that is not a Senior Secured Loan that has a Moody's Rating of "B3" or above and that is acquired by the Issuer at a price that is lower than 75% of its principal balance; or
- (d) an obligation that is not a Senior Secured Loan that has a Moody's Rating below "B3" and that is acquired by the Issuer at a price that is lower than 80% of its principal balance;

provided that (A) such Collateral Obligation shall cease to be a Discount Obligation at such time as (x) in the case of a Senior Secured Loan, the average Market Value (expressed as a percentage of the par amount) of such Collateral Obligation, determined by averaging the Market Value of 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% or (y) in the case of an obligation that is not a Senior Secured Loan, the average Market Value (expressed as a percentage of the par amount) of such Collateral Obligation, determined by averaging the Market Value of 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 85% and (B) if such Collateral Obligation is a Revolving Collateral Obligation, and there exists an outstanding non-revolving loan to its obligor ranking *pari passu* with such Revolving Collateral Obligation and secured by substantially the same collateral as such Revolving Collateral Obligation (a **"Related Term Loan"**), in determining whether such Revolving Collateral Obligation is and continues to be a Discount Obligation, the price of the Related Term Loan, and not of the Revolving Collateral Obligation, shall be referenced.

"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).

"Distressed Exchange Offer" means an offer by the issuer of a Collateral Obligation to exchange one or more of its outstanding debt obligations for a different debt obligation or to repurchase one or more of its outstanding debt obligations for cash, or any combination thereof.

"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) May 17, 2014 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 Bond Index" means the Merrill Lynch US High Yield Master II Index, Bloomberg ticker HUC0 (or such other comparable nationally recognized high yield index as the Collateral Manager selects and provides notice of to the Rating Agencies).

"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 entity, 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, which obligations have the Eligible Investment Required Ratings;
- (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, *provided* that such holding company guarantees such investment issued by such principal

depository institution pursuant to a guarantee that satisfies S&P's then-current criteria for guarantees in structured finance transactions) 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 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 (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", "sf" 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 (other than withholding taxes in respect of FATCA) 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 United States federal income tax purposes or be subject to net income 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 Loan Index" means, with respect to any Collateral Obligation that is a Loan, one of the following indices as selected by the Collateral Manager upon the acquisition of such Collateral Obligation: the Credit Suisse Leveraged Loan Indices (formerly the DLJ Leveraged Loan Index Plus), the Deutsche Bank Leveraged Loan Index, the Goldman Sachs/Loan Pricing Corporation Liquid Leveraged Loan Index, the Merrill Lynch Leveraged Loan Index, the S&P/LSTA Leveraged Loan Indices, any replacement for any of the foregoing or any other comparable nationally recognized loan index; *provided* that the Collateral Manager may change the Eligible Loan Index applicable to a Collateral Obligation at any time following the acquisition thereof after giving notice to Moody's, the Trustee and the Collateral Administrator.

"Eligible Post Reinvestment Proceeds" means any Unscheduled Principal Payments 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.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"FATCA" means Sections 1471 through 1474 of the Code, any regulations or guidance thereunder, any agreement entered into thereunder and any law implementing an intergovernmental agreement or approach thereto.

"Fee Basis Amount" means, as of any date of determination and without duplication, 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.

"Fee Letter" means the letter between the Issuer and the Income Note Issuer regarding payment of administrative fees and expenses of the Income Note Issuer.

"Finance Lease" means a lease agreement or other agreement entered into in connection with and evidencing any transaction pursuant to which the obligations of the lessee to pay rent or other amounts on a triple net basis under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, are required to be classified and accounted for as a capital lease on a balance sheet of such lessee under generally accepted accounting principles in the United States.

"First Interest Determination End Date" means April 18, 2014.

"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 by S&P 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 determined pursuant to Annex C.

"Fixed Rate Obligation" means any Collateral Obligation that bears a fixed rate of interest.

"Floating Rate Notes" means all of the Secured Notes, collectively, other than the Class B-2 Notes.

"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, Norway and Spain (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 (U) of "Overview of Terms—Priority of Payments—Application of Interest Proceeds", clause (T) of "Overview of Terms—Priority of Payments—Application of Principal Proceeds" and clause (V) of the Special Priority of Payments described in "Description of the Notes—Priority of Payments".

"Income Note Issuer" means Babson CLO Ltd. Income Note 2013-II.

"Income Note Paying Agent" means U.S. Bank National Association, in its capacity as income note paying agent and income note registrar under the Income Note Paying Agency Agreement, and any successor thereto.

"Income Note Register" means the register maintained by the Income Note Administrator with respect to the Income Notes.

"Income Notes" means the Income Notes issued by the Income Note Issuer pursuant to the Deed of Covenant.

"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 the Closing Date 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 first 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. For purposes of determining any Interest Accrual Period, in the case of the Class B-2 Notes, each Payment Date will be assumed to be the 18th day of the relevant month (irrespective of whether such day is a Business Day).

"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 "Overview 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 Secured Notes of such Class or Classes and each Class of Notes that rank senior to or pari passu with such Class or Classes) on such Payment Date.

"Interest Determination Date" means (a) with respect to the first Interest Accrual Period, (x) for the period from the Closing Date to but excluding the First Interest Determination End Date, the second London Banking Day preceding the Closing Date, and (y) for the remainder of the first Interest Accrual Period, the second London Banking Day preceding the First Interest Determination End Date, and (b) with respect to each Interest Accrual Period thereafter, 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) and other income (other than principal payments) 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, Interest Reserve Account or Ramp-Up Account that are designated as Interest Proceeds by the Collateral Manager pursuant to the Indenture in respect of the related Determination Date;
- (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; and
- (vii) all payments (other than principal payments) received by the Issuer during the related Collection Period on Collateral Obligations that are Defaulted Obligations solely due to having a Moody's Rating of "LD";

provided that, except as set forth in clause (vii) above, (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, (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), (3) any amounts deposited in the Collection Account as Principal Proceeds as described in clause (Q) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" due to the failure of the Interest Diversion Test to be satisfied shall not constitute Interest Proceeds and (4) any Refinancing Proceeds shall constitute Principal Proceeds and not Interest Proceeds.

"Interest Rate" means, with respect to each Class of Secured Notes, (i) unless a Re-Pricing has occurred with respect to such Class of Notes, the per annum stated interest rate payable on such Class with respect to each Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) as indicated under "Overview of Terms—Principal Terms of the Notes" and (ii) upon the occurrence of a Re-Pricing with respect to such Class of Secured Notes, the applicable Re-Pricing Rate (plus LIBOR in the case of the Floating Rate Notes) for such Interest Accrual Period.

"Interest Reserve Amount" means approximately U.S.\$2,150,000.

"Interpolated Screen Rate" means the rate which results from interpolating on a linear basis between (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available or can be obtained) which is less than three months and (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available or can be obtained) which exceeds three months.

"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. 2013-II.

"Issuers" means, collectively, the Co-Issuers and the Income Note Issuer.

"Junior Class" means, respect to a particular Class of Notes, each Class of Notes that is subordinated to such Class, as indicated in "Overview 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 Floating Rate Notes, for any Interest Accrual Period (or, in the case of the first Interest Accrual Period, the relevant portion thereof), will equal (a) the rate appearing on the Reuters Screen (the **"Screen Rate"**) for deposits with a term of three months; *provided* that (x) LIBOR for the period from and including the Closing Date to but excluding the First Determination End Date will equal the rate determined by interpolating linearly between the Screen Rate for deposits with a term of three months and the Screen Rate for deposits with a term of six months, (y) LIBOR for the remainder of the first Interest Accrual Period will equal the Screen Rate for deposits with a term of three months and (z) if the Screen Rate for deposits with a term of three months is temporarily or permanently unavailable or cannot be obtained from the Reuters Screen, LIBOR for any period other than the portion of the first Interest Accrual Period for the period from and including the Closing Date to but excluding the First Determination End Date will be the Interpolated Screen Rate 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 (or portion thereof, in the case of the first Interest Accrual Period) and an amount approximately equal to the amount of the aggregate outstanding principal amount of the Floating Rate 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 with respect to such Interest Accrual Period (or portion thereof, in the case of the first Interest Accrual Period) 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 (or portion thereof, in the case of the first 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 (or portion thereof, in the case of the first Interest Accrual Period) and an amount approximately equal to the aggregate outstanding principal amount of the Floating Rate 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.

"Long Dated Obligation" means a Collateral Obligation that has a scheduled maturity later than the Stated Maturity of the Notes.

"Maintenance Covenant" means a covenant by any borrower to comply with one or more financial covenants during each reporting period, 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, as of any date of determination, any loan the obligor of which has total potential indebtedness (under loan agreements, indentures and other instruments governing such obligor's indebtedness) with an aggregate principal amount, whether drawn or undrawn, of less than U.S.\$150,000,000 as of such date of determination.

"Minimum Denominations" means (a) in the case of the Secured Notes other than the Class D Notes and Class E Notes, U.S.\$500,000 and integral multiples of U.S.\$1.00 in excess thereof, (b) in the case of the Class D Notes and Class E Notes, U.S.\$750,000 and integral multiples of U.S.\$1.00 in excess thereof, (c) in the case of the Subordinated Notes, U.S.\$1,200,000 and integral multiples of U.S.\$1.00 in excess thereof; *provided* that, solely in connection with a transfer of Subordinated Notes after the Closing Date, the minimum denominations of Subordinated Notes subject to any such transfer may be less than U.S.\$1,200,000 if, after giving effect to such transfer, each of the transferor and the transferee owns either (i) \$0 in aggregate principal amount of Subordinated Notes or (ii) at least U.S.\$1,200,000 in aggregate principal amount of Subordinated Notes, and (d) in the case of the Income Notes, U.S.\$250,000 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 Additional Current Pay Criteria" means criteria satisfied with respect to any Collateral Obligation if such Collateral Obligation has either (i) a Market Value of at least 85% of its outstanding principal balance and a Moody's Rating of at least "Caa2" or (ii) a Market Value of at least 80% of its outstanding principal balance and a Moody's Rating of at least "Caa1". For purposes of determining the Moody's Rating of a Collateral Obligation for purposes of this definition, with respect to a Collateral Obligation already owned by the Issuer whose facility rating from Moody's is withdrawn, the facility rating will be the last outstanding facility rating before such withdrawal.

"Moody's Collateral Value" means, on any date of determination, with respect to any Defaulted Obligation, Deferring Security or Long Dated Obligation, the lesser of (i) the Moody's Recovery Amount of such Defaulted Obligation, Deferring Security or Long Dated Obligation as of such date and (ii) the Market Value of such Defaulted Obligation, Deferring Security or Long Dated Obligation 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)	Individual Percentage Limit	Aggregate Percentage Limit
Aaa	20%	20%
Aa1	10%	20%
Aa2	10%	20%
Aa3	10%	15%
A1	5%	10%
A2*	5%	5%
A3 or below	0%	0%

** only if entity also has a Moody's short-term rating of P-1; otherwise percentage limits for "A3 or below" apply*

"**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;
- (ii) with respect to any action taken or to be taken by or on behalf of the Issuer, Moody's has confirmed in writing, including by electronic message, facsimile, press release, posting to its internet website, or other means then considered industry standard to the Issuer, the Trustee and the Collateral Manager that no immediate withdrawal or reduction with respect to its then current rating of any Class of Secured Notes will occur as a result of such action; or
- (iii) with respect to any action taken or to be taken by or on behalf of the Issuer, Moody's has communicated to the Issuer, the Collateral Manager or the Trustee (or their counsel) that Moody's will not review such action for purposes of evaluating whether to confirm the then-current rating (or initial rating) of the Class A-1 Notes;

provided that (A) if Moody's has indicated to the Issuer (or the Collateral Manager on its behalf) or has published a statement that it will not provide confirmation with respect to a particular category or type of action or designation (other than not providing confirmation because Moody's has determined that such action or designation would cause a withdrawal or reduction with respect to Moody's then-current rating of any Class of Secured Notes), then such condition will be inapplicable on and after the date that is 10 Business Days after the Issuer (or the Collateral Manager on its behalf) provides notice of such proposed action or designation to Moody's and (B) the Moody's

Rating Condition will be inapplicable if no Class of Secured Notes then outstanding has a rating from Moody's that was solicited by the Issuer.

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 (a) the United States or (b) 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, the Subordinated Notes and the Income Notes.

"Offering Documents" means the indicative term sheet for the Notes; the first preliminary offering circular for the Notes; the second preliminary offering circular for the Notes; the pre-pricing preliminary offering circular for the Notes; certain drafts of the preliminary offering circular and final offering circular for the Notes; this Offering Circular; 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.

"Partial Refinancing Interest Proceeds" means, in connection with a Refinancing in part by Class of one or more Classes of Secured Notes, with respect to each such Class, Interest Proceeds up to the amount of accrued and unpaid interest on such Class, but only to the extent that such Interest Proceeds would be available under the Priority of Payments to pay accrued and unpaid interest on such Class on the Refinancing Date (or, in the case of a Refinancing occurring on a date other than a Payment Date, only to the extent that such Interest Proceeds would be available under the Priority of Payments to pay accrued and unpaid interest on such Class on the next Payment Date, taking into account scheduled distributions on the Assets that are expected to be received prior to the next Determination Date).

"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, (a) a long-term debt rating of at least "A+" by S&P or (b) a long-term debt rating of at least "A" by S&P and a short-term debt rating of at least "A-1" by S&P.

"Paying Agent" means any paying agent appointed under the Indenture in order to receive the Redemption Price.

"Payment Date" means the 18th day of January, April, July and October of each year (or, if such day is not a Business Day, then the next succeeding Business Day) commencing in July 2014.

"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, the Income Note Issuer and Citigroup, as placement agent of the Subordinated Notes and the Income Notes, as amended from time to time.

"Principal Financed Accrued Interest" means, with respect to (i) the Collateral Obligations that the Issuer acquired through the Closing Merger, accrued interest and delayed compensation (representing compensation for delayed settlement) on such Collateral Obligations that remains unpaid as of the Closing Date in an amount equal to approximately U.S.\$880,000 and (ii) any other Collateral Obligation acquired by the Issuer, the amount of Principal Proceeds, if any, applied towards the purchase of accrued interest and delayed compensation (representing compensation for delayed settlement) 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 "Overview 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.

"Real Property Secured Asset" means any asset that is (a) an obligation (i) substantially all of the proceeds of which were used to acquire, improve or protect an interest in real property that, at the origination date of such obligation, is the only security for such obligation (other than Cash and investment securities held pending use of such funds), (ii) as to which the fair market value of the collateral securing such obligation that are interests in real property is at least equal to 80% of the issue price thereof on the issue date therefor, (iii) that is an interest in a real estate mortgage investment conduit under Section 860D of the Code or (iv) that is a stripped bond or stripped coupon described in Treasury Regulation Section 301.7701(i)-1(d)(1)(iii) or (b) an interest in any obligation described in (a) above.

"Record Date" means, with respect to the Global Secured Notes, Global Subordinated Notes and Global Income Notes, the date one day prior to the applicable Payment Date and, with respect to the Certificated Class E Notes, Certificated Subordinated Notes, Uncertificated Subordinated Notes, Certificated Income Notes and Uncertificated Income 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, Class D Notes and Class E 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 United States 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.

"Regulation S Global Class E Note" means a Class E Note in the form of a Regulation S Global Secured Note.

"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 Balance Criteria" means any of the following requirements, in each case determined after giving effect to the proposed purchase of Collateral Obligations and all other sales or purchases previously or simultaneously committed to and, in each case under clause (1) or (2), as compared to the level immediately prior to the sale or other disposition (or immediately prior to the Unscheduled Principal Payment, as the case may be) that produced the proceeds to be applied to such proposed purchase: (1) the aggregate principal balance of the Collateral Obligations plus, without duplication, amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds will be maintained or increased, (2) the Adjusted Collateral Principal Amount is maintained or increased, or (3) the aggregate principal balance of all Collateral Obligations plus, without duplication, 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.

"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 *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).

"Re-Pricing Eligible Secured Notes" means the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E 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.

"Required Interest Diversion Amount" means, on any Payment Date related to a Determination Date during the Reinvestment Period on which the Interest Diversion Test is not satisfied, the amount equal to the lesser of (x) 50% of Available Funds from the Collateral Interest Amount on such Payment Date after application of such Collateral Interest Amount to the payment of amounts set forth in clauses (A) through (P) under "Overview of Terms—Priority of Payments—Application of Interest Proceeds" and (y) the minimum amount that needs to be added to the Adjusted Collateral Principal Amount in order to cause the Interest Diversion Test to be satisfied.

"Restricted Trading Period" means the period while any Class A-1 Notes are outstanding during which (a) the Moody's rating or S&P rating of the Class A-1 Notes is one or more sub-categories below the rating of the Class A-1 Notes on the Closing Date or has been withdrawn and not reinstated or the S&P rating of the Class A-2 Notes, the Class B Notes, the Class C Notes or the Class D Notes is two or more sub-categories below the rating of such Class

on the Closing Date or has been withdrawn and not reinstated and (b) after giving effect to any sale of relevant Collateral Obligations, (x) the aggregate principal balance of all Collateral Obligations plus, without duplication, amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds will be less than the Reinvestment Target Par Balance, (y) the Maximum Moody's Rating Factor Test is not satisfied or (z) any Overcollateralization Ratio Test is not satisfied; *provided* that (1) such period will not be a Restricted Trading Period upon the direction to the Issuer (with a copy to the Trustee, the Collateral Manager and the Collateral Administrator) of a Majority of the Controlling Class, which direction will remain in effect until the earlier of (i) a further downgrade or withdrawal of the Moody's rating or S&P rating of the Class A-1 Notes or the S&P rating of the Class A-2 Notes, the Class B Notes, the Class C Notes or the Class D 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 Controlling Class declaring the beginning of a Restricted Trading Period and (2) no Restricted Trading Period shall restrict any purchase or 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 purchase or 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 Additional Current Pay Criteria" means criteria satisfied with respect to any Collateral Obligation (other than a DIP Collateral Obligation) if either (i) the issuer of such Collateral Obligation has made a Distressed Exchange Offer and such Collateral Obligation is already held by the Issuer and is subject to the Distressed Exchange Offer and ranks equal in priority to or higher in priority than the obligation subject to the Distressed Exchange Offer, or (ii) such Collateral Obligation has a Market Value of at least 80% of its par value.

"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, an S&P Selected Maximum Average Life and a Weighted Average Floating Spread from Section 2 of Annex C or (y) a Weighted Average S&P Recovery Rate, an S&P Selected Maximum Average Life 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, the Weighted Average Life of all Collateral Obligations equals or is less than the S&P Selected Maximum Average Life 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, Deferring Security or Long Dated Obligation, the lesser of (i) the S&P Recovery Amount of such Defaulted Obligation, Deferring Security or Long Dated Obligation, respectively, as of the relevant Measurement Date and (ii) the Market Value of such Defaulted Obligation, Deferring Security or Long Dated Obligation, 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

"**S&P Selected Maximum Average Life**" means, as of any date of determination, the Weighted Average Life associated with the S&P CDO Monitor chosen by the Collateral Manager pursuant to the definition of "S&P CDO Monitor" with respect to such date; *provided* that the Collateral Manager may not select a case corresponding to a Weighted Average Life that is less than the Weighted Average Life of the Collateral Obligations as of such date of determination.

"**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; (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; and (iv) with respect to the Class E Notes, any payment of interest due on the Class E 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, the Class D Notes and the Class E Notes.

"Secured Parties" means collectively the holders of the Secured Notes, the Collateral Manager, the Administrator, the Collateral Administrator, the Trustee and the Income Note Paying Agent.

"Securities Account Control Agreement" means the Securities Account Control Agreement dated as of the Closing Date among the Issuer, the Trustee and U.S. Bank National Association, 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 by S&P 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 determined pursuant to Annex C.

"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 January 2025.

"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 with respect to any Class of Notes, the holders of at least 66-2/3% of the aggregate outstanding principal amount of the Notes of such Class.

"Swapped Non-Discount Obligation" means any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased with the proceeds of a sale of a Collateral Obligation that was not a Discount Obligation at the time of its purchase, and will not be considered a Discount Obligation so long as such purchased Collateral Obligation (a) is purchased or committed to be purchased within 20 Business Days of such sale, (b) is purchased at a price (as a percentage of par) equal to or greater than the sale price of the sold Collateral Obligation, (c) is purchased at a purchase price not less than 60% of the principal balance thereof and (d) has a Moody's Rating equal to or greater than the Moody's Rating of the sold Collateral Obligation; *provided* that (x) to the extent the aggregate principal balance of Swapped Non-Discount Obligations exceeds 5.0% of the Collateral Principal Amount, such excess will not constitute Swapped Non-Discount Obligations, (y) to the extent the aggregate principal balance of obligations that have constituted Swapped Non-Discount Obligations measured cumulatively since the Closing Date exceeds 10.0% of the Target Initial Par Amount, such excess will not constitute Swapped Non-Discount Obligations and (z) such Collateral Obligation will cease to be a Swapped Non-Discount Obligation at such time as such Swapped Non-Discount Obligation would no longer otherwise be considered a Discount Obligation.

"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.\$675,000,000.

"Target Initial Par Condition" means a condition satisfied as of the Effective Date if the Issuer has purchased, or entered into binding commitments to purchase, Collateral Obligations, including Collateral Obligations acquired by the Issuer on or prior to the Closing Date, having an aggregate principal balance that equals or exceeds the Target Initial Par Amount, without regard to prepayments, maturities, redemptions or sales; *provided* that (a) for purposes of this definition, the principal balance of any Defaulted Obligation will be the lower of its S&P Collateral Value and its Moody's Collateral Value and (b) sales may only be disregarded up to an aggregate principal balance that is less than or equal to (i) the product of 5.0% multiplied by the Target Initial Par Amount (the **"ARUP Sale Amount"**) less (ii) the net amount, if any, by which the aggregate of the prices at which the Issuer purchased the Collateral Obligations sold as part of the ARUP Sale Amount exceeds the aggregate of the prices at which the Issuer sold such Collateral Obligations.

"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, or withholding tax under section 1446 of the Code is imposed on payments under the Notes.

"Tax Jurisdiction" means (a) a sovereign jurisdiction that is commonly used as the place of organization of special purpose vehicles (including but not limited to the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, Jersey, Singapore, the Netherlands Antilles or the U.S. Virgin Islands) or (b) upon notice to Moody's with respect to the treatment of another jurisdiction as a Tax Jurisdiction, such other jurisdiction.

"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 Income Note Paying Agency Agreement, the Collateral Management Agreement, the Collateral Administration Agreement, the Securities Account Control Agreement, the Administration Agreement, the Registered Office Agreement, the Income Note Administration Agreement and the Income Note 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 U.S. Bank National Association, 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]

U.S. Bank National Association, as Trustee
60 Livingston Ave
St. Paul, Minnesota 55107
Attention: Babson CLO Ltd. 2013-II

Re: Babson CLO Ltd. 2013-II (the "**Issuer**"); Subordinated Notes

Reference is hereby made to the Indenture, dated as of December 17, 2013, among the Issuer, Babson CLO 2013-II, LLC, as Co-Issuer, and U.S. Bank National Association, 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][Rule 144A] 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.\$1,200,000 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 to a person that has been determined by the Issuer or the Trustee to be a Benefit Plan Investor, as defined in Section 3(42) of ERISA, 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 25% or more of the value of Subordinated Notes to be held by Benefit Plan Investors, as defined in Section 3(42) of ERISA, disregarding Subordinated Notes held by Controlling Persons, to sell its interest in the Subordinated Note, or may sell such interest on behalf of such owner.

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. It agrees that (1) no Subordinated Notes (or interests therein) may be acquired or owned by any person that is classified for United States federal income tax purposes as a partnership, subchapter S corporation or grantor trust unless (i) (A) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 40% of the value of its interest in such person attributable to such person's interest in any Subordinated Notes or other interest (direct or indirect) in the Issuer, and (B) it is not and will not be a principal purpose of the arrangement involving the investment of such Person in any Subordinated Notes to permit any partnership to satisfy the 100 partner limitation of Treasury Regulation section 1.7704-1(h)(1)(ii), or (ii) such person obtains an opinion of nationally recognized counsel reasonably satisfactory to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation, and (2) no Subordinated Note (or interests therein) may be acquired, and no holder of a Subordinated Note may sell, transfer, assign, participate, pledge or otherwise dispose of any such Notes (or interests therein) if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the Class D Notes, Class E Notes and Subordinated Notes, collectively, to be held or beneficially owned by more than 100 persons.

8. It represents that the beneficial owner of this Subordinated Note, to the extent it is not a United States person within the meaning of section 7701(a)(30) of the Code, will not be a person that ineligible to receive portfolio interest free of US withholding tax under sections 871(h)(3) or 881(c)(3) of the Code.

9. It hereby agrees to provide the Issuer, the Trustee and their agents or delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer, the Trustee and their agents or delegates 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, the Trustee and their agents or delegates 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, the Trustee and their agents or delegates 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.

10. 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.

11. It acknowledges that no sale, transfer, assignment or other disposition of any Subordinated Notes (or beneficial interests therein) will be recognized if effected through (x) a United States national, regional or local securities exchange, (y) a foreign securities exchange or (z) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers ((x), (y) and (z), collectively, an "**Exchange**"). It further agrees that it shall not cause any such Notes or any interest therein to be marketed on or through an Exchange.

12. 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.

13. 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.

14. 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.

15. It represents and warrants that it is not a member of the public in the Cayman Islands.

16. 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. 2013-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 Class E Notes or Subordinated Notes, as applicable, issued by Babson CLO Ltd. 2013-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**"), treating interests in Subordinated Notes held by Babson CLO Ltd. Income Note 2013-II (the "**Income Note Issuer**") as held by Benefit Plan Investors or by Controlling Persons to the extent that Income Notes issued by the Income Note Issuer (together with the Class E Notes and Subordinated Notes, each, a Class of "**ERISA Restricted Notes**") are held by Benefit Plan Investors or Controlling Persons, as applicable, 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, beneficially owns more than 33-1/3% of either Class of ERISA Restricted 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 ERISA Restricted 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 Class E Notes, Subordinated Notes or Income 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 unless you have obtained the prior written consent of the Issuer (or, with respect to the Income Notes, the Income Note Issuer, which will not so consent without the consent of the Issuer). 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 hold less than 25% of the value of each Class of ERISA Restricted 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 ERISA Restricted 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 ERISA Restricted 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 ERISA Restricted 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 Class E Notes and the Subordinated Notes, the value of any ERISA Restricted Notes held by

Controlling Persons (other than Benefit Plan Investors) are required to be disregarded, and that interests in Subordinated Notes held by the Income Note Issuer will be treated as held by Benefit Plan Investors or by Controlling Persons to the extent that Income Notes issued by the Income Note Issuer (or interests therein) are held by Benefit Plan Investors or Controlling Persons, as applicable.

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 ERISA Restricted Notes that are causing a violation of the 25% Limitation, the Issuer shall have the right, without further notice to us, to sell such ERISA Restricted Notes or our interest in such ERISA Restricted 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 ERISA Restricted 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 ERISA Restricted Notes, as applicable, 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 any Class of ERISA Restricted Notes, and (b) will not initiate any such transfer after we have been informed by the Issuer or the Transfer Agent (or, in the case of Income Notes, the Income Note Paying Agent) in writing that such transfer would cause the 25% Limitation to be exceeded. We hereby agree and acknowledge that after the Trustee (or, in the case of Income Notes, the Income Note Paying Agent) effects any permitted transfer of any ERISA Restricted Notes, held 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 ERISA Restricted Notes in future calculations of the 25% Limitation unless subsequently notified that such ERISA Restricted Notes (or such portion), as applicable, would no longer be deemed to be held by Benefit Plan Investors or Controlling Persons. We hereby agree that if we are notified or otherwise have knowledge that (i) we have made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) our beneficial ownership otherwise may cause a violation of the 25% Limitation, we shall promptly notify the Issuer and the Trustee (or, in the case of Income Notes, the Income Note Paying Agent) thereof.

10. ☐ **Affected Bank.** The Person that will beneficially own the Notes 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), (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% nor (z) a bank that holds all of its Notes in connection with a United States trade or business and reports all income thereon on a form W-8ECI.

Note: We understand that, if we checked the box in Section 10, the Trustee will not register the transfer of any Notes to us unless such transfer is specifically authorized by the Issuer in writing; provided that the Issuer shall authorize any such transfer of Notes other than Subordinated Notes 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 any Class of Notes or (y) the transferor of Notes 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 ERISA Restricted 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 Class E Notes or Subordinated Notes upon any subsequent transfer of ERISA Restricted 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 any Class of ERISA Restricted 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 (and, solely with respect to the Income Notes, the Income Note Issuer and the Income Note Paying Agent) and 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 ERISA Restricted 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 Class E Notes, 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:

U.S. Bank National Association, as Trustee
60 Livingston Ave
St. Paul, Minnesota 55107
Attention: Babson CLO Ltd. 2013-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 [Class E] [Subordinated Notes]

**FORM OF PURCHASER REPRESENTATION LETTER FOR
CERTIFICATED CLASS E NOTES**

[DATE]

U.S. Bank National Association, as Trustee
60 Livingston Ave
St. Paul, Minnesota 55107
Attention: Babson CLO Ltd. 2013-II

Re: Babson CLO Ltd. 2013-II (the "**Issuer**"); Class E Notes

Reference is hereby made to the Indenture, dated as of December 17, 2013, among the Issuer, Babson CLO 2013-II, LLC, as Co-Issuer, and U.S. Bank National Association, 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 Class E Notes (the "**Class E Notes**") in the form of [one or more certificated] [a beneficial interest in a Regulation S Global] Class E Note[s] to effect the transfer of the Class E 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 Class E Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder; or

_____ a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and are acquiring the Class E 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 Class E Notes for our own account (and not for the account of any other person) in a minimum denomination of U.S.\$750,000 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 Class E 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 Class E Notes, such Class E Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Class E Notes, including the requirement for written certifications. In particular, it understands that the Class E Notes may be transferred only (a) to a person that is either a "**qualified purchaser**" (as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**")) 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 that is a "**qualified institutional buyer**" as defined in Rule 144A under the Securities Act who purchases such Class E Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (b) to a person that is not a "**U.S. person**" as defined in Regulation S under the Securities Act, and is acquiring the Class E 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 Class E 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 Class E Notes that fails to comply with the foregoing requirements to sell its interest in such Class E Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Class E 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 Class E Notes; (iii) it has read and understands the final offering circular for such Class E Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Class E Notes are being issued and the risks to purchasers of the Class E 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 Class E Notes; (vi) it was not formed for the purpose of investing in the Class E Notes; and (vii) it is a sophisticated investor and is purchasing the Class E 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 a "qualified institutional buyer" as defined in Rule 144A under the Securities Act who purchases such Class E Notes in reliance on the exemption from Securities Act registration provided by Rule 144A thereunder or (y) not a "U.S. person" as defined in Regulation S under the Securities Act and is acquiring the Class E 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 Class E 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 Class E 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 Class E 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 Class E Notes; (v) it is acquiring its interest in the Class E Notes for its own account; and (vi) it will hold and transfer at least the minimum denomination of the Class E 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 the beneficial owner's 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 Class E Notes if such transfer may result in 25% or more of the value of the Class E Notes being held by Benefit Plan Investors, as defined in Section 3(42) of ERISA, disregarding Class E Notes held by persons, other

than Benefit Plan Investors, who have discretionary authority or control with respect to the assets of the Issuer, or who provide investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate, as defined in 29. C.F.R. § 2510.3-101(f)(3), of such persons (the "**25% Limitation**"). It further agrees and acknowledges that the Issuer has the right, under the Indenture, to compel any beneficial owner of a Class E 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 E Note, or may sell such interest on behalf of such owner. It further agrees and acknowledges that if it is notified or otherwise has knowledge that (i) it has made or been deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person, Similar Law or Other Plan Law representation that is or becomes false or misleading or (ii) its beneficial ownership otherwise may cause a violation of the 25% Limitation, it shall promptly notify the Issuer and the Trustee thereof. It further agrees and acknowledges that no transfer of a beneficial interest in a Class E 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 beneficially own more than 33-1/3% of the aggregate outstanding principal amount of the Class E Notes or (y) beneficial owner transferring its interest is an Affected Bank previously approved by the Issuer.

5. It will treat its Class E Notes as debt of 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 Class E Notes.

7. It agrees that (1) no Class E Notes (or interest therein) (or interests therein) may be acquired or owned by any person that is classified for United States federal income tax purposes as a partnership, subchapter S corporation or grantor trust unless (i) (A) none of the direct or indirect beneficial owners of any interest in such person have or ever will have more than 40% of the value of its interest in such person attributable to such person's interest in any Class E Notes or other interest (direct or indirect) in the Issuer, and (B) it is not and will not be a principal purpose of the arrangement involving the investment of such Person in any Class E Notes to permit any partnership to satisfy the 100 partner limitation of Treasury Regulation section 1.7704-1(h)(1)(ii), or (ii) such person obtains an opinion of nationally recognized counsel reasonably satisfactory to the Issuer that such transfer will not cause the Issuer to be treated as a publicly traded partnership taxable as a corporation, and (2) no Class E Notes (or interests therein) may be acquired, and no holder of a Class E Note may sell, transfer, assign, participate, pledge or otherwise dispose of any such Notes (or interests therein) if such acquisition, sale, transfer, assignment, participation, pledge or other disposition would cause the Class D Notes, Class E Notes and Subordinated Notes, collectively, to be held or beneficially owned by more than 100 persons.

8. It represents that the beneficial owner of this Class E Note will not be 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), (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% nor (z) a bank that holds all of its Notes in connection with a United States trade or business and reports all income thereon on a form W-8ECI. If this representation cannot be made, we will notify the Issuer and the Trustee, and that the Trustee will not register the transfer of Class E 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 beneficially own more than 33-1/3% of the Class E Notes or (y) beneficial owner transferring its interest in Class E to an Affected Bank whose ownership of that Class E Note has been previously approved by the Issuer.

9. It hereby agrees to provide the Issuer, the Trustee and their agents or delegates (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Issuer, the Trustee and their agents or delegates 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, the Trustee and their agents or delegates 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, the Trustee and their agents and their delegates 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, the Trustee and their agents or delegates 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 Class E 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 Class E Notes that fails to comply with the foregoing requirements to sell its interest in such Class E Notes, or may sell such interest on behalf of such owner.

10. 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.

11. It acknowledges that no sale, transfer, assignment or other disposition of any Class E Notes (or beneficial interests therein) will be recognized if effected through (x) a United States national, regional or local securities exchange, (y) a foreign securities exchange or (z) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers ((x), (y) and (z), collectively, an "**Exchange**"). It further agrees that it shall not cause any such Notes or any interest therein to be marketed on or through an Exchange.

12. 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 Class E 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 Class E Note to make representations to the Issuer in connection with such compliance.

13. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Class E Notes, the Class E Notes will constitute Collateral Manager Notes; or _____ (check if applicable) upon acquisition by it of the Class E Notes, the Class E Notes will not constitute Collateral Manager Notes.

14. It agrees to provide the Issuer and 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 comply with U.S. tax information reporting requirements relating to its adjusted basis in the Class E 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 Class E Notes to the U.S. Internal Revenue Service.

15. It represents and warrants that it is not a member of the public in the Cayman Islands.

16. 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 Class E 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. 2013-II
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman, KY1-1102, Cayman Islands

**FORM OF PURCHASER REPRESENTATION LETTER FOR
CERTIFICATED OR UNCERTIFICATED INCOME NOTES**

[DATE]

U.S. Bank National Association, as Income Note Paying Agent
60 Livingston Ave
St. Paul, Minnesota 55107
Attention: Babson CLO Ltd. Income Note 2013-II

Re: Babson CLO Ltd. Income Note 2013-II (the "**Income Note Issuer**"); Income Notes

Reference is hereby made to the Income Note Paying Agency Agreement, dated as of December 17, 2013, between the Income Note Issuer and U.S. Bank National Association, as Income Note Paying Agent (the "**Income Note Paying Agency Agreement**"). Capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the final offering circular of the Income Note Issuer or the Income Note Paying Agency Agreement.

This letter relates to U.S.\$_____ aggregate outstanding principal amount of Income Notes (the "**Income Notes**") in the form of [one or more certificated] [uncertificated] [a beneficial interest in a [Regulation S][Rule 144A] Global] Income Note[s] to effect the transfer of the Income Notes to _____ (the "**Transferee**").

The Transferee hereby represents, warrants and covenants for the benefit of the Income Note 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 Income 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 Income 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 Income Notes for our own account (and not for the account of any other person) in a minimum denomination of U.S.\$250,000 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 Income 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 Income Notes, such Income Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legends on such Income Notes, including the requirement for written certifications. In particular, it understands that the Income 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 Income 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 Income 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 Income Notes. It understands that none of the Issuer, the Co-Issuer or the Income Note Issuer has been registered under the Investment Company Act, and that the Issuer, Co-Issuer and the Income Note Issuer are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. It understands and acknowledges that the Income Note Issuer has the right, under the Income Note Paying Agency Agreement, to compel any beneficial owner of an interest in the Income Notes that fails to comply with the foregoing requirements to sell its interest in such Income Notes, or may sell such interest on behalf of such owner.

2. In connection with its purchase of the Income Notes: (i) none of the Co-Issuers, the Income Note Issuer, Citigroup, the Collateral Manager, the Trustee, the Income Note Paying Agent, 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, the Income Note Issuer, Citigroup, the Collateral Manager, the Trustee, the Income Note Paying Agent, the Collateral Administrator or any of their respective affiliates other than any statements in the final offering circular for such Income Notes; (iii) it has read and understands the final offering circular for such Income Notes (including, without limitation, the descriptions therein of the structure of the transaction in which the Income Notes are being issued and the risks to purchasers of the Income 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 Income Notes; (vi) it was not formed for the purpose of investing in the Income Notes; and (vii) it is a sophisticated investor and is purchasing the Income 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 Income 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 Income 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 Income 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 Income 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 Income Notes; (v) it is acquiring its interest in the Income Notes for its own account; and (vi) it will hold and transfer at least the minimum denomination of the Income 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 Babson CLO Ltd. 2013-II (the "Issuer"), the Income Note Issuer, the Trustee of the Issuer, the Income Note Paying Agent, Citigroup, and the Collateral Manager. It agrees and acknowledges that none of Income Note Issuer or the Income Note Paying Agent will recognize any transfer of the Income Notes to a person determined by the Income Note Issuer to be a Benefit Plan Investor, as defined in Section 3(42) of ERISA, 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"). 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 Income Note Issuer has the right, under the Income Note Paying Agency Agreement, to compel any beneficial owner of an Income 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 25% or more of the value of Subordinated Notes to be held by Benefit Plan Investors, as defined in Section 3(42) of ERISA, disregarding Subordinated Notes held by Controlling Persons and treating interests in Subordinated Notes held by the Income Note Issuer as held by Benefit Plan Investors or by Controlling Persons to the extent that Income Notes issued by the Income Note Issuer (or interests therein) are held by Benefit Plan Investors or Controlling Persons, as applicable, to sell its interest in the Income Note, or may sell such interest on behalf of such owner. It further agrees and acknowledges that no transfer of an Income 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 Income Note Issuer in writing; *provided*, that the Income Note 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 Income Notes or (y) the transferor is an Affected Bank previously approved by the Income Note Issuer.

5. It will treat its Income Notes as equity in the Income Note 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 Income Note Issuer or the Income Note Paying Agent 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 Income Notes.

7. It represents that the beneficial owner of this Income Note will not be 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), (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% nor (z) a bank that holds all of its Notes in connection with a United States trade or business and reports all income thereon on a form W-8ECI. If this representation cannot be made, we will notify the Income

Note Issuer and the Income Note Paying Agent, and the Income Note Paying Agent will not register the transfer of Income Notes to us unless such transfer is specifically authorized by the Income Note Issuer in writing; provided that the Income Note Issuer shall authorize any such transfer if (x) such transfer would not cause an Affected Bank, directly or in conjunction with its affiliates., to beneficially own more than 33-1/3% of the Income Notes or (y) beneficial owner transferring its interest in Income Notes to an Affected Bank whose ownership of that Income Note has been previously approved by the Issuer.

8. It hereby agrees to provide the Income Note Issuer, the Income Note Paying Agent, the Issuer, the Trustee and their agents or delegates (i) any information as is necessary (in the sole determination of the Income Note Issuer, the Income Note Paying Agent, the Issuer or the Trustee, as applicable) for the Income Note Issuer, the Income Note Paying Agent, the Issuer, the Trustee and their agents or delegates 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 Income Note Issuer, the Income Note Paying Agent, the Issuer, the Trustee and their agents or delegates request 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 Income Note Issuer, the Income Note Paying Agent, the Issuer, the Trustee and their agents or delegates 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 Income Note Issuer, the Income Note Paying Agent, the Issuer, the Trustee or their agents or delegates 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 Income Note Issuer may provide such information and any other information concerning its investment in the Income Notes to the U.S. Internal Revenue Service. It understands and acknowledges that the Income Note Issuer has the right, under the Income Note Paying Agency Agreement, to compel any beneficial owner of an interest in the Income Notes that fails to comply with the foregoing requirements to sell its interest in such Income 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, the Income Note Issuer, or any Blocker Subsidiary, or cause the Issuer, the Co-Issuer, the Income Note 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 Income Note Issuer, as determined by the Income Note Issuer or the Collateral Manager on behalf of the Income Note Issuer, the Income Note Issuer may, upon notice to the Income Note Paying Agent, impose additional transfer restrictions on the Income 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 an Income Note to make representations to the Income Note Issuer in connection with such compliance.

11. It represents and warrants that _____ (check if applicable) upon acquisition by it of the Income Notes, the Income Notes will constitute Collateral Manager Notes; or _____ (check if applicable) upon acquisition by it of the Income Notes, the Income Notes will not constitute Collateral Manager Notes.

12. It agrees to provide the Income Note Issuer and Income Note Paying Agent (i) any information as is necessary (in the sole determination of the Issuer or the Trustee, as applicable) for the Income Note Issuer and Income Note Paying Agent to comply with U.S. tax information reporting requirements relating to its adjusted basis in the Income Notes, and (ii) any additional information that the Income Note Issuer, Income Note Paying Agent 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 Income Note Issuer or Income Note

Paying Agent may provide such information and any other information concerning its investment in the Income 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 Income Note Issuer and Income Note Paying Agent, the Trustee, the Issuer, 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 Income 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. Income Note 2013-II
c/o MaplesFS Limited
P.O. Box 1093
Queensgate House
Grand Cayman, KY1-1102, Cayman Islands
Attention: The Directors

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:

- (a) if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has a corporate family rating by Moody's, then such corporate family rating;
- (b) if not determined pursuant to clause (a) above, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has one or more senior unsecured obligations (including such Collateral Obligation, if applicable) publicly rated by Moody's, then the Moody's public rating of any such obligation as selected by the Collateral Manager in its sole discretion;
- (c) if not determined pursuant to clause (a) or (b) above, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has one or more senior secured obligations (including such Collateral Obligation, if applicable) publicly rated by Moody's, then the rating one rating subcategory below the Moody's public rating of any such obligation as selected by the Collateral Manager in its sole discretion;
- (d) if not determined pursuant to clause (a), (b) or (c) above, (A) if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 15 months (but not within the last 13 months) upon the request of the Issuer, the Collateral Manager or an Affiliate of the Collateral Manager, the rating one rating subcategory below such credit estimate, or if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 13 months, such credit estimate, or (B) if not determined pursuant to the foregoing clause (A), if such Collateral Obligation is a DIP Collateral Obligation and has a facility rating (whether public or private) by Moody's, one subcategory below such facility rating;
- (e) if not determined pursuant to clause (a), (b), (c) or (d) above, other than in the case of a DIP Collateral Obligation, the Moody's Derived Rating; *provided* that not more than 10% of the Collateral Principal Amount may consist, in the aggregate, of Collateral Obligations with a Moody's Default Probability Rating determined by reference to a Moody's Derived Rating as set forth in this clause (e) and Collateral Obligations with a Moody's Rating determined by reference to a Moody's Derived Rating as set forth in clause (a)(D) or (b)(E) of the definition of "Moody's Rating"; and
- (f) if not determined pursuant to clause (a), (b), (c), (d) or (e) above, "Caa3".

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 any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

- (a) if such Collateral Obligation is rated by S&P, the rating determined 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 Security	>BBB-	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance	<BB+	Not a Loan or Participation	-2

Security		Interest in Loan	
Not Structured Finance Security		Loan or Participation Interest in Loan	-2

- (b) 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 clause (a) above, and the Moody's Derived Rating of such Collateral Obligation will be determined by adjusting the rating of such parallel security by the number of rating subcategories according to the table below, for such purposes treating the parallel security as if it were rated by Moody's at the rating determined in accordance with the table set forth in clause (a) above:

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

provided that 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.

"**Moody's Rating**" means,

- (a) with respect to a Collateral Obligation that is a Senior Secured Loan:
- (A) if such Collateral Obligation is publicly rated by Moody's, such public rating;
- (B) if such Collateral Obligation (other than a DIP Collateral Obligation) is not publicly rated by Moody's and (i) if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 15 months (but not within the last 13 months) upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, the rating equal to the Moody's default probability rating included in such credit estimate or if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 13 months, the rating one rating subcategory higher than the Moody's default probability rating included in such credit estimate and (ii) otherwise, if the obligor of such Collateral Obligation has a corporate family rating by Moody's, then the Moody's rating that is one subcategory higher than such corporate family rating;
- (C) if neither clause (A) nor (B) above apply, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has one or more senior unsecured obligations publicly rated by Moody's, then the Moody's rating that is two subcategories higher than the Moody's public rating of any such senior unsecured obligations as selected by the Collateral Manager in its sole discretion;
- (D) if none of clauses (A) through (C) above apply, at the election of the Collateral Manager, the Moody's Derived Rating; *provided* that not more than 10% of the Collateral Principal Amount may consist, in the aggregate, of Collateral Obligations with a Moody's Default Probability Rating determined by

reference to a Moody's Derived Rating as set forth in clause (e) of the definition of "Moody's Default Probability Rating" and Collateral Obligations with a Moody's Rating determined by reference to a Moody's Derived Rating as set forth in this clause (a)(D) or clause (b)(E) below; and

(E) if none of clauses (A) through (D) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3"; and

(b) with respect to a Collateral Obligation other than a Senior Secured Loan:

(A) if such Collateral Obligation is publicly rated by Moody's, such public rating;

(B) if such Collateral Obligation (other than a DIP Collateral Obligation) is not publicly rated by Moody's but 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 as selected by the Collateral Manager in its sole discretion;

(C) if neither clause (A) nor (B) above apply, (i) if a credit estimate has been assigned to such Collateral Obligation (other than a DIP Collateral Obligation) by Moody's within the last 15 months (but not within the last 13 months) upon the request of the Issuer, the Collateral Manager or an affiliate of the Collateral Manager, the rating two rating subcategories lower than the Moody's default probability rating included in such credit estimate or if a credit estimate has been assigned to such Collateral Obligation by Moody's within the last 13 months, the rating one rating subcategory lower than the Moody's default probability rating included in such credit estimate and (ii) otherwise, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has a corporate family rating by Moody's, then the Moody's rating that is one subcategory lower than such corporate family rating;

(D) if none of clauses (A), (B) or (C) above apply, if the obligor of such Collateral Obligation (other than a DIP Collateral Obligation) has one or more subordinated debt obligations publicly rated by Moody's, then the Moody's rating that is one subcategory higher than the Moody's public 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; *provided* that not more than 10% of the Collateral Principal Amount may consist, in the aggregate, of Collateral Obligations with a Moody's Default Probability Rating determined by reference to a Moody's Derived Rating as set forth in clause (e) of the definition of "Moody's Default Probability Rating" and Collateral Obligations with a Moody's Rating determined by reference to a Moody's Derived Rating as set forth in clause (a)(D) above or this clause (b)(E); and

(F) if none of clauses (A) through (E) above apply, the Collateral Obligation will be deemed to have a Moody's Rating of "Caa3".

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 April 2011 and any other available information S&P reasonably requests in order to produce a credit estimate for a particular asset.

"**S&P Rating**" means, as of any date of determination, the rating determined in accordance with the following methodology:

- (a) with respect to any Collateral Obligation (other than a Current Pay Obligation whose issuer has made a Distressed Exchange Offer):
 - (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)(iii)(A) through (a)(iii)(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; *provided* that (x) not more than 10% of the Collateral Principal Amount may consist of Collateral Obligations with an S&P Rating derived from a Moody's Rating as set forth in this clause (a)(iii)(A) and (y) if such public rating by Moody's includes an 'sf' subscript, then the S&P Rating of such obligation will be "CCC-(sf)";
 - (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 (a)(iii)(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* that (1) in connection with such an election by the Issuer, the Collateral Manager on behalf of the Issuer shall, prior to or within 30 days after the acquisition of such Collateral Obligation, submit all available Information in respect of such Collateral Obligation to S&P, (2) neither the issuer of such Collateral Obligation nor any of its Affiliates are subject to any bankruptcy or reorganization proceedings and (3) 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 (a)(iii)(B) above; and
- (b) with respect to a Current Pay Obligation whose issuer has made a Distressed Exchange Offer:
 - (i) subject to clause (b)(iv) below, if applicable, if such Current Pay Obligation is and will remain senior to the debt obligations on which the related Distressed Exchange Offer has been made and the issuer is not subject to a bankruptcy proceeding, the issuer credit rating published by S&P of the issuer of the Current

Pay Obligation is below "CCC-" as a result of the Distressed Exchange Offer and S&P has not published revised ratings following the completion or withdrawal of the Distressed Exchange Offer and:

- (A) there is an issue credit rating published by S&P for such Current Pay Obligation and
 - (1) such Current Pay Obligation has an S&P Recovery Rating of 1+, then the S&P Rating of such Current Pay Obligation will be the higher of (x) three subcategories below such issue credit rating and (y) "CCC-";
 - (2) such Current Pay Obligation has an S&P Recovery Rating of 1, then the S&P Rating of such Current Pay Obligation will be the higher of (x) two subcategories below such issue credit rating and (y) "CCC-";
 - (3) such Current Pay Obligation has an S&P Recovery Rating of 2, then the S&P Rating of such Current Pay Obligation will be the higher of (x) one subcategory below such issue credit rating and (y) "CCC-";
 - (4) such Current Pay Obligation has an S&P Recovery Rating of 3 or 4, then the S&P Rating of such Current Pay Obligation will be the higher of (x) such issue credit rating and (y) "CCC-";
 - (5) such Current Pay Obligation has an S&P Recovery Rating of 5, then the S&P Rating of such Current Pay Obligation will be the higher of (x) one subcategory above such issue credit rating and (y) "CCC-"; or
 - (6) such Current Pay Obligation has an S&P Recovery Rating of 6, then the S&P Rating of such Current Pay Obligation will be the higher of (x) two subcategories above such issue credit rating and (y) "CCC-"; or
 - (B) there is either no issue credit rating or no S&P Recovery Rating for such Current Pay Obligation, then the S&P Rating of such Current Pay Obligation will be "CCC-";
- (ii) subject to clause (b)(iv) below, if applicable, if such Current Pay Obligation is the debt obligation on which the related Distressed Exchange Offer has been made, until S&P publishes revised ratings following the completion or withdrawal of the offer, the S&P Rating of such Current Pay Obligation will be "CCC-";
 - (iii) subject to clause (b)(iv) below, if applicable, if such Current Pay Obligation is subordinate to the debt obligation on which the related Distressed Exchange Offer has been made, until S&P publishes revised ratings following the completion or withdrawal of the offer the S&P Rating of such Current Pay Obligation will be "CCC-";
 - (iv) if multiple Current Pay Obligations have the same issuer and such issuer made a Distressed Exchange Offer, the S&P Rating for each such Current Pay Obligation will be determined as follows:
 - (A) first, an S&P Rating for each such Current Pay Obligation will be determined in accordance with clauses (b)(i), (b)(ii) and (b)(iii) of this definition;
 - (B) second, the S&P Rating for each such Current Pay Obligation determined in accordance with sub-clause (b)(iv)(A) above will be converted into "Rating Points" equivalent pursuant to the table set forth below:

S&P Rating	"Rating Points"	"Weighted Average Rating Points"
AAA	1	1
AA+	2	2
AA	3	3
AA-	4	4
A+	5	5
A	6	6
A-	7	7
BBB+	8	8
BBB	9	9
BBB-	10	10
BB+	11	11
BB	12	12
BB-	13	13
B+	14	14
B	15	15
B-	16	16
CCC+	17	17
CCC	18	18
CCC-	19	19

- (C) third, "Weighted Average Rating Points" for each such Current Pay Obligation will be calculated by dividing "X" by "Y" where:

"X" will equal the sum of each of the products obtained by multiplying the Rating Points of such Current Pay Obligation by the principal balance of such Current Pay Obligation, and

"Y" will equal the aggregate principal balance of all the Current Pay Obligations subject to the same Distressed Exchange Offer;

- (D) fourth, the "Weighted Average Rating Points" determined in accordance with sub-clause (b)(iv)(C) above will be rounded to the nearest whole number and converted into an S&P Rating by matching the "Weighted Average Rating Points" of such Current Pay Obligation with the S&P Rating set forth in the table in sub-clause (b)(iv)(B) above. The S&P Rating that matches the "Weighted Average Rating Points" for such Current Pay Obligation will be the S&P Rating for the Current Pay Obligation for which an S&P Rating is required to be determined pursuant to this clause (b)(iv);

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, 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, a second lien loan, a senior unsecured bond, a First Lien Last Out Loan or a Senior Secured Loan to which, due to the operation of the proviso to clause (d) of the definition of Senior Secured Loan, the limitation set forth in clause (d) thereof does not apply, 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.¹⁴

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%

¹⁴ 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, Second Lien Loans ¹⁵ , First Lien Last Out Loans, Senior Secured Loans to which, due to the operation of the proviso to clause (d) of the definition of Senior Secured Loan, the limitation set forth in clause (d) thereof does not apply						
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					
Group A: Australia, Denmark, Finland, Hong Kong, Ireland, The Netherlands, New Zealand, Norway, Singapore, Sweden, U.K.						
Group B: Austria, Belgium, Canada, Germany, Israel, Japan, Luxembourg, Portugal, South Africa, Switzerland, U.S.						
Group C: Argentina, Brazil, Chile, France, Greece, Italy, Mexico, South Korea, Spain, Taiwan, Turkey, United Arab Emirates.						
Group D: Kazakhstan, Russia, Ukraine, others						

Section 2. S&P CDO Monitor

Weighted Average S&P Recovery Rate	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"
	35.75%	44.02%	48.77%	54.35%	59.31%	64.06%
	35.85%	44.14%	48.91%	54.50%	59.47%	64.24%
	35.95%	44.26%	49.04%	54.65%	59.64%	64.42%
	36.05%	44.39%	49.18%	54.80%	59.81%	64.60%
	36.15%	44.51%	49.31%	54.96%	59.97%	64.78%
	36.25%	44.63%	49.45%	55.11%	60.14%	64.96%
	36.35%	44.75%	49.59%	55.26%	60.30%	65.14%
	36.45%	44.88%	49.72%	55.41%	60.47%	65.32%
	36.55%	45.00%	49.86%	55.56%	60.63%	65.49%
	36.65%	45.12%	50.00%	55.72%	60.80%	65.67%
	36.75%	45.25%	50.13%	55.87%	60.97%	65.85%
	36.85%	45.37%	50.27%	56.02%	61.13%	66.03%
	36.95%	45.49%	50.41%	56.17%	61.30%	66.21%
	37.05%	45.62%	50.54%	56.32%	61.46%	66.39%
	37.15%	45.74%	50.68%	56.48%	61.63%	66.57%

¹⁵ 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.

	37.25%	45.86%	50.82%	56.63%	61.80%	66.75%
	37.35%	45.99%	50.95%	56.78%	61.96%	66.93%
	37.45%	46.11%	51.09%	56.93%	62.13%	67.11%
	37.55%	46.23%	51.22%	57.08%	62.29%	67.29%
	37.65%	46.36%	51.36%	57.24%	62.46%	67.47%
	37.75%	46.48%	51.50%	57.39%	62.63%	67.64%
	37.85%	46.60%	51.63%	57.54%	62.79%	67.82%
	37.95%	46.72%	51.77%	57.69%	62.96%	68.00%
	38.05%	46.85%	51.91%	57.84%	63.12%	68.18%
	38.15%	46.97%	52.04%	58.00%	63.29%	68.36%
	38.25%	47.09%	52.18%	58.15%	63.46%	68.54%
	38.35%	47.22%	52.32%	58.30%	63.62%	68.72%
	38.45%	47.34%	52.45%	58.45%	63.79%	68.90%
	38.55%	47.46%	52.59%	58.60%	63.95%	69.08%
	38.65%	47.59%	52.72%	58.76%	64.12%	69.26%
	38.75%	47.71%	52.86%	58.91%	64.28%	69.44%
	38.85%	47.83%	53.00%	59.06%	64.45%	69.62%
	38.95%	47.96%	53.13%	59.21%	64.62%	69.79%
	39.05%	48.08%	53.27%	59.37%	64.78%	69.97%
	39.15%	48.20%	53.41%	59.52%	64.95%	70.15%
	39.25%	48.33%	53.54%	59.67%	65.11%	70.33%
	39.35%	48.45%	53.68%	59.82%	65.28%	70.51%
	39.45%	48.57%	53.82%	59.97%	65.45%	70.69%
	39.55%	48.69%	53.95%	60.13%	65.61%	70.87%
	39.65%	48.82%	54.09%	60.28%	65.78%	71.05%
	39.75%	48.94%	54.23%	60.43%	65.94%	71.23%
	39.85%	49.06%	54.36%	60.58%	66.11%	71.41%
	39.95%	49.19%	54.50%	60.73%	66.28%	71.59%
	40.05%	49.31%	54.63%	60.89%	66.44%	71.77%
	40.15%	49.43%	54.77%	61.04%	66.61%	71.95%
	40.25%	49.56%	54.91%	61.19%	66.77%	72.12%
	40.35%	49.68%	55.04%	61.34%	66.94%	72.30%
	40.45%	49.80%	55.18%	61.49%	67.10%	72.48%
	40.55%	49.93%	55.32%	61.65%	67.27%	72.66%
	40.65%	50.05%	55.45%	61.80%	67.44%	72.84%
	40.75%	50.17%	55.59%	61.95%	67.60%	73.02%
	40.85%	50.30%	55.73%	62.10%	67.77%	73.20%
	40.95%	50.42%	55.86%	62.25%	67.93%	73.38%
	41.05%	50.54%	56.00%	62.41%	68.10%	73.56%
	41.15%	50.66%	56.14%	62.56%	68.27%	73.74%
	41.25%	50.79%	56.27%	62.71%	68.43%	73.92%
	41.35%	50.91%	56.41%	62.86%	68.60%	74.10%
	41.45%	51.03%	56.54%	63.01%	68.76%	74.27%

41.55%	51.16%	56.68%	63.17%	68.93%	74.45%
41.65%	51.28%	56.82%	63.32%	69.10%	74.63%
41.75%	51.40%	56.95%	63.47%	69.26%	74.81%
41.85%	51.53%	57.09%	63.62%	69.43%	74.99%
41.95%	51.65%	57.23%	63.77%	69.59%	75.17%
42.05%	51.77%	57.36%	63.93%	69.76%	75.35%
42.15%	51.90%	57.50%	64.08%	69.93%	75.53%
42.25%	52.02%	57.64%	64.23%	70.09%	75.71%
42.35%	52.14%	57.77%	64.38%	70.26%	75.89%
42.45%	52.27%	57.91%	64.53%	70.42%	76.07%
42.55%	52.39%	58.05%	64.69%	70.59%	76.25%
42.65%	52.51%	58.18%	64.84%	70.75%	76.42%
42.75%	52.63%	58.32%	64.99%	70.92%	76.60%
42.85%	52.76%	58.45%	65.14%	71.09%	76.78%
42.95%	52.88%	58.59%	65.29%	71.25%	76.96%
43.05%	53.00%	58.73%	65.45%	71.42%	77.14%
43.15%	53.13%	58.86%	65.60%	71.58%	77.32%
43.25%	53.25%	59.00%	65.75%	71.75%	77.50%
43.35%	53.37%	59.14%	65.90%	71.92%	77.68%
43.45%	53.50%	59.27%	66.05%	72.08%	77.86%
43.55%	53.62%	59.41%	66.21%	72.25%	78.04%
43.65%	53.74%	59.55%	66.36%	72.41%	78.22%
43.75%	53.87%	59.68%	66.51%	72.58%	78.40%
43.85%	53.99%	59.82%	66.66%	72.75%	78.58%
43.95%	54.11%	59.95%	66.81%	72.91%	78.75%
44.05%	54.23%	60.09%	66.97%	73.08%	78.93%
44.15%	54.36%	60.23%	67.12%	73.24%	79.11%
44.25%	54.48%	60.36%	67.27%	73.41%	79.29%
44.35%	54.60%	60.50%	67.42%	73.57%	79.47%
44.45%	54.73%	60.64%	67.57%	73.74%	79.65%
44.55%	54.85%	60.77%	67.73%	73.91%	79.83%
44.65%	54.97%	60.91%	67.88%	74.07%	80.01%
44.75%	55.10%	61.05%	68.03%	74.24%	80.19%
44.85%	55.22%	61.18%	68.18%	74.40%	80.37%
44.95%	55.34%	61.32%	68.33%	74.57%	80.55%
45.05%	55.47%	61.46%	68.49%	74.74%	80.73%
45.15%	55.59%	61.59%	68.64%	74.90%	80.90%
45.25%	55.71%	61.73%	68.79%	75.07%	81.08%
45.35%	55.84%	61.86%	68.94%	75.23%	81.26%
45.45%	55.96%	62.00%	69.09%	75.40%	81.44%
45.55%	56.08%	62.14%	69.25%	75.57%	81.62%
45.65%	56.20%	62.27%	69.40%	75.73%	81.80%

	45.75%	56.33%	62.41%	69.55%	75.90%	81.98%
	45.85%	56.45%	62.55%	69.70%	76.06%	82.16%
	45.95%	56.57%	62.68%	69.85%	76.23%	82.34%
	46.05%	56.70%	62.82%	70.01%	76.40%	82.52%
	46.15%	56.82%	62.96%	70.16%	76.56%	82.70%
	46.25%	56.94%	63.09%	70.31%	76.73%	82.88%
	46.35%	57.07%	63.23%	70.46%	76.89%	83.05%
	46.45%	57.19%	63.37%	70.61%	77.06%	83.23%
	46.55%	57.31%	63.50%	70.77%	77.22%	83.41%
	46.65%	57.44%	63.64%	70.92%	77.39%	83.59%
	46.75%	57.56%	63.77%	71.07%	77.56%	83.77%
	46.85%	57.68%	63.91%	71.22%	77.72%	83.95%
	46.95%	57.81%	64.05%	71.37%	77.89%	84.13%
	47.05%	57.93%	64.18%	71.53%	78.05%	84.31%
	47.15%	58.05%	64.32%	71.68%	78.22%	84.49%
	47.25%	58.17%	64.46%	71.83%	78.39%	84.67%
	47.35%	58.30%	64.59%	71.98%	78.55%	84.85%
	47.45%	58.42%	64.73%	72.13%	78.72%	85.03%
	47.55%	58.54%	64.87%	72.29%	78.88%	85.21%
	47.65%	58.67%	65.00%	72.44%	79.05%	85.38%
	47.75%	58.79%	65.14%	72.59%	79.22%	85.56%
	47.85%	58.91%	65.28%	72.74%	79.38%	85.74%
	47.95%	59.04%	65.41%	72.90%	79.55%	85.92%
	48.05%	59.16%	65.55%	73.05%	79.71%	86.10%
	48.15%	59.28%	65.68%	73.20%	79.88%	86.28%
	48.25%	59.41%	65.82%	73.35%	80.04%	86.46%
	48.35%	59.53%	65.96%	73.50%	80.21%	86.64%
	48.45%	59.65%	66.09%	73.66%	80.38%	86.82%
	48.55%	59.78%	66.23%	73.81%	80.54%	87.00%
	48.65%	59.90%	66.37%	73.96%	80.71%	87.18%
	48.75%	60.02%	66.50%	74.11%	80.87%	87.36%

Weighted Average Spread

5.55%
5.45%
5.35%
5.25%
5.15%
5.05%
4.95%
4.85%
4.75%
4.65%

4.55%
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3.15%
3.05%
2.95%
2.85%
2.75%
2.65%
2.55%
2.45%
2.35%
2.25%
2.15%
2.05%
1.95%

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:

Weighted Average S&P Recovery Rate	Liability Rating					
	"AAA"	"AA"	"A"	"BBB"	"BB"	"B"
	43.25%	53.25%	59.00%	65.75%	71.75%	77.50%

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:

3.75%

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 Life:

Case	Weighted Average Life
1	8
2	7.75
3	7.5
4	7.25
5	7
6	6.75
7	6.5
8	6.25
9	6
10	5.75
11	5.5
12	5.25
13	5
14	4.75
15	4.5
16	4.25
17	4
18	3.75
19	3.5
20	3.25
21	3
22	2.75
23	2.5
24	2.25
25	2
26	1.75
27	1.5
28	1.25
29	1
30	0.75
31	0.5
32	0.25
33	0

PART 2A OF FORM ADV OF BABSON CAPITAL MANAGEMENT LLC

FORM ADV Part 2A Firm Brochure as of September 30, 2013

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

www.BabsonCapital.com

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 brochure, please contact us at (413) 226-1058 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: September 30, 2013



Item 2 – Material Changes

This September 30, 2013 Form ADV Part 2A Firm Brochure Amendment contains material changes to the last annual amendment, which was filed on April 1, 2013. Material changes include:

- Item 4: Updated Investment Group descriptions; Updated Regulatory Assets Under Management
- Item 5: Added fees for SEC-registered open-end funds
- Item 10: Update U.K. regulator from the Financial Services Authority to the Financial Conduct Authority

Form ADV Part 2A – Firm Brochure

Applicant: Babson Capital Management LLC

SEC File Number: 801-241

Date: September 30, 2013



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Form ADV Part 2A – Firm Brochure

Applicant: Babson Capital Management LLC

SEC File Number: 801-241

Date: September 30, 2013



Item 4 – Advisory Business

Babson Capital Management LLC (“Babson Capital”) 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 Capital is one of the oldest investment management firms in the United States. Babson Capital was acquired by MassMutual in 1995 and on January 1, 2000, the Investment Management Division of MassMutual was consolidated into Babson Capital. References to Babson Capital 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 Capital 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 Capital also provides investment advisory and management services to its ultimate parent company, MassMutual, and certain of MassMutual’s subsidiaries and affiliates. To provide these services, Babson Capital’s investment activities are divided into the following groups:

- A. The PRIVATE INVESTMENTS & EQUITY GROUP primarily manages highly diverse fixed income portfolios comprised mainly of investment grade assets with a focus on relative and absolute return objectives. The Private Investments & Equity Group invests in a variety of instruments, industries, types of portfolios, credit qualities and maturities along the investment grade quality spectrum. Investment capabilities include the management and trading of investment grade private placements, private equity securities and limited partnerships. The Private Investments & Equity Group manages equity funds focused on quantitative, absolute return and relative return strategies, a multi-strategy fund and other structured fund vehicles. The Private Investments & Equity Group’s investment activities and portfolio managers are supported by a dedicated team of credit analysts that employ a rigorous research process centered on bottom-up analysis across industries, sectors and individual securities.
- B. The GLOBAL FIXED INCOME GROUP manages portfolios of fixed and floating income rate assets. Investment capabilities include the management and trading of domestic and international senior secured loans, high yield bonds, 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, investment grade private placements, private equity securities and limited partnerships in a variety of structures, including structured vehicles, commingled funds, separate accounts and other vehicles.
- C. BABSON CAPITAL FINANCE manages highly diverse corporate fixed income and private equity portfolios and invests in a variety of instruments, industries, credit

Form ADV Part 2A – Firm Brochure

Applicant: Babson Capital Management LLC

SEC File Number: 801-241

Date: September 30, 2013



qualities, maturities and financing arrangements. Investment capabilities include non-investment grade private placements, mezzanine and private equity securities, limited partnerships and lease finance. Babson Capital Finance makes these investments in Europe, North America and in the Asia Pacific region.

Babson Capital 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.

In addition to the investments mentioned elsewhere in this Form Brochure, Babson Capital may invest in any security or financial instrument consistent with client investment policies and restrictions. Examples of the other types of securities or instruments in which Babson Capital 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), and futures, private placements, commercial mortgage-backed securities (“CMBS”), private equity, preferred stocks, mezzanine and convertible securities.

Babson Capital 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 Capital and the client under which Babson Capital agrees to manage the client’s funds in accordance with client-mandated investment objectives. Babson Capital tailors services based on the client’s individual needs. For example, depending on the client’s individual needs, Babson Capital 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 Capital may also allow the client to impose specific restrictions on investments, including types of investments within a separately managed account.

Assets Under Management:

Babson Capital’s regulatory assets under management as of June 30, 2013 (rounded to the nearest dollar):

Discretionary:	\$131,637,080,500
Non-Discretionary:	<u>\$ 3,260,534,003</u>
Total:	\$134,897,614,503

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Item 5 – Fees and Compensation

Advisory Fees:

I. Institutional Separate Accounts

Generally, fee schedules for standard institutional separate accounts are as follows:

A. Equity

Enhanced Core (minimum account size: \$25 million):

Dollar Amount Managed	Annual Fee Amount
First \$25 million	\$3.00 per \$1,000 (0.30%)
Next \$25 million	\$3.00 per \$1,000 (0.30%)
Next \$50 million	\$2.50 per \$1,000 (0.25%)
Thereafter	\$2.00 per \$1,000 (0.20%)

B. Fixed Income

Active Short Duration (minimum account size: \$50 million)*:

Dollar Amount Managed	Annual Fee Amount
\$25 million - \$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%)

* Subject to a minimum fee of \$75,000 per annum.

Core Fixed Income (minimum account size: \$25 million)*:

Dollar Amount Managed	Annual Fee Amount
\$25 million - \$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%)

* Subject to a minimum fee of \$75,000 per annum.

Core-Plus Fixed (minimum account size: \$25 million)*:

Dollar Amount Managed	Annual Fee Amount
\$25 million - \$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%)

* Subject to a minimum fee of \$100,000 per annum.

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C. High Yield

High Yield (minimum account size: \$50 million):

Dollar Amount Managed	Annual Fee Amount
First \$25 million	\$5.50 per \$1,000 (0.55%)
Next \$25 million	\$5.00 per \$1,000 (0.50%)
Next \$50 million	\$4.50 per \$1,000 (0.45%)
Thereafter	\$4.00 per \$1,000 (0.40%)

D. Senior Secured Loans

Senior Secured Loan (minimum account size: \$75 million)*:

Dollar Amount Managed	Annual Fee Amount
First \$50 million	\$5.50 per \$1,000 (0.55%)
Next \$50 million	\$5.00 per \$1,000 (0.50%)
Next \$50 million	\$4.50 per \$1,000 (0.45%)
Next \$50 million	\$4.00 per \$1,000 (0.40%)
Thereafter	\$3.50 per \$1,000 (0.35%)

*Subject to minimum average fee of \$3.75 per \$1000 (0.375%). 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 Capital 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 Capital pursuant to the termination provisions in the investment advisory agreement between Babson Capital and the client.

In addition to standard institutional separate accounts, Babson Capital offers investment advice to institutional clients in customized mandates, as described above. Fees for these accounts are negotiated on a case-by-case basis, but generally are based on the assets being managed by Babson Capital, payable on a quarterly basis in arrears. Fees for these accounts are billed by invoice directly to the client by Babson Capital. Like fees, other terms of the investment advisory agreement, such as termination and notice requirements, are negotiated on a case-by-case basis.

Babson Capital also offers investment advice to private investment fund clients. These services are provided pursuant to written investment advisory agreements between Babson Capital and the client. Fees for these accounts are described below under section IV. Private Investment Funds.

Clients of Babson Capital may enter into agreements with other service providers such as custodians or administrators, and such service providers may charge the clients additional fees. Investors in private funds or registered funds managed or sub-advised by Babson Capital will pay additional fund related fees. Clients may also pay certain brokerage and transaction fees in connection with

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investment activity in their portfolios. For a discussion of these brokerage and transaction fees, please refer to Item 12 – Brokerage Practices.

Babson Capital 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 Capital manages certain investment portfolios of its ultimate parent company, MassMutual, and certain of MassMutual's subsidiaries and other affiliated companies. Babson Capital 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 Capital 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 Capital acts as investment adviser or sub-adviser to certain investment funds sponsored by MassMutual, in which MassMutual or an affiliate has invested in and/or for which MassMutual serves as investment manager.

III. Investment Funds

Babson Capital 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 Capital serves as sub-adviser, MassMutual pays Babson Capital 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 Capital serves as investment adviser, Babson Capital 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 Capital serves as investment adviser, Babson Capital receives advisory and/or administrative fees calculated quarterly as a percentage 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 Capital serves as co-manager, Babson Capital 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.

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IV. Private Investment Funds

Babson Capital 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 Capital 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 Capital are disclosed in the offering materials for each private investment fund.

Item 6 – Performance-Based Fees and Side-By-Side Management

Babson Capital may receive an incentive 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 Capital and its affiliates may have an ownership or economic interest in certain private investment funds managed by Babson Capital. In order to attract and retain investment professionals and meet the expectations of investors in private investment funds, Babson Capital 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 Capital recognizes that such arrangements may create potential conflicts of interest. To address these conflicts, Babson Capital 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 Capital addresses the conflicts of interest that can arise when Babson Capital, its affiliates and/or investment professionals have an ownership or economic interest in a private investment fund managed by Babson Capital, including through a performance fee, and may potentially have an incentive to favor the private investment fund over Babson Capital's other advisory clients.

Potential Conflicts Among Advisory 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 raising a potential conflict of interest, as Babson Capital may have an incentive to allocate securities that are expected to increase in value to certain advisory clients, such as private investment funds that provide Babson Capital with performance-based fees, or in which Babson Capital, its affiliates and/or investment professionals have an ownership or economic interest. To address the 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 Capital's Investment Allocation Policy, which is summarized below in Item 12 – Brokerage Practices, Trade Aggregation.

Cross Trades: Despite their potential benefits to clients, cross trades among advisory clients of Babson Capital can be effected in a manner perceived to favor one advisory client over another. Babson Capital could be viewed, for example, as crossing trades that are expected to increase in value from an advisory account to a private investment fund in order to benefit itself as a result of the

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ownership or economic interest, including the existence of a performance-based fee, of Babson Capital, its affiliates and/or investment professionals in the private investment fund. To address the potential conflict of interest, cross trades involving advisory client accounts are required to comply with Babson Capital's Transactions with Affiliates Policy, which ensures any such cross transaction is consistent with Babson Capital's fiduciary obligations to act in the best interests of its clients, including its ability to obtain best execution in connection with the cross-trade transaction, and is in compliance with applicable legal and regulatory requirements.

Short Sales: Babson Capital could be viewed as having a potential conflict of interest if it sells short certain securities in a private investment fund or advisory account while holding the same securities long in other private investment fund or advisory accounts, despite having a legitimate investment reason for engaging in these transactions. In such a case, Babson Capital could be seen as harming the performance of its other private investment fund or advisory clients for the benefit of the private investment fund or advisory account if the short-selling transactions cause the market value of the security to move lower. To address the potential conflict of interest, all short sales engaged in client accounts by Babson Capital are required to comply with Babson Capital's Short Sales Policy, which ensures that the use of short sales by Babson Capital is consistent with Babson Capital's fiduciary obligations to its clients.

Allocation of Time and Resources; Patterns of Trading: The head of each investment group is responsible for periodically monitoring the performance, portfolio composition and trading activity, as appropriate, of all accounts managed by each investment professional in his or her respective investment group who manages private investment funds in which Babson Capital, 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 or resources expended in managing the fund(s) or the allocation of investment opportunities or (ii) purchased or sold securities in other advisory accounts for the purpose of benefiting positions held by the private investment fund.

Potential Conflicts with Private Investment Fund Investors:

Certain potential conflicts of interest may exist between an investment professional and other private investment fund investors as a result of such investment professional's ownership or economic interest in the private investment fund. Babson Capital has designed the following policies to address these potential conflicts of interest.

Personal Securities Transactions: All investment professionals are required to comply with Babson Capital's Code of Ethics and Personal Securities Transactions Policy, which is summarized below in Item 11 – Code of Ethics.

Trading in Private Investment Fund Securities: An investment professional's personal investment in a private investment fund is required to be made in accordance with Babson Capital's Employee Co-Investment Policy, which ensures that any co-investment by a Babson Capital employee is consistent with Babson Capital's Code of Ethics and Personal Securities Transactions Policy, which is summarized below in Item 11 – Code of Ethics.

Work-outs: In situations where attempts are made by Babson Capital to "work-out" a troubled investment (either in an out-of-court restructuring or a formal bankruptcy court proceeding) held in a

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private investment fund, the investment professional involved in the workout must be either (i) disinterested (i.e., such investment professional has no ownership or economic interest in any of the private investment funds holding such troubled investment) or (ii) disclose such ownership or economic interest to the head of the investment group prior to engaging in the workout. In cases where the investment professional discloses an ownership or economic interest in a private investment fund holding a troubled investment, the head of the investment group will determine whether such interest is likely to create a conflict of interest (i.e., such investment professional's interest is not aligned with those of the private investment fund's third party investors). If the investment professional's interest conflicts with those of the private investment fund's third party investors, the head of the investment group will appoint another investment professional to lead the work-out effort.

Due to the diverse nature of the investment strategies that may be employed by a private investment fund and the diverse nature of the responsibilities of Babson Capital's investment professionals assigned to manage such funds, this Item 6 is not exhaustive in identifying all the potential conflicts of interests that may arise when Babson Capital, its affiliates and/or investment professionals have an ownership or economic interest in a private investment fund for which they are responsible. No ownership or economic interest in a private investment fund may be awarded, nor will an investment professional be permitted to invest in a private investment fund (or the entity receiving the performance fee or profit allocation from such fund) unless and until the head of the investment group has determined that the potential conflicts of interest have been identified and addressed.

Item 7 – Types of Clients

Babson Capital 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 Capital's institutional investment strategies typically have minimum investment requirements. In general, for separate or individually-managed institutional accounts, the minimum investment requirement is \$25-75 million. Babson Capital also offers commingled investment vehicles for some of its strategies; the minimum investment requirement for these vehicles is generally \$1-5 million. Babson Capital 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, including Babson Capital, to obtain, verify and record information that identifies each person who opens an account on behalf of an investor. This means that Babson Capital 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 Capital to identify the client. Babson Capital 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

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databases or other sources. If the client refuses to provide the information requested, Babson Capital may not be able to open an account for the client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

Babson Capital 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 securities and portfolios. Babson Capital 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 Capital utilizes a proprietary, quantitative multi-factor model.

Sources of Information:

Babson Capital, particularly with respect to private placement investments and senior secured loans, often relies on information supplied directly by the issuers, private equity sponsors or agents. Babson Capital 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 Capital 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:

Investment Grade (including Core/Core Plus Fixed Income)

Babson Capital's core investment grade strategies are operated in a risk-controlled, actively managed framework to construct and maintain a diversified portfolio of investment grade fixed income securities. The primary investments include U.S. government and agency securities, domestic and foreign corporate bonds (no non-U.S. dollar currency exposure), MBS, ABS and money market securities, including commercial paper. These strategies may invest a small amount of assets in securities rated BB and B, but are primarily focused on instruments rated BBB- or higher. Derivative use within these strategies incorporates certain options, futures contracts, options on futures contracts,

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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. Performance attribution has consistently highlighted Babson Capital's ability to add value through security selection and sector allocation. Duration and yield curve management are also key components of Babson Capital's investment process.

Global High Yield

Babson Capital's global high yield efforts are managed by teams in the United States and Europe. Babson Capital's strategy is to invest in senior secured loans and high yield bonds in North America and Western Europe. Babson Capital's portfolio management strategy is based upon building diversified portfolios of issuers and industries. Babson Capital manages portfolios to a total return, typically looking to generate high current income and, where appropriate, capital appreciation. Babson Capital bases its credit decisions on fundamental bottom-up analysis incorporating industry trends and broad economic themes as appropriate.

Global Private Finance

Babson Capital's global private finance efforts are undertaken with its teams in the United States, Europe and the Asia Pacific region. Babson Capital's global private finance strategies include investing in private placement bonds, senior leveraged loans, mezzanine, equity and commitments to private equity funds. Babson Capital'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 Capital's investment and portfolio management approach is built on sound fundamental credit analyses where each investment is unique and separately negotiated. Babson Capital seeks to create well diversified portfolios, thus limiting exposure to any particular company, industry or geography.

Structured Credit

Babson Capital's structured credit investment strategy revolves around investments in collateralized loan obligations ("CLOs") backed by corporate loans; collateralized debt obligations ("CDOs") backed by non-agency residential mortgage-backed securities ("RMBS") and commercial mortgage-backed securities ("CMBS"); and collateralized bond obligations ("CBOs") backed by high yield and investment grade bonds. These investments are also managed in synthetic form. In analyzing structured credit products, Babson Capital focuses on three main investment principles: (1) underlying corporate credits must be well diversified from both an issuer and industry perspective; (2) ultimate performance is directly tied to the portfolio of assets being securitized; and (3) limit investments to those with underlying assets classes where Babson Capital has independent knowledge and experience. In selecting an investment, Babson Capital performs three key levels of analysis: (1) assessing the current and future fundamental/credit health of the underlying collateral; (2) understanding the impact of the structural mechanics; and (3) assessing the impact of the manager. Babson Capital uses third party and proprietary models to perform cash flow and yield projections, such as Intex, Bloomberg and CDO World.

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Alternatives

Babson Capital's alternative investments business consists of strategies managed within hedge fund structures and looks to provide absolute returns in all market cycles. Babson Capital provides non-traditional, long/short investment funds to complement equity and fixed income portfolios for qualified clients. Babson Capital utilizes two distinct approaches including Event Driven and Multi-Strategy. The Event Driven approach strives to identify investment opportunities in middle market 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. The Multi-Strategy approach utilizes all the capabilities across Babson Capital and Baring Asset Management Limited (a wholly-owned subsidiary of MassMutual and affiliate of Babson Capital). Underlying strategies range in investment exposures and asset type with a focus on delivering an uncorrelated return profile with limited market beta. Babson Capital's alternative investment strategies are managed by experienced investment professionals who leverage the greater Babson Capital organization for its deep infrastructure, research and trading capabilities.

Material Risks:

Complexity Risk (a material risk for the following investment strategy: Structured Credit):

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 strategy: Investment Grade):

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.

Conflicts of Interest Involving Babson Capital (a material risk for the following investment strategy:

Structured Credit): Babson Capital and its affiliates may invest for their own accounts or the accounts of others in an issuer's securities or loans that are senior to or junior to, or have an interest different from or adverse to, other securities or loans of the same issuer which are owned by other Babson Capital accounts, Babson Capital affiliate accounts, or Babson Capital client accounts. Babson Capital and its affiliates may have an incentive to make investment decisions for their own accounts or the accounts of others that may be different from or adverse to the interests of such issuer or other securities or loans of such issuer.

Credit Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance and Alternatives): Investments in fixed income securities may involve risk exposure tied to the credit risk of the obligor on the purchased loans and securities, which is determined by the obligor's ability to make required interest and principal payments.

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Default Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance and Structured Credit): 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 the proceeds of any sale of the debt securities will be sufficient to pay in full amounts payable, expenses and the 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 and Structured Credit): 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 strategy: Investment Grade): Swap contracts, contracts for differences and other over-the-counter derivatives are not traded on exchanges, rather banks and dealers act as principals in these markets. As a result, derivatives are subject to the risk of the inability or refusal of a participant to perform with respect to such contracts. Participants in the over-the-counter derivatives market are generally not regulated by any regulatory authority or credit evaluation. In addition, adverse market movements may occur while replacement transactions are executed. Over-the-counter derivatives may also expose participants to additional liquidity risks.

Equity Market Risk (a material risk for the following investment strategy: Alternatives): 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 strategy: Global Private Finance): Private securities investments consist of private, illiquid securities. There is no readily available after-market to sell private securities investments and Babson Capital must rely 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 and Alternatives): 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.

Investments are Subordinated (a material risk for the following investment strategy: Global Private Finance): Mezzanine or private equity securities are generally unsecured and subordinate to certain

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other obligations of a company. Mezzanine or 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 strategy: Alternatives): 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's leveraged.

Nature of Private Securities (a material risk for the following investment strategy: Global Private Finance): 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 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.

Prepayment Risk (a material risk for the following investment strategies: Investment Grade, Global High Yield, Global Private Finance and Structured Credit): 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: (1) investments may experience outright losses, (2) investments may underperform relative to hedges that may have been constructed for these markets, industries or securities, and (3) 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 and Structured Credit): 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: (1) in the case of prepayments associated with liquidation due to default, investments may experience outright loss of principal, (2) investments may underperform relative to hedges that may have been constructed for these markets, industries or securities, and (3) there may be an inability to reinvest the proceeds of prepayments into investments with the same or higher yields as the prepaid investments.

Restricted Investments; Liquidity of Investments (a material risk for the following investment strategy: Global High Yield): 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 price, if any,

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for such assets tend to be volatile and Babson Capital 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 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 and Structured Credit): Recently, mortgage loan 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.

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 Capital 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 Capital's advisory business or the integrity of Babson Capital's management.

Item 10 – Other Financial Industry Activities and Affiliations

Babson Capital is an indirect, wholly-owned subsidiary of MassMutual and an SEC-registered investment adviser. Babson Capital is registered with the Commodity Futures Trading Commission ("CFTC") as a Commodity Pool Operator and Commodity Trading Advisor. Certain Babson Capital employees' are registered as principals, branch officer managers and associated persons with the CFTC. Babson Capital relies on the International Adviser exemption with the Ontario Securities Commission, the Quebec Financial Markets Authority, the British Columbia Securities Commission and the Alberta Securities Commission. Babson Capital also holds a California Finance Broker's License from the California Department of Corporations.

Babson Capital Securities LLC (f/k/a Babson Capital Securities Inc) ("Babson Capital Securities") is a wholly-owned subsidiary of Babson Capital 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 and the Alberta Securities Commission. Babson Capital Securities acts as a placement agent for private investment funds, including funds sponsored and/or advised by Babson Capital 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,

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including, but not limited to, placement services related to the offering and sale to Babson Capital clients of private investment funds sponsored and/or advised by Babson Capital, its affiliates or unaffiliated third parties. Certain Babson Capital employees are registered representatives with Babson Capital Securities.

Babson Capital has a wholly-owned subsidiary in Hong Kong, Babson Capital Asia Limited (“Babson Capital Asia”), a company incorporated with limited liability in Hong Kong and regulated as an investment adviser by the Hong Kong Securities and Futures Commission. Babson Capital Asia conducts market research for investment opportunities for Babson Capital and MassMutual.

Babson Capital has an indirect, wholly-owned subsidiary in Australia, Babson Capital 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 Capital has a wholly-owned subsidiary in Hong Kong, Babson Capital Cornerstone Asia Limited (f/k/a Cornerstone Real Estate Advisers Asia Limited), a private company incorporated in Hong Kong and licensed as an investment firm regulated by the Hong Kong Securities and Futures Commission. Babson Capital Cornerstone Asia Limited provides investment advice and research to Babson Capital and its subsidiaries.

Babson Capital has an indirect, wholly-owned investment management subsidiary in Europe, Babson Capital Europe 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 as an Exempt Commodity Pool Operator with the CTFC. Babson Capital and Babson Capital Europe have entered into an administrative services agreement whereby Babson Capital provides certain administrative services to Babson Capital Europe, including but not limited to financial accounting, compliance and technology services and advice and recommendations with respect to certain aspects of the business and affairs of Babson Capital Europe (except matters relating to compliance with English laws and regulations).

Babson Capital 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 Capital has entered into a services agreement with Babson Capital Japan KK, a wholly-owned subsidiary of Babson Capital that has a limited investment advisory license with the Japanese Financial Services Agency.

Cornerstone Real Estate Advisers LLC (“CREA”) is a wholly-owned subsidiary of Babson Capital 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 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

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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 Corporations. 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 Capital and an SEC-registered investment adviser. 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 Capital and certain of its affiliates, including MassMutual, have a relationship with the venture capital firm Braemar Energy Ventures ("Braemar") 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 Capital 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 Capital's affiliate broker-dealer, Babson Capital Securities, entered into arrangements to introduce prospective investors, including Babson Capital clients, to Braemar Energy Venture II, L.P. and may in the future act as placement agent for other Braemar affiliated funds.

Babson Capital 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 Capital's ultimate parent company, MassMutual, is a mutual life insurance company and an SEC-registered investment adviser. MassMutual is also registered as a Commodity Pool Operator with the CFTC. Babson Capital has entered into an Administrative Services Agreement with MassMutual, pursuant to which MassMutual is obligated to provide Babson Capital with agreed-upon administrative and support services. MassMutual is the sponsor and investment adviser of MML Series Investment Fund II and MassMutual Premier Funds, registered open-end management investment companies, and certain portfolios for which Babson Capital serves as investment sub-adviser. Babson Capital 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

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result, these affiliate accounts co-invest jointly and concurrently with Babson Capital's other advisory clients and therefore share in the allocation of investment opportunities. Babson Capital 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, MassMutual and Babson Capital, 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 Capital provides certain portfolio management and administrative services to Jefferies Finance pursuant to a services agreement. Babson Capital also acts as investment sub-adviser to JFIN CLO 2007 Ltd. and JFIN CLO 2012 Ltd., CLOs for which Jefferies Finance acts as the collateral manager.

Invicta Advisors LLC ("Invicta") is a wholly-owned subsidiary of MassMutual and an affiliate of Babson Capital. Babson Capital provides certain investment management, administrative and support services to Invicta pursuant to advisory and administrative services agreements.

Please see response under Item 5 above for a description of the registered, open-end and closed-end investment companies and the private investment funds and other investment or finance entities for which Babson Capital serves as investment adviser, sub-adviser, co-manager, portfolio manager or collateral manager. Babson Capital, its affiliates and employees may have investments in the investment funds that Babson Capital advises. Employees of Babson Capital and its affiliates serve as officers, directors and/or trustees of certain investment funds and other investment or finance entities that it advises. Babson Capital or its affiliates may recommend that a client invest in investment funds or other advisory accounts and investment products managed by Babson Capital or its affiliates.

Certain of Babson Capital'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 Capital or an affiliate, or in which Babson Capital 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 Capital, or an affiliate, serves as general partner, managing member or manager. Additionally, Babson Capital's affiliated broker-dealer, Babson Capital Securities, may solicit clients to invest in funds that are not managed by Babson Capital, but in which Babson Capital or its affiliates has an economic interest and/or holds an ownership interest in the fund's manager.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics:

The following is a summary of Babson Capital's Code of Ethics and Personal Securities Transactions Policy ("Code of Ethics" or the "Code"), which has been adopted by Babson Capital 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

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amended. A copy of the Code of Ethics is available to any client or prospective client without charge, upon request.

Personal Trading:

The Code relating to Personal Securities Transactions applies to all employees and officers of Babson Capital ("Access Persons") along with any other individual 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 Capital'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 short-term trading. Access Persons are also prohibited from engaging in short sales of securities issued by any entities advised or sub-advised by Babson Capital and are prohibited from joining investment clubs. Under Babson Capital'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 and must obtain prior approval before participating in certain private placements or initial public offerings.

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 Capital, 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 Capital requires Access Persons to maintain their accounts from amongst a list of approved brokers, subject to certain limited exceptions. Furthermore, Babson Capital 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 Capital'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 United States 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 Capital or an affiliate unless held through a Babson Capital benefit plan), high quality short-term debt instruments, including repurchase agreements, 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 Capital's Code of Ethics permits de minimis

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purchases or sales (as specified in the Code) of securities issued by companies with a market capitalization of at least \$3 billion (the "De Minimis Large Cap Exception").

Participation or Interest in Client Transactions:

Transactions with Affiliates: Babson Capital 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 Capital 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 Capital 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 Capital has adopted a Transactions with Affiliates Policy, which ensures any such transaction is consistent with Babson Capital'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 Capital may effect 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 Capital may also effect cross-transactions 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 Capital is entitled to earn a performance or incentive fee. As a result, Babson Capital has a conflict of interest in connection with the cross-transaction 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 or incentive fee. To address the conflicts of interest, Babson Capital has adopted a Transactions with Affiliates Policy, which ensures any such cross-transaction is consistent with Babson Capital'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 Capital will not receive a commission or any other remuneration (other than its advisory fee) for effecting cross-transactions between advisory clients.

Loan Origination Transactions: While Babson Capital or its affiliates generally do not act as an underwriter or member of a syndicate in connection with a securities offering, Babson Capital or its affiliates (or an unaffiliated entity in which Babson Capital 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 Capital advisory clients during or after the original syndication. Babson Capital advisory clients may purchase such loans directly from Babson Capital or its affiliates (or an unaffiliated entity in which Babson Capital or its affiliates has an ownership interest) or from other members of the lending syndicate. Babson Capital or its affiliates may directly or indirectly receive underwriting, origination, or agent fees in connection with such loan originations. As a result, Babson Capital 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 Capital has adopted a Transactions with Affiliates Policy, which ensures any such transaction is consistent with Babson Capital's fiduciary obligations to act in the best interests of its clients, including its ability to obtain best

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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 Capital advisory client could request that MMLISI effect securities transactions for it that would result in commissions to MMLISI, currently no Babson Capital advisory client directs Babson Capital to effect securities transactions for its account through MMLISI.

Investments by Advisory Clients: Babson Capital may invest client assets in securities or other investments that are also held by (i) Babson Capital or its affiliates, including MassMutual, (ii) other Babson Capital advisory accounts, (iii) funds or accounts in which Babson Capital or its affiliates or their respective employees have an ownership or economic interest or (iv) employees of Babson Capital or its affiliates. Babson Capital may also, on behalf of its advisory clients, invest in the same or different securities or instruments of issuers in which (i) Babson Capital or its affiliates, including MassMutual, (ii) other Babson Capital advisory accounts, (iii) funds or accounts in which Babson Capital, its affiliates, or their respective employees have an ownership or economic interest or (iv) employees of Babson Capital or its affiliates, have an ownership interest as a holder of the debt, equity or other instruments of the issuer. Babson Capital has a conflict of interest in connection with any such transaction since investments by its advisory clients may directly or indirectly benefit Babson Capital 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 Capital 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 Capital 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 Capital or an affiliate, (ii) in which Babson Capital, an affiliate or their respective employees has an ownership or economic interest or (iii) with respect to which Babson Capital or an affiliate has an interest in the entity entitled to receive the fees paid by such funds. Babson Capital 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 Capital 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 Capital advised fund or other investment company will be consistent with Babson Capital’s fiduciary obligations to act in the best interests of its advisory clients, consistent with such clients’ investment objectives and restrictions. Babson Capital 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 Capital may permit certain of its portfolio managers and other employees to invest in private investment funds advised by Babson Capital or its affiliates and/or share in the performance or incentive fees received by Babson Capital from such funds. If the portfolio manager or other employee was responsible for both the portfolio management of the private fund and other Babson Capital 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

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otherwise entitled to share in the performance or incentive fees received from such fund. To address the conflicts of interest, Babson Capital has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy which requires, among others things, that Babson Capital treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson Capital from favoring any particular advisory account as a result of the ownership or economic interests of Babson Capital, its affiliates or employees, in such advisory account. Any investment by a Babson Capital employee in one of its private funds is also governed by Babson Capital's Employee Co-Investment Policy, which ensures that any co-investment by a Babson Capital employee is consistent with Babson Capital's Code of Ethics, as summarized above.

Management of Multiple Accounts: As noted above, Babson Capital'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 Capital 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 Capital or its affiliates or where the portfolio manager, Babson Capital 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 or incentive 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 Capital, 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 Capital or its affiliates a performance-based fee or the portfolio manager, Babson Capital or an affiliate has an ownership or other economic interest in the account. As noted above, Babson Capital also acts as an investment manager for certain of its affiliates, including MassMutual. These affiliate accounts co-invest jointly and concurrently with Babson Capital'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 Capital 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 Capital has adopted a Side by Side Management of Private Investment Funds and Other Advisory Accounts Policy which requires, among others things, that Babson Capital treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson Capital from favoring any particular advisory account as a result of the ownership or economic interests of Babson Capital, its affiliates or employees, in such advisory accounts. Any investment by a Babson Capital employee in one of its private funds is also governed by Babson Capital's Employee Co-Investment Policy, which ensures that any co-investment by a Babson Capital employee is consistent with Babson Capital'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

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selection. Babson Capital 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 Capital has adopted policies and procedures, including a Short Sales Policy, which ensures that the use of short sales by Babson Capital is consistent with Babson Capital’s fiduciary 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 Capital treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson Capital from favoring any particular account as a result of the ownership or economic interest of Babson Capital, 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 Capital 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 Capital 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 Capital purchasing or selling the wrong security or the wrong amount of securities on behalf of a client’s account; or (3) Babson Capital purchasing or selling securities for, or allocating securities to, the wrong client account. When correcting these errors, conflicts of interest between Babson Capital 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 Capital 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 Capital’s interest.

Best Execution; Directed Brokerage: With respect to securities transactions for most of the accounts it manages, Babson Capital determines which broker to use to execute each order, consistent with its fiduciary duty to seek best execution of the transaction. Babson Capital manages certain accounts, however, for clients who limit its discretion with respect to the selection of brokers or direct it to execute such client’s transaction through a particular broker. In these cases, trades for such an account in a particular security may be placed separately from, rather than aggregated with, those in the same security for other accounts. Placing separate transaction orders for a security may temporarily affect the market price of the security or otherwise affect the execution of the transaction to the possible detriment of one or more of the other account(s) involved. Babson Capital has adopted a Best Execution Policy and a Directed Brokerage Policy which are summarized below under Item 12 – Brokerage Practices, Broker Selection/Recommendations and Directed Brokerage.

As discussed above, Babson Capital employees may trade in securities that are purchased, held and sold by or on behalf of Babson Capital’s advisory clients, subject to a number of limitations. See above for a discussion of restrictions on employee personal securities transactions contained in Babson Capital’s Code of Ethics.

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Babson Capital 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 Capital has adopted an Insider Trading and Firewall Policy designed to detect and prevent insider trading and to establish effective information barriers between certain groups of Babson Capital's investment professionals in order to prevent the unauthorized access to or flow of inside information between and among such groups. Currently, Babson Capital has established firewalls between Babson Capital's public and private investment groups and between Babson Capital and its affiliates and from individuals outside Babson Capital.

Those companies about which Babson Capital (or in certain situations, an affiliate of Babson Capital), 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 Capital investment groups. Babson Capital's ability to trade securities on the restricted list is extremely limited. This may result in Babson Capital being unable to buy and sell securities for a client's account while the issuer of such security remains on the restricted list, notwithstanding the fact that Babson Capital may have otherwise determined that such purchase or sale would be in a client's best interest.

Item 12 – Brokerage Practices

Broker Selection/Recommendations:

Babson Capital seeks to place securities transactions for advisory clients with brokerage 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 broker-dealers to execute specific transactions on behalf of Babson Capital's clients are expected to use their best judgment in selecting the broker-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 Capital will consider the full range and quality of a broker-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 in question; character of the market for the security (e.g., price, volatility, relative liquidity); difficulty of the trade and the unique security trading characteristics; size of the order; product trading style and strategy; competitiveness of the broker-dealer bid/ask levels or commission rates (as applicable); confidentiality provided by the broker-dealer; promptness of execution; past execution history; clearance and settlement capabilities; quality of the broker-dealer's confirmations and account statements; financial strength of broker-dealer; overall credit exposure to broker-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;

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ability to accommodate third-party research arrangements; and overall responsiveness to Babson Capital.

Babson Capital'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.

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 Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder (the "1934 Act")) from broker-dealers that effect portfolio transactions for the clients of such advisers and from third parties with whom such broker-dealers have arrangements. Consistent with this practice, Babson Capital's Soft Dollar Policy provides that when more than one broker is able to satisfy Babson Capital's obligation to obtain best execution, Babson Capital can effect a transactions with the broker that provides Babson Capital with brokerage and research products or services, either directly or through third parties with whom these broker-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 Capital's Soft Dollar Policy.

In receiving proprietary and third-party research services, Babson Capital may pay a commission to a broker-dealer that is higher than the commission another broker-dealer may have charged for that transaction if Babson Capital determines (i) that the product or service constitutes eligible brokerage or research under the 1934 Act; (ii) that the product or service provides lawful and appropriate assistance in the performance of Babson Capital's investment decision-making responsibilities; and (iii) in good faith that the commission paid is reasonable in light of the value of the products or services received.

Babson Capital's soft dollar arrangements are for products or services that are intended to qualify as brokerage and research products or services under the 1934 Act. 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. Examples of 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 Capital for brokerage and research purposes eligible to be paid with soft dollars under the 1934 Act, Babson Capital bears that portion of the cost of such products or services allocable to Babson Capital's non-brokerage or non-research use.

Some brokerage and research products or services may benefit Babson Capital'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

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Capital receives these brokerage and research products or services through soft dollar commissions, even though without such commissions Babson Capital might pay for such products or services itself.

While Babson Capital 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 Capital tracks commissions generated through client trades and may allocate brokerage to a broker who provides this research consistent with the principles stated above.

Babson Capital's use of soft dollars arrangements represents a conflict of interest since Babson Capital is able to use client commissions to pay for brokerage and research products or services rather than pay for such services itself. Babson Capital may also have an incentive to select or recommend a broker-dealer based on its interest in receiving brokerage and research products and services rather than on the advisory client's interest in receiving best execution.

Babson Capital's Trading Practices Committee oversees Babson Capital's soft dollar arrangements. Additionally, Babson Capital has entered into an arrangement with a third party introducing broker that provides certain administrative services relating to Babson Capital's soft dollar relationships, in addition to providing qualifying third party brokerage and research products or services.

In fiscal year 2012, Babson Capital acquired the following types of products and services with client brokerage commissions: (1) financial market and economic news and research; (2) brokerage and research services; (3) investment and portfolio-level analytic software; and (4) research products or services for best execution statistics and comparisons.

Brokerage for Client Referrals:

Babson Capital will not enter into directed brokerage arrangements with broker-dealers as compensation for client referrals or as compensation for the efforts of such broker-dealer in connection with the sale of interests in Babson Capital private funds or other investment products. Babson Capital may, however, use such broker-dealers to effect transactions for such referred clients or private funds consistent with Babson Capital's best execution obligations.

Directed Brokerage:

In certain circumstances, Babson Capital may allow an advisory client to limit or restrict Babson Capital'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 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 Capital 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 Capital's discretion with respect to the selection of brokers or directs Babson Capital to execute its securities transactions through a specific broker may forego certain benefits and may result in Babson Capital being unable to achieve best execution of a client's

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transactions. Particularly, a client who directs Babson Capital to use a specific broker may pay higher commissions on some transactions than might be otherwise attainable by Babson Capital, or may receive less favorable execution of some transactions than might be attainable by Babson Capital, or both. In addition, the client may forego any benefits or savings in execution costs that Babson Capital could obtain for its clients through negotiating volume discounts on aggregated transactions (as directed brokerage trades will generally be executed, at Babson Capital'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. Babson Capital will not permit directed brokerage arrangements of one client to interfere with Babson Capital's efforts to obtain best execution on behalf of its other clients.

The client may direct Babson Capital to use a particular broker from whom Babson Capital receives or may receive referrals, and Babson Capital may derive a benefit from this activity. Additionally, a client who directs brokerage may prevent Babson Capital from receiving research-related products and services available from other brokers, as described above. A client's request that Babson Capital execute trades for the client's account through a particular broker must be in writing. In addition, Babson Capital may require a client directing brokerage to represent in writing to Babson Capital that: (a) the client has the power and authority to enter into the directed brokerage arrangement; (b) 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; (c) the client understands that the directed brokerage arrangement may impair Babson Capital's ability to achieve best execution; and (d) the account may forego the possibility of receiving lower transaction costs that could be achieved by Babson Capital's "aggregation" of orders.

Trade Aggregation:

Investment Allocation Policy

Many of the investment transactions by Babson Capital on behalf of its clients are effected as aggregated transactions made for a number of accounts, including for Babson Capital'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 Capital, its affiliates, or their respective employees, may have a beneficial or proprietary interest, or for accounts which Babson Capital 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 Capital 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 Capital investment advisory accounts ("Allocation Procedures"). Babson Capital'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 Capital 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 Capital 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 Capital will not make allocation decisions based on relationships with certain clients, fees or compensation. Babson Capital 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, 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 Capital determines such aggregation is appropriate and in the best interest of its clients.

It is the policy of Babson Capital to generally share appropriate investment opportunities (including purchase and sale opportunities) across all clients including those accounts that may be for the benefit of affiliates of Babson Capital. In general, this means that such opportunities will be allocated pro rata among the clients with interest. In addition, Babson Capital 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 Capital'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 client. From time to time, aggregation may not be possible because a security is thinly traded. Babson Capital 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 Capital, MassMutual, Babson Capital Corporate Investors (f/k/a MassMutual Corporate Investors; "CI"), Babson Capital Participation Investors (f/k/a MassMutual Participation Investors; "PI," and together with CI, each a "Fund" and collectively the "Funds"), and private investment companies advised or sub-advised by Babson Capital ("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

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private placement securities by certain affiliated persons of Babson Capital, including future private investment funds.

Under the Section 17(d) Order, Babson Capital 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 private investment fund that acquire private placement securities under the Section 17(d) Order must acquire such securities upon the same terms and conditions, at the same price, and with the same rights. The expenses, if any, associated with acquiring, holding or disposing of any private placement securities shall be shared by MassMutual, the Funds and the private investment funds in proportion to the relative amounts of such securities held, being acquired or disposed of, as the case may be. Any transaction fee received by participants in a co-investment under the Section 17(d) Order will be distributed to all participants on a pro rata basis.

Neither CI nor PI may make a follow-on investment, exercise warrants, conversion privileges, or other rights, sell, exchange or otherwise dispose of a co-investment in a non-proportionate transaction unless approved by the Fund's Joint Transactions Committee. No co-investment in private placement securities may be made by CI or PI under the Section 17(d) Order if MassMutual, Babson Capital or a private investment fund then currently holds a security issued by that entity.

The conditions of the Section 17(d) Order are applicable only to those joint or aggregated transactions in private placement securities where Babson Capital negotiates the terms of the transaction other than price.

Item 13 – Review of Accounts

Advisory accounts managed by Babson Capital 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 Capital 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 holdings on an account basis to ensure compliance with account investment guidelines. In addition to account level review, securities held on behalf of client advisory accounts are subject to economic, fundamental, technical and/or quantitative analyses that Babson Capital utilizes in its investment-decision making.

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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 Capital's affiliated broker-dealer, Babson Capital Securities, may act as placement agent for certain private investment funds where Babson Capital is not a sponsor or adviser to the fund, but where Babson Capital or an affiliate may be a lead investor and/or share in the economics as a general partner or pay a reduced fee. Babson Capital 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 the applicable law, Babson Capital may (1) pay a fee to employees of Babson Capital or its affiliates or other selected individuals, or entities who introduce business to Babson Capital or (2) 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 Capital and such persons.

Item 15 – Custody

In certain instances, Babson Capital 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 Capital clients. Clients should carefully review such statements and compare them to any account statements they receive from Babson Capital. If any discrepancies are found, clients should contact Babson Capital and their custodian as soon as possible.

Item 16 – Investment Discretion

Babson Capital's investment management agreements generally provide Babson Capital with discretionary authority to determine which securities, and in what amounts and on what terms, to buy or sell on behalf of a client's account, which broker-dealers to use in executing client trades, and the brokerage commissions 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 Capital's investment discretion for those accounts by requiring Babson Capital to abide by certain investment limitations and restrictions in such guidelines. In determining when to purchase or sell securities for an advisory account, Babson Capital 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 is bought or sold only on behalf of certain clients of Babson Capital, even though it could have been bought or sold for other clients of Babson Capital. 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.

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Transactions on U.S. stock exchanges, commodities markets and futures markets and other agency transactions involve the payment by a client of brokerage commissions. Such commissions vary among different broker-dealers. A particular broker-dealer may charge different commissions according to such factors as the difficulty and size of the transaction. In the case of securities traded in the over-the-counter markets, the price paid by a client may include an undisclosed dealer commission or mark-up. In under-written offerings, the price paid by a client includes a disclosed, fixed commission or discount retained by the underwriter or dealer which, in certain circumstances and to the extent not prohibited by applicable law, may be an affiliated broker-dealer of Babson Capital's. To the extent there is a client mandated or other prohibition against the use of an affiliated broker-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 Capital 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 Capital engages a proxy 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 Capital’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 Capital 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 Capital 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 Capital 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 Capital or a Babson Capital associate that could reasonably be expected to affect the independence or judgment concerning proxy voting.

Babson Capital 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 Capital 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

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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 Capital or its affiliates (other than those assigned such responsibilities under the Proxy Voting Policy) can influence how Babson Capital 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 Capital's Chief Compliance Officer or General Counsel prior to voting. Any questions or concerns regarding proxy-solicitor arrangements should be addressed to Babson Capital's Chief Compliance Officer and/or General Counsel.

Investment management agreements generally delegate the authority to vote proxies to Babson Capital in accordance with Babson Capital's Proxy Voting Policy. In the event an investment management agreement is silent on proxy voting, Babson Capital 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 Capital will assume proxy voting responsibilities. In the event that a client makes a written request regarding voting, Babson Capital will vote as instructed.

Clients may obtain a copy of Babson Capital's Proxy Voting Policy and information about how Babson Capital voted proxies related to their securities, free of charge, by contacting the Chief Compliance Officer, Babson Capital 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.

**PRINCIPAL OFFICE OF
ISSUER**

Babson CLO Ltd. 2013-II
c/o MaplesFS Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

**PRINCIPAL OFFICE OF
CO-ISSUER**

Babson CLO 2013-II, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

**PRINCIPAL OFFICE OF
INCOME NOTE ISSUER**

Babson CLO Ltd. Income Note 2013-II
c/o MaplesFS Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

TRUSTEE AND PAYING AGENT

U.S. Bank National Association
214 N. Tryon Street, 26th Floor
Charlotte, North Carolina 28202

COLLATERAL MANAGER

Babson Capital Management LLC
201 South College Street
Suite 2400
Charlotte, North Carolina 28244

IRISH LISTING AGENT

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

LEGAL ADVISORS

*To the Co-Issuers and the Income Note
Issuer as to United States Law*

Freshfields Bruckhaus Deringer US LLP
601 Lexington Avenue
31st Floor
New York, NY 10022

*To the Issuer and the Income Note Issuer
as to Cayman Islands law*

Maples and Calder
P.O. Box 309
Ugland House
Grand Cayman, KY1-1104, Cayman Islands

*To the Initial Purchaser and the Placement
Agent as to United States law*

Freshfields Bruckhaus Deringer US LLP
601 Lexington Avenue
31st Floor
New York, NY 10022

*To the Collateral Manager
as to United States law*

Cleary Gottlieb Steen & Hamilton LLP
2000 Pennsylvania Avenue, NW
New York, NY 10022
Washington, DC 20006

ANNEX B

FIRST SUPPLEMENTAL INDENTURE

FIRST SUPPLEMENTAL INDENTURE

dated as of March 2, 2017

among

BABSON CLO LTD. 2013-II,
as Issuer

and

BABSON CLO 2013-II, LLC,
as Co-Issuer

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

to

the Indenture, dated as of December 17, 2013,
among the Issuer, the Co-Issuer and the Trustee

This FIRST SUPPLEMENTAL INDENTURE dated as of March 2, 2017 (this "Supplemental Indenture") to the Indenture dated as of December 17, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Indenture") is entered into among Babson CLO Ltd. 2013-II, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Issuer"), Babson CLO 2013-II, LLC, a limited liability company organized under the laws of the State of Delaware (the "Co-Issuer" and, together with the Issuer, the "Co-Issuers"), and U.S. Bank National Association, as trustee under the Indenture (together with its successors in such capacity, the "Trustee"). Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Indenture.

WHEREAS, pursuant to Section 8.1(a)(xi)(C) of the Indenture, without the consent of any Holders of any Notes (except as provided below), when authorized by Board Resolutions, and subject to the applicable conditions set forth in Section 8.1 of the Indenture, the Co-Issuers and the Trustee may enter into one or more indentures supplemental to the Indenture, for the purpose of making such changes as shall be necessary to permit the Co-Issuers to co-issue replacement securities in connection with a Refinancing;

WHEREAS, the Co-Issuers wish to amend the Indenture as set forth in this Supplemental Indenture and have requested that the Trustee execute and deliver this Supplemental Indenture;

WHEREAS, the conditions set forth for entry into a supplemental indenture pursuant to Section 8.1(a)(xi)(C) of the Indenture have been satisfied;

WHEREAS, the Class A-1 Notes, the Class A-2 Notes, the Class B-1 Notes and the Class B-2 Notes issued on December 17, 2013 (the "Refinanced Notes") are being redeemed simultaneously with the execution of this Supplemental Indenture by the Co-Issuers and the Trustee;

WHEREAS, pursuant to the terms of this Supplemental Indenture, each purchaser of a Replacement Note (as defined below) will be deemed to have consented to the execution of this Supplemental Indenture by the Co-Issuers and the Trustee; and

WHEREAS, pursuant to Section 9.2(a) of the Indenture, a Majority of the Subordinated Notes have directed the Co-Issuers to redeem the Refinanced Notes from Refinancing Proceeds;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties agree as follows:

I. **Amendments.** Terms of the Replacement Notes and Amendments to the Indenture.

- (a) The Co-Issuers will issue the Replacement Notes (the proceeds of which shall be used to redeem the Refinanced Notes) which shall have the designations, original principal amounts and other characteristics as follows:

Principal Terms of the Replacement Notes

Designation	Class A-1-R Notes	Class A-2-R Notes	Class B-R Notes
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers
Initial Principal Amount (U.S.\$)	\$415,000,000	\$97,000,000	\$48,000,000
Expected S&P Initial Rating	"AAA(sf)"	at least "AA(sf)"	at least "A(sf)"
Expected Moody's Initial Rating	"Aaa (sf)"	N/A	N/A
Index Maturity¹	3 month	3 month	3 month
Interest Rate	LIBOR + 1.13%	LIBOR + 1.55%	LIBOR + 2.25%
Interest Deferrable	No	No	Yes
Stated Maturity	January 18, 2025	January 18, 2025	January 18, 2025
Minimum Denominations (U.S.\$) (Integral Multiples)	\$500,000 (\$1)	\$500,000 (\$1)	\$500,000 (\$1)
Ranking:			
Priority Class(es)	None	A-1-R	A-1-R, A-2-R
Pari passu Class(es)	None	None	None
Junior Class(es)	A-2-R, B-R, C, D, E, Subordinated	B-R, C, D, E, Subordinated	C, D, E, Subordinated
Listed Notes	Yes	Yes	Yes

(b) Effective as of the date hereof, the Indenture shall be amended as follows:

(i) The definition of "Class A Notes" is deleted in its entirety and replaced with the following:

Class A Notes: Prior to the First Refinancing Date, the Class A-1 Notes and the Class A-2 Notes, collectively, and on and after the First Refinancing Date, the Class A-R Notes.

(ii) The definition of "Class A-1 Notes" is deleted in its entirety and replaced with the following:

Class A-1 Notes: Prior to the First Refinancing Date, the Class A-1 Senior Secured Floating Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3 and, on and after the First Refinancing Date, the Class A-1-R Notes.

(iii) The definition of "Class A-2 Notes" is deleted in its entirety and replaced with the following:

Class A-2 Notes: Prior to the First Refinancing Date, the Class A-2 Senior Secured Floating Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3 and, on and after the First Refinancing Date, the Class A-2-R Notes.

(iv) The definition of "Class B Notes" is deleted in its entirety and replaced with the following:

Class B Notes: Prior to the First Refinancing Date, the Class B-1 Notes and the Class B-2 Notes, collectively, and on and after the First Refinancing Date, the Class B-R Notes.

(v) The definition of "Class B-1 Notes" is deleted in its entirety and replaced with the following:

Class B-1 Notes: Prior to the First Refinancing Date, the Class B-1 Senior Secured Deferrable Floating Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3 and, on and after the First Refinancing Date, the Class B-R Notes.

(vi) The definition of "Class B-2 Notes" is deleted in its entirety and replaced with the following:

Class B-2 Notes: Prior to the First Refinancing Date, the Class B-2 Senior Secured Deferrable Fixed Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3; *provided* that, on and after the First Refinancing Date, the Class B-2 Notes shall be deemed to be paid in full and deemed not to be Outstanding for all purposes under this Indenture.

(vii) The definition of "Initial Purchaser" is deleted in its entirety and replaced with the following:

Initial Purchaser: Citigroup, in its capacity as initial purchaser of the Secured Notes under the Purchase Agreement, and, on and after the First Refinancing Date, with respect to the Replacement Notes, the Refinancing Initial Purchaser.

(viii) The definition of "Offering Circular" is deleted in its entirety and replaced with the following:

Offering Circular: Each offering circular relating to the offer and sale of the Notes, including any supplements thereto, or, with respect to the Replacement Notes, the final offering circular relating to the Replacement Notes dated February 23, 2017.

(ix) The definition of "Purchase Agreement" is deleted in its entirety and replaced with the following:

Purchase Agreement: The agreement dated as of the Closing Date between the Co-Issuers and Citigroup, as initial purchaser of the Secured Notes, as amended from time to time, and, on and after the First Refinancing Date, with respect to the Replacement Notes, the Refinancing Purchase Agreement.

(x) The following new definitions, as set forth below, are added to Section 1.1 of the Indenture in alphabetical order:

Class A-R Notes: The Class A-1-R Notes and the Class A-2-R Notes, collectively.

Class A-1-R Notes: The Class A-1-R Senior Secured Floating Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3.

Class A-2-R Notes: The Class A-2-R Senior Secured Floating Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3.

Class B-R Notes: The Class B-R Senior Secured Deferrable Floating Rate Notes issued pursuant to this Indenture and having the characteristics specified in Section 2.3.

First Refinancing Date: March 2, 2017.

Refinancing Initial Purchaser: Merrill Lynch, Pierce, Fenner & Smith Incorporated, in its capacity as initial purchaser of the Replacement Notes under the Refinancing Purchase Agreement.

Refinancing Purchase Agreement: The refinancing note purchase agreement dated as of the First Refinancing Date, by and among the Co-Issuers and the Refinancing Initial Purchaser related to the offering of the Replacement Notes.

Replacement Notes: The Class A-R Notes and the Class B-R Notes.

(xi) On and after the First Refinancing Date, the table in Section 2.3 of the Indenture shall be modified by (i) replacing the second, third and fourth columns thereof with the applicable columns from the table set forth in Section I(a) of this Supplemental Indenture, (ii) deleting the fifth column thereof and (iii) amending the row entitled "Priority Class(es)" by deleting each reference to "B-1" and "B-2" and inserting "B-R" in lieu thereof.

(xii) The first sentence of Section 9.2(a) of the Indenture is amended by inserting the following proviso at the end thereof:

"; *provided* that no Refinancing of the Replacement Notes shall be permitted."

(xiii) The first sentence of Section 9.8(a) of the Indenture is amended by inserting the following proviso at the end thereof:

"; *provided further* that no Re-Pricing of the Replacement Notes shall be permitted."

(xiv) Exhibits A1 and A10 to the Indenture are amended by:

- (a) replacing all references to "Class A-1" with "Class A-1-R;
- (b) deleting each CUSIP and ISIN and inserting the applicable identifiers obtained in connection with the issuance of the Replacement Notes;
- (c) deleting "(the "Indenture")" and inserting "(as amended, modified or supplemented from time to time, the "Indenture")";
- (d) deleting "commencing July 2014" and inserting "commencing April 2017"; and
- (e) deleting "LIBOR plus 1.48%" and inserting "LIBOR plus 1.13%".

(xv) Exhibits A2 and A11 to the Indenture are amended by:

- (a) replacing all references to "Class A-2" with "Class A-2-R;
- (b) deleting each CUSIP and ISIN and inserting the applicable identifiers obtained in connection with the issuance of the Replacement Notes;
- (c) deleting "(the "Indenture")" and inserting "(as amended, modified or supplemented from time to time, the "Indenture")";
- (d) deleting "commencing July 2014" and inserting "commencing April 2017"; and
- (e) deleting "LIBOR plus 1.75%" and inserting "LIBOR plus 1.55%".

(xvi) Exhibits A3 and A12 to the Indenture are amended by:

- (a) replacing all references to "Class B-1" with "Class B-R;

- (b) deleting each CUSIP and ISIN and inserting the applicable identifiers obtained in connection with the issuance of the Replacement Notes;
- (c) deleting "(the "Indenture")" and inserting "(as amended, modified or supplemented from time to time, the "Indenture")";
- (d) deleting "commencing July 2014" and inserting "commencing April 2017"; and
- (e) deleting "LIBOR plus 2.65%" and inserting "LIBOR plus 2.25%".

(xvii) Exhibits A8, A9, B1, B2, B4, B6, B7, B8, B9, H and I to the Indenture are amended by deleting "(the "Indenture")" and inserting "(as amended, modified or supplemented from time to time, the "Indenture")".

(xviii) Exhibits B1, B2, B3, B6 and B7 to the Indenture are amended by replacing all references to "[A-1][A-2][B-1][B-2]" with "[A-1-R][A-2-R][B-R]".

(xix) Exhibit H to the Indenture is amended by (i) deleting "[A-1] [A-2]" and inserting "[A-1-R] [A-2-R]", (ii) deleting "[B-1]" and inserting "[B-R]" and (iii) deleting "[Class B-2 Senior Secured Deferrable Fixed Rate Notes due 2025 of Babson CLO Ltd. 2013-II and Babson CLO 2013-II, LLC]".

II. Issuance and Authentication of Replacement Notes.

The Replacement Notes shall be issued as Rule 144A Global Secured Notes and Regulation S Global Secured Notes and shall be executed by the Co-Issuers and delivered to the Trustee for authentication and thereupon the same shall be authenticated.

III. Noteholder Consent.

(A) Each Holder or beneficial owner of a Replacement Note, by its acquisition thereof on the First Refinancing Date, shall be deemed to agree to the Indenture, as supplemented by this Supplemental Indenture and the execution by the Co-Issuers and the Trustee hereof.

(B) Written consents to this Supplemental Indenture have been obtained from a Majority of the Subordinated Notes.

IV. Governing Law.

This Supplemental Indenture and the Replacement Notes shall be construed in accordance with, and this Supplemental Indenture and the Replacement Notes and any matters arising out of or relating in any way whatsoever to this Supplemental Indenture or the Replacement Notes (whether in contract, tort or otherwise), shall be governed by, the law of the State of New York.

V. Execution in Counterparts.

This Supplemental Indenture 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.

VI. Concerning the Trustee.

The recitals contained in this Supplemental Indenture shall be taken as the statements of the Co-Issuers, and the Trustee assumes no responsibility for their correctness. Except as provided in the Indenture, 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. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct of or affecting the liability of or affording protection to the Trustee.

VII. No Other Changes.

Except as provided herein, the Indenture shall remain unchanged and in full force and effect, and each reference to the Indenture and words of similar import in the Indenture, as amended hereby, shall be a reference to the Indenture as amended hereby and as the same may be further amended, supplemented and otherwise modified and in effect from time to time. This Supplemental Indenture may be used to create a conformed amended and restated Indenture for the convenience of administration by the parties hereto.

VIII. Execution, Delivery and Validity.

Each of the Co-Issuers represents and warrants to the Trustee that (i) this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms and (ii) the execution of this Supplemental Indenture is authorized or permitted under the Indenture and all conditions precedent thereto have been satisfied.

IX. Amended and Restated Indenture.

This Supplemental Indenture may be incorporated into an amended and restated Indenture.

X. Binding Effect.

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

XI. Limited Recourse; Non-Petition.

The terms of Section 2.7(i) and Section 5.4(d) of the Indenture shall apply to this Supplemental Indenture *mutatis mutandis* as if fully set forth herein.

XII. Direction to the Trustee.

The Issuer hereby directs the Trustee to execute this Supplemental Indenture and acknowledges and agrees that the Trustee will be fully protected in relying upon the foregoing direction.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

BABSON CLO LTD. 2013-II,
as Issuer

By: 

Name: _____
Title: David Hogan
Director

BABSON CLO 2013-II, LLC,
as Co-Issuer

By: _____

Name: _____
Title: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

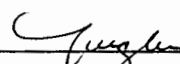
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

BABSON CLO LTD. 2013-II,
as Issuer

By: _____
Name:
Title:

BABSON CLO 2013-II, LLC,
as Co-Issuer

By:  _____
Name: Donald J. Puglisi
Title: Independent Manager

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

BABSON CLO LTD. 2013-II,
as Issuer

By: _____
Name:
Title:

BABSON CLO 2013-II, LLC,
as Co-Issuer

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title: **Scott D. DeRoss**
Vice President

CONSENTED AND AGREED

BARINGS LLC,
as Collateral Manager

By: Adrienne Butler
Name: Adrienne Butler
Title: Managing Director

ANNEX C
INDENTURE REPORT

Babson CLO Ltd. 2013-II

DISTRIBUTION REPORT

Payment Date

January 18, 2017

Important Notice to beneficial owners:

The Offered Securities may be beneficially owned 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) either 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 Notes may be transferred only to a Person that is both 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 Note 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 of the Indenture.

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 or such Holder's Notes that is permitted by the terms of the Indenture to acquire such Holders Notes and that agrees to keep such information confidential in accordance with the terms of the Indenture.

Babson CLO Ltd. 2013-II - Distribution Report

Determination Date: January 5, 2017
 Payment Date: January 18, 2017

(i) See attached Monthly Report

(ii) (a) the Aggregate Outstanding Amount of the Secured Notes at the beginning of the Interest Accrual Period:

	<u>Original</u>	<u>Current</u>	<u>%</u>
Class A-1	\$ 415,000,000.00	\$ 415,000,000.00	100.000%
Class A-2	\$ 97,000,000.00	\$ 97,000,000.00	100.000%
Class B-1	\$ 32,000,000.00	\$ 32,000,000.00	100.000%
Class B-2	\$ 16,000,000.00	\$ 16,000,000.00	100.000%
Class C	\$ 38,000,000.00	\$ 38,000,000.00	100.000%
Class D	\$ 29,000,000.00	\$ 29,000,000.00	100.000%
Class E	\$ 10,000,000.00	\$ 10,000,000.00	100.000%

(b) the amount of principal payments to be made on the Secured Notes, the amount of Deferred on the Class B, C, D or E Notes and the Aggregate Outstanding Amount of the Secured Notes of each Class after giving effect to the principal payments, if any on the next Payment Date:

	<u>Principal Payment</u>	<u>Deferred Interest</u>	<u>New</u> <u>Aggregate Outstanding</u>	<u>%</u>
Class A-1	\$ -	\$ -	\$ 415,000,000.00	100.000%
Class A-2	\$ -	\$ -	\$ 97,000,000.00	100.000%
Class B-1	\$ -	\$ -	\$ 32,000,000.00	100.000%
Class B-2	\$ -	\$ -	\$ 16,000,000.00	100.000%
Class C	\$ -	\$ -	\$ 38,000,000.00	100.000%
Class D	\$ -	\$ -	\$ 29,000,000.00	100.000%
Class E	\$ -	\$ -	\$ 10,000,000.00	100.000%

(c) the Aggregate Outstanding Amount of Subordinated Notes at the beginning of the Interest Accrual Period;

	<u>Original</u>	<u>Current</u>	<u>%</u>
Sub Notes	\$ 60,725,000.00	\$ 60,725,000.00	100.000%

the amount of payments to be made in respect of Subordinated Note Redemption Prices;

	<u>Principal Payment</u>	<u>New</u> <u>Aggregate Outstanding</u>	<u>%</u>
	\$ -	\$ 60,725,000.00	100.000%

(iii) the Interest Rate and accrued interest for each Class of Secured Notes:

	<u>Accrued</u>	<u>Interest Rate (est</u> <u>blended)</u>
Class A-1	\$2,504,682.24	2.36167%
Class A-2	\$652,361.75	2.63167%
Class B-1	\$288,812.12	3.53167%
Class B-2	\$200,000.00	5.00000%
Class C	\$401,231.06	4.13167%
Class D	\$398,841.54	5.38167%
Class E	\$156,698.23	6.13167%
	<u>\$4,602,626.96</u>	

(iv) the amount payable pursuant to clause 11.1(a)(i) and 11.1(a)(ii)

See attached priority of payments

(v) (A) Collection Account Balance

Principal:	\$	23,366,341.02
Interest:	\$	7,600,467.75

(B) amounts payable from the Collection Account to the Payment Account:

Principal:	\$	-
Interest:	\$	7,600,467.75

(C) the balance remaining in the Collection Account after all deposits and payments:

Principal:	\$	12,080,356.97
Interest:	\$	-

(vi) any other information requested by the Collateral Manager

		<u>Interest Proceeds:</u>	\$	7,600,467.75	
11.1(i)	(A) (1)	First to the payment of taxes, governmental fees and registered office fees owing by the Issuer, the Co-Issuer or the Income Note Issuer, if any,	\$	-	\$ 7,600,467.75
	(2)	Second, in the following order of priority:	\$	-	\$ 7,600,467.75
	(i)	to the payment of accrued and unpaid Administrative Expenses, in the priority stated in the definition thereof up to the Administrative Expense Cap;			
	<i>first</i>	to the Trustee pursuant to Section 6.7 and the other provisions of the Indenture and the Income Note Paying Agent pursuant to the Income Note Paying Agency Agr;	\$	30,017.18	\$ 7,570,450.57
	<i>second</i>	to the Collateral Administrator pursuant to the Collateral Administration Agreement;	\$	-	\$ 7,570,450.57
	<i>third</i>	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 and Income Note Issuer for fees and expenses;	\$	40,346.03	\$ 7,530,104.54
	(ii)	the Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees);	\$	-	\$ 7,530,104.54
	(iii)	the Collateral Manager under the Indenture and the Collateral Management Agreement, excluding the Management Fee;	\$	-	\$ 7,530,104.54
	(iv)	the Administrator pursuant to the Administration Agreement, the Registered Office Agreement, the Income Notes Admin Agreement and the Income Note Registered Office Agreement;	\$	-	\$ 7,530,104.54
	(v)	any other person;	\$	4,225.00	\$ 7,525,879.54
	<i>fourth</i>	on a pro rate basis, indemnities payable to any Person pursuant to any Transaction Document, the Purchase Agreement or the Placement Agency Agreement;	\$	-	\$ 7,525,879.54
	(B)	to the payment of:	\$	337,341.60	\$ 7,188,537.94
	(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 there is sufficient Interest Proceeds to pay Interest on the Notes			
	(C)	to the payment of accrued and unpaid interest on the Class A-1 Notes;	\$	2,504,682.24	\$ 4,683,855.70
	(D)	to the payment of accrued and unpaid interest on the Class A-2 Notes;	\$	652,361.75	\$ 4,031,493.95

(E)	if either the Class A Coverage Tests are not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to cause all applicable Class A Coverage Tests to be satisfied on a pro forma basis after giving effects to all payments pursuant to this clause (E);		\$	-	\$	4,031,493.95
(F)	to the Payment of accrued and unpaid interest (excluding Deferred Interest but including interest on Deferred Interest) on the Class B-1 and the B-2 Notes, <i>pro rata</i> , based on the respective amounts of accrued and unpaid interest on each such Class;	<i>pro rata</i> basis; Class B-1 Note Interest Class B-2 Note Interest		\$288,812.12 \$200,000.00	\$	3,742,681.83 3,542,681.83
(G)	if either the Class B Coverage Tests are not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to cause all applicable Class B Coverage Tests to be satisfied on a pro forma basis after giving effects to all payments pursuant to this clause (G);		\$	-	\$	3,542,681.83
(H)	to the payment of any Secured Note Deferred Interest on the Class B-1 and B-2 Notes <i>pro rata</i> based on the respective amounts of accrued and unpaid Secured Note Deferred Interest on each such Class;		\$	-	\$	3,542,681.83
(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;		\$	401,231.06	\$	3,141,450.76
(J)	if either the Class C Coverage Tests are not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to cause all applicable Class C Coverage Tests to be satisfied on a pro forma basis after giving effects to all payments pursuant to this clause (J);		\$	-	\$	3,141,450.76
(K)	to the payment of any Secured Note Deferred Interest on the Class C Notes;		\$	-	\$	3,141,450.76
(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;		\$	398,841.54	\$	2,742,609.22
(M)	if either the Class D Coverage Tests are not satisfied on the related Determination Date, to make payments in accordance with the Note Payment Sequence to cause all applicable Class D Coverage Tests to be satisfied on a pro forma basis after giving effects to all payments pursuant to this clause (M);		\$	-	\$	2,742,609.22
(N)	to the payment of any Secured Note Deferred Interest on the Class D Notes;		\$	-	\$	2,742,609.22
(O)	to the payment of					
	(1) first, accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class E Notes and		\$	156,698.23	\$	2,585,910.99
	(2) second, any Secured Note Deferred Interest on the Class E Notes		\$	-	\$	2,585,910.99
(P)	if (on the first Payment Date),					
	(x) the Moody's Rating Condition has not been satisfied pursuant to Section 7.18(e) (unless the Issuer or the Collateral Manager has provided a Passing Report to Moody's pursuant to Section 7.18(e)) or		\$	-	\$	2,585,910.99
	(y) S&P has not yet confirmed its Initial Ratings of the Secured Notes pursuant to Section 7.18(e), amounts available for distribution pursuant to this clause (P) 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 a passing written confirmation of its Initial Ratings of Secured Notes, as applicable;		\$	-	\$	2,585,910.99

	(Q)	during the Reinvestment Period, if the Interest Diversion Test is not satisfied on the related Determination Date, an amount equal to the Required Interest Diversion Amount shall be applied to make a deposit to the Collection Account as Principal Proceeds for the purchase of additional Collateral Obligations;	\$	-	\$	2,585,910.99
	(R)	to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;	\$	506,012.40	\$	2,079,898.58
	(S)	to the payment of (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;	\$	-	\$	2,079,898.58
	(T)	to pay the Holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 12.0%; and	\$	2,079,898.58	\$	-
	(U)	any remaining Interest Proceeds to be paid				
		(x) 20% to the Collateral Manager as part of the Incentive Management Fee; and	\$	-	\$	-
		(y) 80% to the Holders of the Subordinated Notes	\$	-	\$	-
		Principal Proceeds:	\$	12,080,356.97		
11.1(ii)	(A)	to pay the amounts referred to in clauses (A) through (D) of Section 11.1(a)(i) to the extent not paid in full thereunder;	\$	-	\$	12,080,356.97
	(B)	to pay the amounts referred to in clause (E) of Section 11.1(a)(i) to the extent not paid thereunder and to the extent necessary to cause the Coverage Tests applicable to 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);	\$	-	\$	12,080,356.97
	(C)	to pay the amounts referred to in clause (F) of Section 11.1(a)(i) to the extent not paid thereunder and only to the extent that the Class B Notes are the Controlling Class;	\$	-	\$	12,080,356.97
	(D)	to pay the amounts referred to in clause (G) of Section 11.1(a)(i) to the extent not paid thereunder and to the extent necessary to cause the Coverage Tests applicable to 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 Section 11.1(a)(i) to the extent not paid thereunder and only to the extent that the Class B Notes are the Controlling Class;	\$	-	\$	12,080,356.97
	(F)	to pay the amounts referred to in clause (I) of Section 11.1(a)(i) to the extent not paid thereunder and only to the extent that the Class C Notes are the Controlling Class;	\$	-	\$	12,080,356.97
	(G)	to pay the amounts referred to in clause (J) of Section 11.1(a)(i) to the extent not paid thereunder and to the extent necessary to cause the Coverage Tests applicable to 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);	\$	-	\$	12,080,356.97
	(H)	to pay the amounts referred to in clause (K) of Section 11.1(a)(i) to the extent not paid thereunder and only to the extent that the Class C Notes are the Controlling Class;	\$	-	\$	12,080,356.97

(I)	to pay the amounts referred to in clause (L) of Section 11.1(a)(i) to the extent not paid thereunder and only to the extent that the Class D Notes are the Controlling Class;	\$	-	\$ 12,080,356.97
(J)	to pay the amounts referred to in clause (M) of Section 11.1(a)(i) to the extent not paid thereunder and to the extent necessary to cause the Coverage Tests applicable to 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);	\$	-	\$ 12,080,356.97
(K)	to pay amounts referred to in clause (N) of Section 11.1(a)(i) to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;	\$	-	\$ 12,080,356.97
(L)	to pay the amounts referred to in clause (O) of Section 11.1(a)(i) to the extent not paid in full thereunder, only to the extent that the Class E Notes are the Controlling Class;	\$	-	\$ 12,080,356.97
(M)	with respect to any Payment Date following the Effective Date, if after the application of Interest Proceeds pursuant to clause (P) of Section 11.1(a)(i) either (x) the Moody's Rating Condition has not been satisfied pursuant to Section 7.18(e) or (y) S&P has not yet confirmed its Initial Ratings of the Secured Notes pursuant to Section 7.18(e) amounts available for distribution pursuant to clause (M) shall be used with the Note Payment Sequence in an amount sufficient to satisfy the Moody's Rating Condition and/or cause S&P to provide written confirmation of its Initial Ratings, as applicable;	\$	-	\$ 12,080,356.97
(N) (1)	if such Payment Date is a Redemption Date, to make payments in accordance with the Note Payment Sequence, and	\$	-	\$ 12,080,356.97
(2)	On any other Payment Date during the Reinvestment Period, to make payments in accordance with the Note Payment Sequence in the amount, if any, of the Principal Proceeds that the CM has determined, for a period of at least 45 consecutive Business Days cannot be practically reinvested in additional Collateral Obligations;	\$	-	\$ 12,080,356.97
(O) (1)	during the Reinvestment Period, to the Collection Account as Principal Proceeds to invest in Eligible Investments and/or	\$ 12,080,356.97	\$	-
(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 and/or purchase of Substitute Obligations;	\$	-	\$ -
(P)	after the Reinvestment Period, to make payments in accordance with the Note Payment Sequence;	\$	-	\$ -
(Q)	to pay amounts referred to in clause (R) of Section 11.1(a)(i) only to the extent not already paid;	\$	-	\$ -
(R)	to pay the amounts referred to in clause (S) of Section 11.1(a)(i) only to the extent not already paid (in the same manner and order of priority stated therein);	\$	-	\$ -
(S)	after giving effect to clause (T) of Section 11.1(a)(i), to pay the Holders of the the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 12.0%; and	\$	-	\$ -
(T)	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.	\$	-	\$ -
11.1(iii)	in the case of any Enforcement Event that has occurred			
(A) (1)	first, to the payment of taxes, governmental fees and registered office fees owing by the Issuer, the Co-Issuer or the Income Note Issuer, if any, and	\$	-	\$ -
(A) (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 Section 5.5(a), the Administrative Expense Cap shall be disregarded);	\$	-	\$ -
(B) (1)	to the payment of (1) the Base Management Fee due and payable to the Collateral Manager and	\$	-	\$ -
(B) (2)	any accrued and unpaid interest on the Base Management Fee;	\$	-	\$ -

(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-1 Notes and the Class B-2 Notes, pro rata, based on the respective amounts of accrued and unpaid interest on each such Class;	\$	-	\$	-
(H)	to the payment of any Secured Note Deferred Interest on the Class B-1 Notes and the Class B-2 Notes, pro rata, based on the respective amounts of accrued and unpaid Secured Note Deferred Interest on each such Class;	\$	-	\$	-
(I)	to the payment of principal of the Class B-1 Notes and the Class B-2 Notes, pro rata, based on their respective Aggregate Outstanding Amounts;	\$	-	\$	-
(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 accrued and unpaid interest (excluding Secured Note Deferred Interest, but including interest on Secured Note Deferred Interest) on the Class E Notes;	\$	-	\$	-
(Q)	to the payment of any Secured Note Deferred Interest on the Class E Notes;	\$	-	\$	-
(R)	to the payment of principal of the Class E Notes;	\$	-	\$	-
(S)	to the payment of the Subordinated Management Fee due and payable (including any accrued and unpaid interest thereon) to the Collateral Manager;	\$	-	\$	-
(T)	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;	\$	-	\$	-
(U)	to pay the Holders of the Subordinated Notes until the Subordinated Notes have realized a Subordinated Notes Internal Rate of Return of 12.0%; and	\$	-	\$	-
(V)	to pay the balance to the Collateral Manager and the Holders of the Subordinated Notes, such balance to be allocated as follows: (x)	\$	-	\$	-
	(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.	\$	-	\$	-

US Bank National Association as Trustee
Babson CLO Ltd. 2013-II - Payment Date Factors

Rate Set Date: 10/14/16
 Accrual Start: 10/18/16
 Accrual End: 01/18/17
 Days (Act/360) 92.00
 360 Days: 90.00
 LIBOR Rate: 0.88167%

Class A-1 Rate: 2.36167%
 Class A-2 Rate: 2.63167%
 Class B-1 Rate: 3.53167%
 Class B-2 Rate: 5.00000%
 Class C Rate: 4.13167%
 Class D Rate: 5.38167%
 Class E Rate: 6.13167%

Payment Date
January 18, 2017

The following amounts represent balances and payments in units of 1,000:

CLASS	BEG PRIN PER UNIT	PRIN PAID PER UNIT	INT ACCRUED PER UNIT	INT PAID PER UNIT	DEFERRED PER UNIT	DIV PAY PER UNIT	ENDING BAL PER UNIT	FACTOR
Class A-1	\$1,000.000000	\$0.000000	\$6.035379	\$6.035379	\$0.000000	n/a	\$1,000.000000	\$1,000.000000
Class A-2	\$1,000.000000	\$0.000000	\$6.725379	\$6.725379	\$0.000000	n/a	\$1,000.000000	\$1,000.000000
Class B-1	\$1,000.000000	\$0.000000	\$9.025379	\$9.025379	\$0.000000	n/a	\$1,000.000000	\$1,000.000000
Class B-2	\$1,000.000000	\$0.000000	\$12.500000	\$12.500000	\$0.000000	n/a	\$1,000.000000	\$1,000.000000
Class C	\$1,000.000000	\$0.000000	\$10.558712	\$10.558712	\$0.000000	n/a	\$1,000.000000	\$1,000.000000
Class D	\$1,000.000000	\$0.000000	\$13.753157	\$13.753157	\$0.000000	n/a	\$1,000.000000	\$1,000.000000
Class E	\$1,000.000000	\$0.000000	\$15.669823	\$15.669823	\$1.000000	n/a	\$1,000.000000	\$1,000.000000
Sub	\$1,000.000000	\$0.000000	n/a	n/a	n/a	\$34.251109	\$1,000.000000	\$1,000.000000

The following amounts represent balances and payments for the entire issue:

	ORIGINAL PRIN BAL	CURRENT PRIN BAL	PRINCIPAL PAID	INTEREST ACCRUED	INTEREST PAID	CAPITALIZED	DIVIDEND	TOTAL AMOUNT	END PRIN
Class A-1 05617YAA7	\$ 415,000,000.00	\$ 415,000,000.00	\$0.00	\$2,504,682.24	\$2,504,682.24	\$0.00	\$0.00	\$2,504,682.24	\$415,000,000.00
G07007AA8	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Class A-2 05617YAC3	\$ 97,000,000.00	\$ 97,000,000.00	\$0.00	\$652,361.75	\$652,361.75	\$0.00	\$0.00	\$652,361.75	\$97,000,000.00
G07007AB6	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Class B-1 05617YAE9	\$ 32,000,000.00	\$ 32,000,000.00	\$0.00	\$288,812.12	\$288,812.12	\$0.00	\$0.00	\$288,812.12	\$32,000,000.00
G07007AC4	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Class B-2 05617YAN9	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G07007AG5	\$ 16,000,000.00	\$ 16,000,000.00	\$0.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$200,000.00	\$16,000,000.00
Class C 05617YAG4	\$ 33,000,000.00	\$ 33,000,000.00	\$0.00	\$348,437.50	\$348,437.50	\$0.00	\$0.00	\$348,437.50	\$33,000,000.00
G07007AD2	\$ 5,000,000.00	\$ 5,000,000.00	\$0.00	\$52,793.56	\$52,793.56	\$0.00	\$0.00	\$52,793.56	\$5,000,000.00
Class D 05618CAA4	\$ 26,500,000.00	\$ 26,500,000.00	\$0.00	\$364,458.65	\$364,458.65	\$0.00	\$0.00	\$364,458.65	\$26,500,000.00
G07005AA2	\$ 2,500,000.00	\$ 2,500,000.00	\$0.00	\$34,382.89	\$34,382.89	\$0.00	\$0.00	\$34,382.89	\$2,500,000.00
Class E 05618CAC0	\$ 10,000,000.00	\$ 10,000,000.00	\$0.00	\$156,698.23	\$156,698.23	\$0.00	\$0.00	\$156,698.23	\$10,000,000.00
G07005AB0	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub 05618CAE6	\$ 60,725,000.00	\$ 60,725,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ 2,079,898.58	\$2,079,898.58	\$ 60,725,000.00
G07005AC8	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$ -
	\$ 697,725,000.00	\$ 697,725,000.00	\$0.00	\$4,602,626.96	\$4,602,626.96	\$0.00	\$2,079,898.58	\$6,682,525.54	\$697,725,000.00



Babson CLO Ltd 2013-II

Babson CLO Ltd 2013-II Monthly Report

As of January 5, 2017



Babson CLO Ltd 2013-II
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Next Payment: 1/18/2017



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Babson CLO Ltd 2013-II
Executive Summary
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Deal</i>	<i>Summary</i>	<i>Notes Detail</i>	<i>Principal Balance</i>	<i>Moody's Rating</i>	<i>S&P Rating</i>
Collateral Manager: Barings LLC	Calculation Date: 01/05/2017	Class A-1 Notes	415,000,000.00	Aaa	AAA
End of Reinvest: 01/18/2018	Next Payment Date: 01/18/2017	Class A-2 Notes	97,000,000.00	NR	AA
Stated Maturity: 01/18/2025		Class B-1 Notes	32,000,000.00	NR	A
Type: LNHY	Principal Amount: \$647,825,177.77	Class B-2 Notes	16,000,000.00	NR	A
Trustee: US Bank Corp Trust Services	Proceeds: \$23,366,341.02	Class C Notes	38,000,000.00	NR	BBB
Account Manager: Jeremy Edmiston	Totals: \$671,191,518.79	Class D Notes	29,000,000.00	NR	BB
Analyst: Hing Fu		Class E Notes	10,000,000.00	NR	B
	Interest Reserve Account \$0.00	Subordinated Notes	60,725,000.00	NR	NR
	Interest Collection Sub Acct \$7,600,467.75				
	Expense Reserve Account \$0.00				
	Principal Collection Account \$23,366,341.02				
	Revolver Funding Account \$428,368.43				
			697,725,000.00		

<i>Collateral Test Description</i>	<i>Current Threshold</i>	<i>1/5/2017 Current</i>	<i>12/7/2016 Result</i>	<i>12/7/2016 Prior</i>	<i>Collateral Test Description</i>	<i>Current Threshold</i>	<i>1/5/2017 Current</i>	<i>12/7/2016 Result</i>	<i>12/7/2016 Prior</i>
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Overcollateralization Tests

Class A OC	121.8000%	130.3127%	Passed	131.5195%
Class B OC	112.5000%	119.1430%	Passed	120.2464%
Class C OC	106.9000%	111.5721%	Passed	112.6053%
Class D OC	102.7000%	106.4116%	Passed	107.3971%
Event of Default OC	102.5000%	161.4811%	Passed	162.9299%
Interest Diversion	102.0000%	104.7411%	Passed	105.7111%

Interest Coverage Tests

Class A IC	115.0000%	227.6984%	Passed	233.8678%
Class B IC	110.0000%	197.1701%	Passed	202.5124%
Class C IC	105.0000%	177.6225%	Passed	182.4352%
Class D IC	101.0000%	161.6881%	Passed	166.0690%

Collateral Quality Tests

Min Weighted Avg Spread (%)	3.15%	3.75%	Passed	3.80%
Min Weighted Avg Coupon (%)	7.5	0.0000%	N/A	0.0000%
Adj. Moody's Weighted Avg Rating	3189	2961	Passed	2973
Moody's Diversity	70	78	Passed	78
Moody's Rec Rate (%)	42.0	49.7	Passed	49.6
S&P Rec Rate - AAA (%)	40.3	42.3	Passed	41.6
S&P Rec Rate - AA (%)	49.6	51.6	Passed	50.9

Collateral Quality Tests

S&P Rec Rate - A (%)	54.9	57.3	Passed	56.6
S&P Rec Rate - BBB (%)	61.2	63.6	Passed	62.8
S&P Rec Rate - BB (%)	66.8	69.4	Passed	68.6
S&P Rec Rate - B and below (%)	72.1	74.8	Passed	73.9
Weighted Avg Life	4.95	4.56	Passed	4.53



Babson CLO Ltd 2013-II
Cash Account Summary
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Collection Account Name</i>	<i>Account Principal Balance</i>	<i>Account Interest Balance</i>
Expense Reserve Account	0.00	0.00
Interest Collection Sub Account	0.00	7,600,467.75
Interest Reserve Account	0.00	0.00
Principal Collection Account	23,366,341.02	0.00
Revolver Funding Account	428,368.43	0.00
Total	23,794,709.45	7,600,467.75
<hr/>		
Total Balance:	31,395,177.20	



Babson CLO Ltd 2013-II
Overcollateralization
As of : 1/5/2017
Next Payment: 1/18/2017



OVERCOLLATERALIZATION TEST	RATIO	REQUIRED LEVEL	CALCULATION	RESULT
Class A OC	130.3127%	121.8000%	A / B	Passed
Class B OC	119.1430%	112.5000%	A / C	Passed
Class C OC	111.5721%	106.9000%	A / D	Passed
Class D OC	106.4116%	102.7000%	A / E	Passed

NUMERATOR

The sum of:

Aggregate Principal Balance	\$647,825,177.77
Principal Proceeds	\$23,366,341.02
Less: Discount Obligations	-\$2,944,367.57
Plus: Discount Recovery	\$2,214,082.35
Less: Defaulted Obligations	-\$4,908,310.89
Plus: Defaulted Recovery	\$1,647,941.78
Less: Deferring Securities	\$0.00
Caa/CCC Excess	\$0.00
Plus: Moody's Collateral Value of Deferring Securities	\$0.00
Less: Long Dated Obligations	\$0.00
Plus: Moody's Collateral Value of Long Dated Obligations	\$0.00
Total for A:	\$667,200,864.46

DENOMINATOR

Class A-1 Notes	\$415,000,000.00
Class A-2 Notes	\$97,000,000.00
Total for B:	\$512,000,000.00
Class B-1 Notes	\$32,000,000.00
Class B-2 Notes	\$16,000,000.00
Total for C:	\$560,000,000.00
Class C Notes	\$38,000,000.00
Total for D:	\$598,000,000.00
Class D Notes	\$29,000,000.00



DENOMINATOR

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Total for E:	\$627,000,000.00
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Babson CLO Ltd 2013-II
Event of Default
As of : 1/5/2017
Next Payment: 1/18/2017



OVERCOLLATERALIZATION TEST	RATIO	REQUIRED LEVEL	CALCULATION	RESULT
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Event of Default OC Test	161.4811%	102.5000%	A / B	Passed
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NUMERATOR

The sum of:

Adjusted Principal Balance	\$646,780,033.62
Principal Proceeds	\$23,366,341.02
Total for A:	\$670,146,374.64

DENOMINATOR

Class A-1 Notes	\$415,000,000.00
Total for B:	\$415,000,000.00



Babson CLO Ltd 2013-II
Interest Coverage
As of : 1/5/2017
Next Payment: 1/18/2017



INTEREST COVERAGE TEST	RATIO	REQUIRED LEVEL	CALCULATION	RESULT
Class A Interest Coverage Ratio	227.6984%	115.0000%	A / B	Passed
Class B Interest Coverage Ratio	197.1701%	110.0000%	A / C	Passed
Class C Interest Coverage Ratio	177.6225%	105.0000%	A / D	Passed
Class D Interest Coverage Ratio	161.6881%	101.0000%	A / E	Passed

NUMERATOR

The sum of:

Interest Proceeds Received	\$7,600,467.75
Scheduled Interest Proceeds	\$0.00
Amounts Payable Pursuant to Subclauses (A) through (D) Section 11.1 (a)(B)	-\$411,929.81
Total for A:	<u>\$7,188,537.94</u>

DENOMINATOR

Class A-1 Notes	\$2,504,682.24	
Class A-2 Notes	\$652,361.75	
Total for B:		<u>\$3,157,043.99</u>
Class B-1 Notes	\$288,812.12	
Class B-2 Notes	\$200,000.00	
Total for C:		<u>\$3,645,856.11</u>
Class C Notes	\$401,231.06	
Total for D:		<u>\$4,047,087.17</u>
Class D Notes	\$398,841.54	
Total for E:		<u>\$4,445,928.71</u>



Babson CLO Ltd 2013-II
Concentration Limitations
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Clause</i>	<i>Concentration Limitation</i>	<i>Current Amount Numerator</i>	<i>Current Amount Denominator</i>	<i>Current Percentage</i>	<i>Min</i>	<i>Max</i>	<i>Test Result</i>
(i)	Senior Secured Loans	654,050,379.51	666,283,207.90	98.2%	92.5%		Passed
(ii)	Not a Senior Secured Loan	12,232,828.39	666,283,207.90	1.8%		7.5%	Passed
(iii)	Largest Single Obligor	10,393,434.41	666,283,207.90	1.6%		2.5%	Passed
(iii)	Second Largest Single Obligor	7,771,544.04	666,283,207.90	1.2%		2.5%	Passed
(iii)	Third Largest Single Obligor	7,299,557.06	666,283,207.90	1.1%		2.5%	Passed
(iii)	Fourth Largest Single Obligor	6,712,358.20	666,283,207.90	1.0%		2.5%	Passed
(iii)	Fifth Largest Single Obligor	6,665,036.50	666,283,207.90	1.0%		2.5%	Passed
(iii)	Sixth Largest Single Obligor	6,448,556.83	666,283,207.90	1.0%		2.0%	Passed
(iv)	Moody's Rating of Caa1 or Below	44,545,446.39	666,283,207.90	6.7%		7.5%	Passed
(v)	S&P Rating of CCC+ or Below	36,335,170.64	666,283,207.90	5.5%		7.5%	Passed
(vi)	Pays Less Frequently Than Quarterly	3,000,000.00	666,283,207.90	0.5%		5.0%	Passed
(vii)	Fixed Rate Obligations	0.00	666,283,207.90	0.0%		5.0%	Passed
(viii)	Current Pay Obligations	0.00	666,283,207.90	0.0%		2.5%	Passed
(ix)	DIP Collateral Obligations	0.00	666,283,207.90	0.0%		7.5%	Passed
(x)	Delayed Draw & Revolvers	428,368.43	666,283,207.90	0.1%		10.0%	Passed
(xi)	Participation Interest	0.00	666,283,207.90	0.0%		20.0%	Passed
(xiv)	All Countries Other Than US	59,520,996.02	666,283,207.90	8.9%		20.0%	Passed
(xiv)	Canada	15,025,859.96	666,283,207.90	2.3%		15.0%	Passed
(xiv)	All Countries except US, Can, UK	44,495,136.06	666,283,207.90	6.7%		20.0%	Passed
(xiv)	Individual Group I Country	16,758,726.07	666,283,207.90	2.5%		10.0%	Passed
(xiv)	Group II Countries	5,806,906.60	666,283,207.90	0.9%		10.0%	Passed
(xiv)	Group III Countries	21,929,503.39	666,283,207.90	3.3%		7.5%	Passed
(xiv)	Individual Group II Country	5,806,906.60	666,283,207.90	0.9%		5.0%	Passed
(xiv)	Individual Group III Country	21,929,503.39	666,283,207.90	3.3%		5.0%	Passed
(xiv)	Tax Jurisdictions	0.00	666,283,207.90	0.0%		7.5%	Passed
(xv)(x)	Largest S&P Industry	85,783,158.14	666,283,207.90	12.9%		15.0%	Passed
(xv)(y)	Second Largest S&P Industry	60,686,115.72	666,283,207.90	9.1%		12.0%	Passed
(xv)	Third Largest S&P Industry	42,909,471.86	666,283,207.90	6.4%		10.0%	Passed
(xvi)	Letter of Credit Obligations	0.00	666,283,207.90	0.0%		3.0%	Passed
(xvii)	Cov-Lite Loans	392,503,280.06	666,283,207.90	58.9%		60.0%	Passed
(xviii)	Discount Obligations	2,944,367.57	666,283,207.90	0.4%		15.0%	Passed



Babson CLO Ltd 2013-II
Concentration Limitations Continued
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Clause</i>	<i>Concentration Limitation</i>	<i>Current Amount Numerator</i>	<i>Current Amount Denominator</i>	<i>Current Percentage</i>	<i>Min</i>	<i>Max</i>	<i>Test Result</i>
(xii)	Agg. Sell Institutions/Syn Counterparties(Aaa)	0.00	666,283,207.90	0.0%		20.0%	Passed
(xii)	Agg. Sell Institutions/Syn Counterparties(Aa1)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xii)	Agg. Sell Institutions/Syn Counterparties(Aa2)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xii)	Agg. Sell Institutions/Syn Counterparties(Aa3)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xii)	Agg. Sell Institutions/Syn Counterparties(A1)	0.00	666,283,207.90	0.0%		5.0%	Passed
(xii)	Agg. Sell Institutions/Syn Counterparties(A2)	0.00	666,283,207.90	0.0%		5.0%	Passed
(xii)	Agg. Sell Institutions/Syn Counterparties(A2&below)	0.00	666,283,207.90	0.0%		0.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(Aaa)	0.00	666,283,207.90	0.0%		20.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(Aa1)	0.00	666,283,207.90	0.0%		20.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(Aa2)	0.00	666,283,207.90	0.0%		20.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(Aa3)	0.00	666,283,207.90	0.0%		15.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(A1)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(A2)	0.00	666,283,207.90	0.0%		5.0%	Passed
(xii)	Ind. Sell Institutions/Syn Counterparties(A2&below)	0.00	666,283,207.90	0.0%		0.0%	Passed
(xiii)	Agg. Sell Institutions/Syn Counterparties(AAA)	0.00	666,283,207.90	0.0%		20.0%	Passed
(xiii)	Agg. Sell Institutions/Syn Counterparties(AA+)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xiii)	Agg. Sell Institutions/Syn Counterparties(AA)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xiii)	Agg. Sell Institutions/Syn Counterparties(AA-)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xiii)	Agg. Sell Institutions/Syn Counterparties(A+)	0.00	666,283,207.90	0.0%		5.0%	Passed
(xiii)	Agg. Sell Institutions/Syn Counterparties(A)	0.00	666,283,207.90	0.0%		5.0%	Passed
(xiii)	Ind. Sell Institutions/Syn Counterparties(AAA)	0.00	666,283,207.90	0.0%		20.0%	Passed
(xiii)	Ind. Sell Institutions/Syn Counterparties(AA+)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xiii)	Ind. Sell Institutions/Syn Counterparties(AA)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xiii)	Ind. Sell Institutions/Syn Counterparties(AA-)	0.00	666,283,207.90	0.0%		10.0%	Passed
(xiii)	Ind. Sell Institutions/Syn Counterparties(A+)	0.00	666,283,207.90	0.0%		5.0%	Passed
(xiii)	Ind. Sell Institutions/Syn Counterparties(A)	0.00	666,283,207.90	0.0%		5.0%	Passed



<i>Bloomberg ID</i>	<i>LoanX ID</i>	<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Security Level</i>	<i>% of A.P.B.</i>	<i>Coupon Type</i>	<i>Moody's DP Rating</i>	<i>S&P Rating</i>	<i>Country</i>
BBG006F90Q57	LX137112	24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	Senior Secured	0.56	Floating	B2	B	United States
BBG00CZJ6BF6	LX144074	ADMI Corp.	Initial Term Loan	2,281,584.04	Senior Secured	0.34	Floating	B2	B	United States
BBG00BL73GS7	LX129265	AMC Entertainment Inc.	Term Loan	3,880,402.02	Senior Secured	0.58	Floating	B1	B+	United States
BBG00F327W64	LX156037	ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	Senior Secured	0.16	Floating	B3	B-	United States
BBG00F8636Z9	LX156695	ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	Senior Secured	0.21	Floating	B3	B-	Netherlands
BBG009BMN9T3	LX144914	Academy, Ltd.	Term Loan	3,841,776.73	Senior Secured	0.57	Floating	B2	B-	United States
BBG00CX8H2M2	LX143182	Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	Senior Secured	0.09	Floating	B1	B+	United States
BBG008KFKDR6	LX144231	Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	Senior Secured	0.73	Floating	B2	B	United States
BBG00CX3XJZ4	LX152943	AdvancePierre Foods, Inc.	Term Loan	354,581.43	Senior Secured	0.05	Floating	B1	B+	United States
BBG006QSV083	LX138508	Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	Senior Secured	0.22	Floating	B2	B	United States
BBG009CCRD57	LX144969	Alere Inc.	Term Loan B	491,061.34	Senior Secured	0.07	Floating	B1	B+	United States
BBG0072JZ252	LX138127	Alison US LLC	Term Loan B-1	977,500.00	Senior Secured	0.15	Floating	B3	B	United States
BBG00697Z3R7	LX139129	Alison US LLC	Term Loan B-2	977,500.00	Senior Secured	0.15	Floating	B3	B	United States
BBG006XWVDF9	LX139582	Alpha Topco Limited	Term Loan B3	3,000,000.00	Senior Secured	0.45	Floating	B3	B	Luxembourg
BBG00CXJ5TT5	LX152821	AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	Senior Secured	0.32	Floating	B2	B+	United States
BBG00F0SPYZ4	LX155973	American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	Senior Secured	1.09	Floating	Ba3	BB-	United States
BBG00DSYGY95	LX155174	American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	Senior Secured	0.64	Floating	B1	BB	United States
BBG003T5L4R9	LX127865	Apex Tool Group, LLC	Term Loan	5,804,020.06	Senior Secured	0.86	Floating	B3	B	United States
BBG005P4BK50	LX134338	Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	Senior Secured	0.55	Floating	B2	B	United States
BBG005ZT64Q3	LX135507	Aramark Corporation	Term Loan F	3,890,000.00	Senior Secured	0.58	Floating	Ba2	BB	United States
BBG00D30DK17	LX153228	Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	Senior Secured	0.30	Floating	B1	BB-	United States
BBG00DSXPHT2	LX155314	Arch Coal, Inc.	Exit Term Loan (09/16)	460,007.50	Senior Secured		Floating	Caa3	D	United States
BBG009DVX7W0	LX146680	Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	Senior Secured	0.30	Floating	Ba2	BB-	United States
BBG007MLJR67	LX142444	Astoria Energy LLC	Term Loan	2,765,960.89	Senior Secured	0.41	Floating	B1	BB	United States
BBG009NRN2B3	LX146918	Asurion, LLC	First Lien Term Loan	2,855,338.62	Senior Secured	0.43	Floating	B2	B	United States
BBG00FGRW254	LX157686	Asurion, LLC	Replacement Term Loan B-2	471,939.56	Senior Secured	0.07	Floating	B2	B	United States
BBG0060JRK82	LX135662	Asurion, LLC	Second Lien Term Loan	418,263.35	Senior Secured	0.06	Floating	B2	B	United States
BBG00F32F6W3	LX156134	Asurion, LLC	Term Loan B-5	1,995,000.00	Senior Secured	0.30	Floating	B2	B	United States
BBG008N2X194	LX144535	At Home Holding III Inc	Term Loan	2,129,536.34	Senior Secured	0.32	Floating	B1	B	United States
BBG005TGDZRO	LX135021	Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	Senior Secured	0.24	Floating	B2	B	Canada
BBG00D0X4986	LX153045	Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	Senior Secured	0.17	Floating	B1	B	United States



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BBG00CW3R2K5	LX152698	Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	Senior Secured	0.29	Floating	Ba3	BB	United States
BBG005HMZ583	LX133581	BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	Senior Secured	0.40	Floating	B3	B-	United States
BBG00FFNLM34	LX157667	BWAY Holding Company	Term loan	2,823,385.83	Senior Secured	0.42	Floating	B3	B-	United States
BBG008P8RXL2	LX144858	Bass Pro Group, LLC	Term Loan	4,952,921.34	Senior Secured	0.74	Floating	Ba3	B+	United States
BBG00D2WV1M7	LX153214	Bats Global Markets, Inc.	Term Loan	991,672.64	Senior Secured	0.15	Floating	Ba2	BB	United States
BBG00DS53960	LX147037	Beacon Roofing Supply Inc	Term Loan B	581,684.70	Senior Secured	0.09	Floating	B1	BB-	United States
BBG0042LYT5	LX128321	Berry Plastics Corporation	Term Loan D	3,839,734.37	Senior Secured	0.57	Floating	B2	BB-	United States
BBG00D1MRKW2	LX153063	Berry Plastics Corporation	Term Loan H	328,048.18	Senior Secured	0.05	Floating	B2	BB-	United States
BBG004Q009X6	LX131102	Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	Senior Secured	0.11	Floating	Caa2	CCC-	United States
BBG004FQ2558	LX130184	Bioscrip, Inc.	Term Loan B	1,179,577.48	Senior Secured	0.18	Floating	Caa2	CCC-	United States
BBG004XDTNQ6	LX131658	Boyd Gaming Corporation	Term Loan B	1,230,682.13	Senior Secured	0.18	Floating	B2	B+	United States
BBG00DKBMBB3	LX154391	Boyd Gaming Corporation	Term Loan B2	2,749,920.23	Senior Secured	0.41	Floating	B2	B+	United States
BBG005BP1ZT0	LX132979	Britax Childcare Holdings Limited	Term Loan	3,035,101.61	Senior Secured	0.45	Floating	Caa1	CCC+	United States
BBG0053YM8Q0	LX131945	Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	Senior Secured	0.36	Floating	Ba2	B	United States
BBG00DKNS203	LX154497	Builders FirstSource, Inc.	Term Loan B	790,239.16	Senior Secured	0.12	Floating	B3	B+	United States
BBG005T4QR37	LX134898	CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	Senior Secured	0.32	Floating	Ba3	BB-	United States
BBG006TNTLB4	LX139679	CCM Merger, Inc.	Term Loan	714,699.88	Senior Secured	0.11	Floating	B2	B	United States
BBG008N2XPQ2	LX144539	CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	Senior Secured	0.20	Floating	B2	B	United States
BBG008N2XPR1	LX144540	CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	Senior Secured	0.65	Floating	B2	B	United States
BBG006RDLH70	LX139019	CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	Senior Secured	0.59	Floating	B3	B-	United States
BBG0064199J0	LX135967	CPI International, Inc.	Term Loan	1,123,273.63	Senior Secured	0.17	Floating	B3	B	United States
BBG00DL8XK81	LX154405	CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	Senior Secured	0.18	Floating	B2	B	United States
BBG004HXNLP1	LX129617	Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	Senior Secured	0.29	Floating	Ba3	B+	United States
BBG004FPL2K9	LX129269	Capital Automotive L.P.	Second Lien Term Loan	298,318.18	Senior Secured	0.04	Floating	Ba3	B+	United States
BBG007NS68B1	LX142645	Caraustar Industries Inc.	Incremental Term Loan	712,228.78	Senior Secured	0.11	Floating	B2	B+	United States
BBG004F0DZT1	LX129122	Caraustar Industries Inc.	Term Loan	1,732,087.81	Senior Secured	0.26	Floating	B2	B+	United States
BBG005Y48ZX0	LX135345	CareCore National, LLC	Term Loan B	2,947,318.00	Senior Secured	0.44	Floating	B2	B	United States
BBG007R7SX33	LX141903	Carr Management, Inc.	Term Loan	1,848,688.51	Senior Secured	0.28	Floating	*	*	United States
BBG006F9CDN3	LX137090	Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	Senior Secured	0.04	Floating	B1	BB-	United States
BBG00CX8FHK3	LX152766	Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	Senior Secured	0.30	Floating	B2	B	United States
BBG00475GQW2	LX129060	Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	Senior Secured	0.30	Floating	Ba2	BB+	United States
BBG00FHY9TZ2	LX158178	Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	Senior Secured	0.25	Floating	Ba2	BB+	United States
BBG008LP4053	LX144235	Chemours Company, The	Term Loan B	2,199,418.52	Senior Secured	0.33	Floating	Ba3	BB-	United States



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	LX157658	Cinemark USA, Inc	Term Loan	2,880,865.44	Senior Secured	0.43	Floating	B1	BB	United States
BBG008KVM471	LX144279	Concentra Inc.	Term Loan B	2,381,812.53	Senior Secured	0.35	Floating	B2	B+	United States
BBG003GVRB4	LX126494	Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	Senior Secured	0.17	Floating	B3	B	United States
BBG00DSVXZF2	LX154992	Consolidated Communications, Inc.	Term Loan B	858,840.37	Senior Secured	0.13	Floating	B1	B+	United States
BBG006L2RV91	LX137769	Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	Senior Secured	0.15	Floating	Caa1	B-	United States
BBG00F47WCF8	LX156894	Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	Senior Secured	0.08	Floating	B2	B	United States
BBG00DYBX3X0	LX155562	ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	Senior Secured	0.25	Floating	Ba3	BB	United States
BBG003G3B1L1	LX126292	Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	Senior Secured	0.10	Floating	B3	B	United States
BBG003G397D0	LX126290	Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	Senior Secured	0.71	Floating	B3	B	United States
BBG00DK7W4Z1	LX154380	Dayton Power And Light Company (The)	Term Loan B	767,105.59	Senior Secured	0.11	Floating	Ba3	BB	United States
BBG00BT73JC0	LX150045	Dell International L.L.C.	Term Loan A2	2,000,000.00	Senior Secured	0.30	Floating	Ba1	BB+	United States
BBG00BT73J94	LX150043	Dell International L.L.C.	Term Loan B	4,000,000.00	Senior Secured	0.60	Floating	Ba1	BB+	United States
BBG00608SHS0	LX135579	Delos Finance S.a.r.l.	Term Loan	2,047,676.09	Senior Secured	0.30	Floating	Baa3	BBB-	Luxembourg
BBG007KJT9N4	LX142255	Diamond US Holding LLC	Term Loan B	2,866,082.45	Senior Secured	0.43	Floating	B2	B	United States
BBG00DSPTBC6	LX155145	Dollar Tree, Inc	Term Loan	379,746.83	Senior Secured	0.06	Floating	Ba2	BB+	United States
BBG00D3534P7	LX153273	Dynegy Inc	Term Loan B	3,000,000.00	Senior Secured	0.45	Floating	B2	B+	United States
BBG004D7WV07	LX129099	Dynegy Inc	Term Loan B2	561,403.51	Senior Secured	0.08	Floating	B2	B+	United States
BBG00FJKN5T3	LX157886	E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	Senior Secured	0.53	Floating	Ba2	BB	United States
BBG00FGRTFR5	LX153086	EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	Senior Secured	0.57	Floating	B1	BB-	United States
BBG00473JK75	LX128903	EMG Utica, LLC	Term Loan	1,921,842.30	Senior Secured	0.29	Floating	B2	B	United States
BBG00F31H6R9	LX156515	EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	Senior Secured	0.28	Floating	B1	B+	United States
BBG006WR9HQ6	LX139754	EP Minerals, LLC	Term Loan (new)	726,588.10	Senior Secured	0.11	Floating	B3	B	United States
BBG0068B98X0	LX136216	EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	Senior Secured	0.28	Floating	B2	B	United States
BBG0068B9H51	LX136217	EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	Senior Secured	0.20	Floating	B2	B	United States
BBG00DKNX9K0	LX140953	Eastern Power, LLC	Term Loan B	5,406,259.77	Senior Secured	0.80	Floating	B2	B+	United States
BBG009KJ0R79	LX146684	Eldorado Resorts, Inc.	Term Loan B	528,436.87	Senior Secured	0.08	Floating	B1	B+	United States
BBG0091XY2V0	LX145129	Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	Senior Secured	0.89	Floating	B1	B+	United States
BBG0084K4WS8	LX143455	Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	Senior Secured	0.30	Floating	Ba2	BB-	United States
BBG005YZDQF5	LX135430	Entegris Inc	Term Loan	752,390.96	Senior Secured	0.11	Floating	Ba3	BB	United States
BBG00F0SXZ82	LX155847	Entercom Radio, LLC	Term Loan B	943,539.79	Senior Secured	0.14	Floating	B1	B+	United States
BBG00D3D1WJ7	LX156475	Envision Healthcare Corporation	Term Loan B	2,000,000.00	Senior Secured	0.30	Floating	B1	BB-	United States
BBG004DDZ296	LX125098	Essential Power, LLC	Term Loan B	921,225.89	Senior Secured	0.14	Floating	B2	B+	United States
BBG005WV6QR1	LX134980	Exgen Renewables I, LLC	Term Loan	1,198,547.08	Senior Secured	0.18	Floating	B1	BBB	United States



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BBG008NP3CB9	LX133334	Exopack Holdings S.A.	Term Loan	2,409,074.92	Senior Secured	0.36	Floating	B3	B	Luxembourg
BBG005Y2Y366	LX135335	FCA US LLC	New Term Loan B	4,047,032.27	Senior Secured	0.60	Floating	Ba3	BB	United States
BBG005HM3J97	LX133573	FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	Senior Secured	0.31	Floating	Ba2	BB+	United States
BBG003LSZNR0	LX126795	FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	Senior Secured	0.58	Floating	Caa1	CCC+	United States
BBG0057Z23C1	LX132457	Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	Senior Secured	0.10	Floating	Caa2	CCC	United States
BBG0057Z23B2	LX132456	Fieldwood Energy LLC	Term Loan	5,774,113.39	Senior Secured	0.86	Floating	Caa2	CCC	United States
BBG008NPJHJ3	LX133605	Filtration Group Corporation	Term Loan B	5,660,526.16	Senior Secured	0.84	Floating	B2	B	United States
BBG00DYHCGN2	LX155529	First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	Senior Secured	1.13	Floating	B1	B+	United States
BBG00FBGTZF3	LX157234	First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	Senior Secured	0.42	Floating	B1	B+	United States
BBG00FGK53T1	LX157924	Flex Acquisition Company Inc	Term Loan	4,456,835.92	Senior Secured	0.66	Floating	B2	B	United States
BBG006GXXPG7	LX137310	GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	Senior Secured	0.15	Floating	B3	B	United States
BBG006GXTQM3	LX137309	GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	Senior Secured	0.44	Floating	B3	B	United States
BBG00FF54BV5	LX157076	GTT Communications Inc	Term Loan B	572,197.44	Senior Secured	0.09	Floating	B2	B+	United States
BBG005K17VW2	LX133772	GXS Group, Inc.	Term Loan B	6,248,911.57	Senior Secured	0.93	Floating	Ba1	BB+	Canada
BBG00475SMF7	LX128915	Gardner Denver, Inc.	Term Loan	4,866,892.03	Senior Secured	0.72	Floating	B3	B	United States
BBG006LHWQ66	LX137851	Gates Global LLC	Term Loan	1,722,149.36	Senior Secured	0.26	Floating	B3	B+	United States
BBG005M12PG6	LX126268	General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	Senior Secured	0.24	Floating	Ba3	BB	United States
BBG00CX8FRM9	LX152782	Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	Senior Secured	0.30	Floating	B2	B	United States
BBG00D23H6P3	LX146885	Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	Senior Secured	0.34	Floating	B2	B	United States
BBG00F0SQ7J0	LX155842	Global Payments Inc.	Term Loan B (10/16)	628,376.63	Senior Secured	0.09	Floating	Ba2	BB+	United States
BBG006KHQY58	LX137716	Gray Television, Inc.	Term Loan	1,133,351.60	Senior Secured	0.17	Floating	B1	B+	United States
BBG00B0W2G97	LX147756	Greatbatch Ltd.	Term Loan B	1,737,147.23	Senior Secured	0.26	Floating	B3	B	United States
BBG00635YML2	LX135831	Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	Senior Secured	0.74	Floating	Ba3	BB	United States
BBG009L2CV28	LX145100	Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	Senior Secured	0.14	Floating	B3	B-	United States
BBG00DXC3CW3	LX155397	Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	Senior Secured	0.22	Floating	B2	B+	United States
BBG00F0SVVH3	LX155806	Harsco Corporation	Term Loan B	789,881.79	Senior Secured	0.12	Floating	Ba1	BB-	United States
BBG00D3JQM81	LX153366	Headwaters Incorporated	Term Loan B	643,518.00	Senior Secured	0.10	Floating	B1	BB-	United States
BBG00DSKYSS7	LX154802	Henry Company LLC	Term Loan B	1,514,090.89	Senior Secured	0.23	Floating	B2	B	United States
BBG00D0RKZC8	LX153003	Hertz Corporation (The)	Term Loan B-1	995,000.00	Senior Secured	0.15	Floating	B1	B+	United States
BBG00DJ2Q5Y9	LX132801	Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	Senior Secured	0.03	Floating	Ba2	BB+	United States
BBG00DJ2Q5Y9	LX154239	Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	Senior Secured	0.45	Floating	Ba2	BB+	United States
BBG00F34J8X0	LX155800	Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	Senior Secured	0.18	Floating	B3	B	United States
BBG008MPN2P5	LX144619	Horizon Global Corporation	Term Loan B	3,984,376.75	Senior Secured	0.59	Floating	B2	B	United States
BBG008FD0435	LX144256	Horizon Pharma, Inc.	Term Loan B	396,310.20	Senior Secured	0.06	Floating	B2	B	United States



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BBG008LHCKZ5	LX144372	Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	Senior Secured	0.29	Floating	B2	B	United States
BBG008NXQ149	LX144630	Hubbard Radio, LLC	Term Loan B	1,521,482.41	Senior Secured	0.23	Floating	B1	B+	United States
BBG00F5FNG97	LX156697	Huntsman International LLC	2023 Term B Loan	533,448.11	Senior Secured	0.08	Floating	Ba3	BB-	United States
BBG006MGVY6	LX120047	Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	Senior Secured	0.37	Floating	B2	B	Canada
BBG00DJCQ942	LX147082	ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	Senior Secured	0.29	Floating	B2	B+	Luxembourg
BBG0044BKQZ4	LX128467	Immucor, Inc.	Term Loan B-2	6,665,036.50	Senior Secured	0.99	Floating	Caa1	CCC+	United States
BBG006RD9BX8	LX138814	Infinity Acquisition, LLC	Term Loan	1,955,225.00	Senior Secured	0.29	Floating	B3	B	United States
BBG005P8YL81	LX134487	Infor (US), Inc.	Term Loan B-5	1,945,297.69	Senior Secured	0.29	Floating	B3	B	United States
BBG00593LZV7	LX132782	Information Resources, Inc.	New Term Loan	3,025,268.20	Senior Secured	0.45	Floating	B2	B-	United States
BBG006MLLFY1	LX138063	Jazz Acquisition, Inc	Term Loan	368,013.38	Senior Secured	0.05	Floating	Caa1	B	United States
BBG00DYC0550	LX155556	Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	Senior Secured	0.35	Floating	B1	B	United States
BBG006GSMT27	LX136837	Joerns Healthcare, LLC	Term Loan	3,261,548.03	Senior Secured	0.49	Floating	*	*	United States
BBG00DYBZJR0	LX155531	K&N Parent Inc	Term Loan (10/16)	2,000,000.00	Senior Secured	0.30	Floating	B2	B	United States
BBG00CXCZLX9	LX152813	KFC Holding Co.	Term Loan B	1,496,789.43	Senior Secured	0.22	Floating	Ba3	BB	United States
BBG009LMC9W0	LX146975	Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	Senior Secured	0.08	Floating	B2	B	United States
BBG009RY8N70	LX146809	Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	Senior Secured	0.02		B2	B	United States
BBG009KJJ0L2	LX146807	Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	Senior Secured	0.24	Floating	B2	B	United States
BBG0064Q4G95	LX136051	Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	Senior Secured	0.81	Floating	B2	B+	United States
BBG00D1MQFW4	LX153058	Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	Senior Secured	0.73	Floating	B2	B	United States
BBG00FOW7Q19	LX155812	Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	Senior Secured	0.05	Floating	B2	B	United States
BBG00DYP9PG6	LX155684	Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	Senior Secured	0.11	Floating	B2	B	United States
BBG00DYPSZL7	LX155548	Kronos Incorporated	Initial Term Loan	2,982,265.03	Senior Secured	0.44	Floating	B3	B-	United States
BBG00BDQ61R5	LX149036	LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	Senior Secured	0.78	Floating	Ba3	BB-	United States
BBG006DFSX05	LX136922	M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	Senior Secured	0.15	Floating	Ba3	B+	United States
BBG00CX8FCY9	LX152344	MTS Systems Corporation	Term Loan B	1,807,874.73	Senior Secured	0.27	Floating	B1	BB-	United States
BBG004XB5CD4	LX124101	Magic Newco, LLC	Term Loan	7,771,544.04	Senior Secured	1.16	Floating	B2	B	United States
BBG005ZRWF65	LX135580	Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	Senior Secured	0.51	Floating	Ba3	BB-	Luxembourg
BBG0069GVW88	LX139221	Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	Senior Secured	0.29	Floating	Ba3	BB-	Luxembourg
BBG00C098GQ1	LX150914	Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	Senior Secured	0.15	Floating	B2	B+	United States
BBG00732LHJ5	LX140823	Mannington Mills, Inc.	Term Loan	953,049.47	Senior Secured	0.14	Floating	B1	BB-	United States
BBG005SSJVS7	LX134958	Marine Acquisition Corp.	Term Loan	2,334,456.32	Senior Secured	0.35	Floating	B2	B	United States



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BBG006SXRLD3	LX139558	MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	Senior Secured	0.30	Floating	B3	B-	Netherlands
BBG004KTZLJ0	LX129953	Mediacom Broadband, LLC	Term Loan H	3,854,872.64	Senior Secured	0.57	Floating	Ba3	BB	United States
BBG00DRLMX44	LX154832	Mediware Information Systems, Inc.	Term Loan	1,299,771.62	Senior Secured	0.19	Floating	B2	B	United States
BBG00CW2DVW5	LX134040	Metal Services LLC	Term Loan	1,842,597.29	Senior Secured	0.27	Floating	B2	B	United States
BBG009BP2ZR3	LX145053	Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	Senior Secured	0.44	Floating	B1	BB	United States
BBG00DSXR197	LX155234	Michaels Stores, Inc.	Term Loan B1	1,219,437.80	Senior Secured	0.18	Floating	Ba2	B+	United States
BBG006M6Y0R1	LX137921	Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	Senior Secured	0.15	Floating	B2	B	United States
BBG006M6Y064	LX137918	Micro Holding Corp.	Term Loan	1,693,384.37	Senior Secured	0.25	Floating	B2	B	United States
BBG00DYBY7D2	LX152340	Micron Technology, Inc.	Term Loan	1,081,199.90	Senior Secured	0.16	Floating	Ba2	BB	United States
BBG00F869M24	LX156777	Midcontinent Communications	11/16 Term Loan B	2,111,426.73	Senior Secured	0.31	Floating	B1	BB-	United States
BBG008G81DP0	LX144033	Milacron LLC	Term Loan B (1st Lien)	340,119.27	Senior Secured	0.05	Floating	B2	B	United States
BBG009DM28H9	LX145694	Minerals Technologies Inc.	Term Loan B1	1,010,256.41	Senior Secured	0.15	Floating	Ba2	BB	United States
BBG005CPM2B8	LX133013	Mission Broadcasting, Inc.	Term Loan B2	910,636.92	Senior Secured	0.14	Floating	B1	BB-	United States
BBG00590ZJS8	LX132841	Mitchell International, Inc.	Term Loan B	4,657,738.01	Senior Secured	0.69	Floating	B3	B-	United States
BBG0049F11Z6	LX128964	MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	Senior Secured	0.38	Floating	B1	B+	United States
BBG005QMQ1J0	LX134531	Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	Senior Secured	0.34	Floating	B1	B+	United States
BBG005MPNX46	LX134530	Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	Senior Secured	0.28	Floating	B1	B+	United States
BBG0089HMLV9	LX143728	Murray Energy Corporation	Term Loan B2	5,130,849.76	Senior Secured	0.76	Floating	Caa2	B-	United States
BBG00CP33QR9	LX152398	NBTY, Inc.	Term Loan B	1,613,492.72	Senior Secured	0.24	Floating	B2	B	United States
BBG00DWVDYG1	LX155280	NN, Inc.	Term Loan B (9/16)	702,144.91	Senior Secured	0.10	Floating	B2	B+	United States
BBG005NR8W31	LX134282	NPC International, Inc.	Term Loan B	1,974,093.26	Senior Secured	0.29	Floating	B2	B-	United States
BBG00DSL2P42	LX155082	NXP B.V.	Term Loan F	1,656,178.03	Senior Secured	0.25	Floating	Baa3	BBB	Netherlands
BBG006S8NK71	LX139513	National Financial Partners Corporation	Term Loan (NFP)	994,914.80	Senior Secured	0.15	Floating	B3	B	United States
BBG00FGS48Q7	LX157681	National Financial Partners Corporation	Term Loan B	2,354,724.29	Senior Secured	0.35	Floating	B3	B	United States
BBG008NT6X59	LX144394	National Surgical Hospitals, Inc.	Term Loan	731,421.39	Senior Secured	0.11	Floating	B2	B	United States
BBG00590D1J1	LX132855	Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	Senior Secured	0.15	Floating	B1	BB-	United States
BBG00DVWCPP0	LX155254	ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	Senior Secured	0.06	Floating	Ba2	BB	United States
BBG005D1VTK1	LX133214	Omnitracs, LLC	Second Lien Term Loan	762,692.55	Senior Secured	0.11	Floating	B2	B	United States
BBG005D1VTJ3	LX133212	Omnitracs, LLC	Term Loan	4,918,350.39	Senior Secured	0.73	Floating	B2	B	United States
BBG00DHXQQK2	LX154154	Omnova Solutions Inc.	Term Loan B2	2,992,500.00	Senior Secured	0.45	Floating	B1	B	United States
BBG00DK534R6	LX153376	On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	Senior Secured	0.14	Floating	Ba2	BB	United States
BBG006DZRNMO	LX137065	Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	Senior Secured	0.59	Floating	B3	B-	United States
BBG005T5RVG0	LX134882	PFS Holding Corporation	Term Loan	1,520,907.18	Senior Secured	0.23	Floating	B3	B-	United States
BBG00BT6YJF5	LX150552	PGT, Inc.	Term Loan	1,955,370.37	Senior Secured	0.29	Floating	B2	B+	United States
BBG009PWSKF1	LX142966	PODS LLC	Term Loan B	1,519,287.93	Senior Secured	0.23	Floating	B2	B+	United States



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BBG006NTSRJ7	LX138205	Paragon Offshore Finance Company	Term Loan B	1,620,666.26	Senior Secured		Floating	Caa3	NR	Cayman Islands
BBG009CQC6Y5	LX145117	Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	Senior Secured	0.27	Floating	B2	B	United States
BBG0057JW5F6	LX132557	Peabody Energy Corporation	Term Loan B	877,637.13	Senior Secured		Floating	Caa3	D	United States
BBG0066J2BK9	LX136200	Pelican Products, Inc.	Term Loan	111,885.85	Senior Secured	0.02	Floating	*	*	United States
BBG0066J0MG2	LX136201	Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	Senior Secured	0.14	Floating	*	*	United States
BBG005GC2K61	LX133129	Penn National Gaming, Inc.	New Term Loan B	866,316.21	Senior Secured	0.13	Floating	Ba3	B+	United States
BBG00CW29BJ9	LX152660	Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	Senior Secured	0.09	Floating	Ba1	BB+	United States
BBG00DBK9CC5	LX154016	Pinnacle Foods Finance LLC	Term Loan I	717,823.65	Senior Secured	0.11	Floating	Ba3	BB-	United States
BBG004JDDBP6	LX129664	Pinnacle Operating Corporation	Term Loan B	2,902,010.03	Senior Secured	0.43	Floating	Ca	CCC	United States
BBG00F5FN7Y9	LX156908	Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	Senior Secured	0.28	Floating	B1	BB-	United States
BBG00D1W74C0	LX153073	PolyOne Corporation	Term Loan B	1,347,089.75	Senior Secured	0.20	Floating	Ba2	BB	United States
BBG004H06BR2	LX129414	Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	Senior Secured	0.30	Floating	B3	B	United States
BBG008LFYSS6	LX144376	Prestige Brands, Inc.	Term Loan B3	818,276.14	Senior Secured	0.12	Floating	B3	B+	United States
BBG00FGKGLR1	LX157682	Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	Senior Secured	0.26	Floating	B1	B+	United States
BBG00F5TMTV5	LX156414	Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	Senior Secured	0.27	Floating	B3	B	United States
BBG00D0R79R5	LX152960	Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	Senior Secured	0.45	Floating	B1	B	United States
BBG008KNYC23	LX114728	RCN Telecom Services, LLC	New Term Loan	3,635,132.59	Senior Secured	0.54	Floating	B2	B	United States
BBG00DSPW4Z3	LX155106	RP Crown Parent, LLC	Term Loan B	2,000,000.00	Senior Secured	0.30	Floating	B2	B	United States
BBG00DX1R4M0	LX155323	RPI Finance Trust	Term Loan B5	5,747,171.70	Senior Secured	0.86	Floating	Baa3	BBB-	United States
BBG00D1KXG21	LX153014	RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	Senior Secured	0.80	Floating	B2	B	United States
BBG00D9MKYV2	LX153741	Realogy Group LLC	Term Loan B (07/16)	474,783.66	Senior Secured	0.07	Floating	Ba3	BB-	United States
BBG0066G3BR7	LX136184	Renaissance Learning, Inc.	Term Loan	3,227,487.61	Senior Secured	0.48	Floating	B3	B-	United States
BBG006K6DQ99	LX137653	Ryman Hospitality	Term Loan B	676,502.14	Senior Secured	0.10	Floating	Ba3	B+	United States
BBG005XHDSN3	LX135455	SBA Senior Finance II LLC	Term Loan	3,900,000.00	Senior Secured	0.58	Floating	B1	BB-	United States
BBG008LZHQQ7	LX144534	SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	Senior Secured	0.54	Floating	Ba2	BB	Netherlands
BBG00DS4WKM8	LX143112	SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	Senior Secured	0.29	Floating	B2	B+	United States
BBG0047F3FB1	LX119429	SRAM, LLC	First Lien Term Loan	1,990,315.50	Senior Secured	0.30	Floating	B2	B	United States
BBG009R0FVH7	LX147148	SRS Distribution Inc.	Term Loan	2,518,995.35	Senior Secured	0.37	Floating	B2	B	United States
BBG005XJVZX2	LX135213	STS Operating, Inc.	First Lien Term Loan	2,859,423.53	Senior Secured	0.43	Floating	B2	B	United States
BBG0058LK2S6	LX132770	Sabre GLBL Inc.	Term Loan B-2	4,840,357.36	Senior Secured	0.72	Floating	Ba2	BB-	United States
BBG0076S5NN5	LX141393	Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	Senior Secured	0.47	Floating	B3	B	United States
BBG00CMHLDK7	LX152173	Samsonite International S.A.	Term Loan B	661,229.19	Senior Secured	0.10	Floating	Ba2	BB	United States
BBG004JD7H25	LX129657	SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	Senior Secured	0.59	Floating	B1	B+	United States
BBG008D32DN5	LX143850	SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	Senior Secured	0.26	Floating	B1	B+	United States



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BBG005YQBTH9	LX135384	Seadrill Operating LP	Term Loan B	3,926,646.02	Senior Secured	0.58	Floating	Caa2	CCC+	United States
BBG00DS3KT99	LX155015	Seahawk Holding Limited	Term Loan B	3,000,000.00	Senior Secured	0.45	Floating	B2	B	United States
BBG00C088SK3	LX151425	Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	Senior Secured	0.30	Floating	B1	B+	United States
BBG00DYKBFQ5	LX155523	Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	Senior Secured	0.45	Floating	B1	B	United States
BBG006LFSLX6	LX137857	Seventy Seven Operating LLC	Term Loan B	1,950,000.00	Senior Secured		Floating	Caa1	CCC+	United States
BBG0089LVKG0	LX143671	Shaw Data Centre LP	Term Loan	1,965,775.16	Senior Secured	0.29	Floating	B2	B+	United States
BBG006KYT4H1	LX137741	Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	Senior Secured	0.07	Floating	B2	B	United States
BBG00FJD9NK5	LX158094	Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	Senior Secured	0.87	Floating	Ba3	BB-	United States
BBG009ZC9SM0	LX147846	Sophia, L.P.	Closing Date Term Loan	3,921,794.87	Senior Secured	0.58	Floating	B3	B-	United States
BBG006TLL9J5	LX139218	Southcross Energy Partners, L.P.	Term Loan	791,537.81	Senior Secured	0.12	Floating	Caa1	CCC+	United States
0	97MSCF526	Southcross Holdings Borrower LP	Southcross Holdings - Class A-II Units	0.00						United States
	97MSCF4S0	Southcross Holdings Borrower LP	Southcross Holdings - GP Equity Position	0.00						United States
BBG00CRD3NG4	LX152427	Southcross Holdings Borrower LP	Term Loan B	0.00	Senior Secured	0.02	Fixed	Caa2	CCC+	United States
BBG007F9JKX7	LX141908	Southeast PowerGen, LLC	Term Loan B	3,766,092.22	Senior Secured	0.56	Floating	B1	B	United States
BBG009CW20F7	LX145716	Spencer Spirit Holdings	Term Loan B1	3,755,998.89	Senior Secured	0.56	Floating	B2	B	United States
BBG00873KTB0	LX143523	Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	Senior Secured	0.86	Floating	B2	B	Germany
BBG0055C4NP4	LX132475	Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	Senior Secured	0.34	Floating	Caa1	B-	United States
BBG0064Q4QC9	LX136139	Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	Senior Secured	0.40	Floating	B3	B-	United States
BBG00589XQS6	LX123795	Syniverse Holdings, Inc.	New Term Loan B	788,057.73	Senior Secured	0.12	Floating	Caa1	B	United States
BBG004T7V1L4	LX131300	Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	Senior Secured	0.73	Floating	Caa1	B	United States
BBG008041WG4	LX143169	Targa Resources Corp	Term Loan	372,093.02	Senior Secured	0.06	Floating	Ba2	BB-	United States
BBG00CX7S304	LX152849	Team Health, Inc.	5/16 Term Loan	5,280,526.03	Senior Secured	0.79	Floating	B1	B	United States
BBG007381KQ9	LX140073	Tecomet Inc.	Term Loan	3,924,912.29	Senior Secured	0.58	Floating	B3	B	United States
BBG00DGGSYC0	LX154076	Tectum Holdings, Inc.	Term Loan	1,897,308.50	Senior Secured	0.28	Floating	B2	B	United States
BBG008F2R920	LX143906	Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	Senior Secured	0.29	Floating	B3	B	United States
BBG004BM8984	LX129106	Telecommunications Management, LLC	First Lien Term Loan	104,476.64	Senior Secured	0.02	Floating	B3	B	United States
BBG004BMF6S0	LX129108	Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	Senior Secured	0.04	Floating	B3	B	United States
BBG00F0YQ397	LX155535	Tessera Technologies, Inc.	Term Loan B	2,000,000.00	Senior Secured	0.30	Floating	Ba3	BB-	United States
BBG0063HMHM9	LX135929	The Talbots Inc.	Term Loan	3,930,275.57	Senior Secured	0.59	Floating	B2	B-	United States
BBG007GN63N8	LX142021	Total Merchant Services, Inc	Term Loan	1,960,000.00	Senior Secured	0.29	Floating	B2	B+	United States
BBG006D48S58	LX136891	TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	Senior Secured	0.28	Floating	B3	B-	United States
BBG00D2ZMP92	LX153220	Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	Senior Secured	1.00	Floating	B2	B+	Luxembourg
BBG008H40ZD3	LX144123	Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	Senior Secured	0.06	Floating	B2	B+	Luxembourg



<i>Bloomberg ID</i>	<i>LoanX ID</i>	<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Security Level</i>	<i>% of A.P.B.</i>	<i>Coupon Type</i>	<i>Moody's DP Rating</i>	<i>S&P Rating</i>	<i>Country</i>
BBG004PPSFP7	LX130780	Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	Senior Secured	0.17	Floating	Caa1	CCC+	United States
BBG004PPTNZ8	LX130781	Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	Senior Secured	0.03	Floating	Caa1	CCC+	United States
BBG006D9R9J3	LX122688	Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	Senior Secured	0.58	Floating	B2	B+	Netherlands
BBG005586YB2	LX131867	TruckPro, Inc.	Term Loan	1,425,556.36	Senior Secured	0.21	Floating	*	*	United States
BBG00CX3PL15	LX152817	U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	Senior Secured	0.72	Floating	B2	B	United States
BBG00DGNRBN4	LX154034	UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	Senior Secured	0.30	Floating	Ba3	BB-	United States
BBG005NR9799	LX134269	USI, Inc.	Term Loan B	2,046,629.50	Senior Secured	0.30	Floating	B3	B	United States
BBG00DBK5BL1	LX153891	USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	Senior Secured	0.07	Floating	B2	B	United States
BBG00DBK5BK2	LX153889	USS Parent Holding Corp.	Term Loan	287,967.83	Senior Secured	0.04	Floating	B2	B	United States
BBG004KQQ4R5	LX129975	Univision Communications Inc.	Term Loan C3	252,546.41	Senior Secured	0.04	Floating	B2	B	United States
BBG005T5JZR8	LX134926	Univision Communications Inc.	Term Loan C4	4,426,565.88	Senior Secured	0.66	Floating	B2	B	United States
BBG006BLSV80	LX137137	Utex Industries, Inc.	Term Loan	886,584.34	Senior Secured	0.13	Floating	Caa2	CCC+	United States
BBG00FJ3ZBG9	LX158069	VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	Senior Secured	0.08	Floating	B3	B-	United States
BBG00DYKBKK0	LX155576	VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	Senior Secured	0.89	Floating	Ba3	B	United States
BBG0086B9N83	LX143679	Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	Senior Secured	0.70	Floating	B3	B	Canada
	676253AS6	Vantage Drilling International	Vantage Drilling (Offshore Group) 1% / 12% Step-Up	0.00	Senior Secured		Fixed	C	D	Cayman Islands
	G9325C113	Vantage Drilling International	Vantage Drilling (Offshore Group) Units	0.00				Caa3		United States
BBG00FH2WJ42	LX157822	Virgin Media Investment Holdings Limited	Term Loan I	0.00	Senior Secured	0.69	Floating	Ba3	BB-	United States
BBG00FGQSPZ7	LX157720	Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	Senior Secured	0.13	Floating	Ba2	BB-	United States
BBG004V9FN91	LX131454	W/S Packaging Group, Inc.	Term Loan B	746,607.74	Senior Secured	0.11	Floating	Caa2	CCC	United States
BBG0045WW223	LX128601	W3 Co.	New Term Loan A	3,869,346.75	Senior Secured	0.58	Floating	Caa3	CCC	United States
BBG00F369642	LX156798	WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	Senior Secured	0.32	Floating	B1	BB-	United States
BBG004X0CQ21	LX131601	Wastequip, LLC	Term Loan	1,943,599.57	Senior Secured	0.29	Floating	B2	B	United States
BBG00D30D3H8	LX157879	West Corporation	Replacement Term Loan B12	1,985,037.47	Senior Secured	0.30	Floating	B1	BB-	United States
BBG00DKC0378	LX154422	Western Digital Corporation	Term Loan B-1	796,000.00	Senior Secured	0.12	Floating	Ba1	BB+	United States
BBG00FFK0KH2	LX157636	Wilsonart LLC	Term Loan C	593,703.66	Senior Secured	0.09	Floating	B2	B+	United States
BBG006N7XJ25	LX138102	Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	Senior Secured	0.42	Floating	B2	B	United States



Babson CLO Ltd 2013-II
Detail of Underlying Assets Report
As of: 1/5/2017
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<i>Bloomberg ID</i>	<i>LoanX ID</i>	<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Security Level</i>	<i>% of A.P.B.</i>	<i>Coupon Type</i>	<i>Moody's DP Rating</i>	<i>S&P Rating</i>	<i>Country</i>
BBG0072GFVB9	LX140839	York Risk Services Holding Corp.	Term Loan B	3,865,753.92	Senior Secured	0.58	Floating	Caa1	B-	United States
BBG00FFDSDH9	LX152897	Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	Senior Secured	0.08	Floating	Ba3	BB-	United States
BBG00D0RJ849	LX152890	Zekelman Industries, Inc	Term Loan	995,000.00	Senior Secured	0.15	Floating	B2	B+	United States
BBG00DK9WXX5	LX154367	Ziggo BV	Term Loan D	4,206,866.04	Senior Secured	0.63	Floating	Ba3	BB-	Netherlands
BBG00DHYX8G7	LX154353	inVentiv Health, Inc.	Term Loan B	1,617,588.74	Senior Secured	0.24	Floating	B3	B	United States
				647,825,177.77						



Babson CLO Ltd 2013-II
Obligor Concentration
As of: 1/5/2017
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<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
Catalent Pharma Solutions, Inc.	1	247,745.92	0.04
Capital Automotive L.P.	1	298,318.18	0.05
Milacron LLC	1	340,119.27	0.05
AdvancePierre Foods, Inc.	1	354,581.43	0.05
Telecommunications Management, LLC	2	359,050.90	0.06
Jazz Acquisition, Inc	1	368,013.38	0.06
Targa Resources Corp	1	372,093.02	0.06
Dollar Tree, Inc	1	379,746.83	0.06
ON Semiconductor Corporation	1	380,385.47	0.06
Trinseo S.A.	1	394,661.97	0.06
Horizon Pharma, Inc.	1	396,310.20	0.06
Arch Coal, Inc.	1	460,007.50	0.07
Realogy Group LLC	1	474,783.66	0.07
Alere Inc.	1	491,061.34	0.08
Shearer's Foods, LLC	1	500,000.00	0.08
Eldorado Resorts, Inc.	1	528,436.87	0.08
Huntsman International LLC	1	533,448.11	0.08
Constellation Brands Canada Inc	1	546,701.10	0.08
Zebra Technologies Corporation	1	548,130.91	0.08
VF Holdings Corp	1	557,664.16	0.09
GTT Communications Inc	1	572,197.44	0.09
Beacon Roofing Supply Inc	1	581,684.70	0.09
Pilot Travel Centers LLC	1	583,330.96	0.09
Acadia Healthcare Company, Inc.	1	587,277.70	0.09
Wilsonart LLC	1	593,703.66	0.09
Global Payments Inc.	1	628,376.63	0.10
Headwaters Incorporated	1	643,518.00	0.10
Samsonite International S.A.	1	661,229.19	0.10
Ryman Hospitality	1	676,502.14	0.10
NN, Inc.	1	702,144.91	0.11
CCM Merger, Inc.	1	714,699.88	0.11
Pinnacle Foods Finance LLC	1	717,823.65	0.11
EP Minerals, LLC	1	726,588.10	0.11
National Surgical Hospitals, Inc.	1	731,421.39	0.11
USS Parent Holding Corp.	2	734,828.18	0.11
W/S Packaging Group, Inc.	1	746,607.74	0.12
Entegris Inc	1	752,390.96	0.12
The AES Corporation	1	767,105.59	0.12
Harsco Corporation	1	789,881.79	0.12
Builders FirstSource, Inc.	1	790,239.16	0.12



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<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
Southcross Holdings LP	1	791,537.81	0.12
Western Digital Corporation	1	796,000.00	0.12
Prestige Brands, Inc.	1	818,276.14	0.13
Consolidated Communications Holdings Inc	1	858,840.37	0.13
Vistra Operations Company LLC	1	862,650.55	0.13
Penn National Gaming, Inc.	1	866,316.21	0.13
Peabody Energy Corporation	1	877,637.13	0.14
Utex Industries, Inc.	1	886,584.34	0.14
Essential Power, LLC	1	921,225.89	0.14
Gruden Acquisition, Inc.	1	943,303.24	0.15
Entercom Radio, LLC	1	943,539.79	0.15
Mannington Mills, Inc.	1	953,049.47	0.15
On Assignment, Inc.	1	965,408.02	0.15
M/A-COM Technology Solutions Holdings, Inc.	1	975,000.00	0.15
Bats Global Markets, Inc.	1	991,672.64	0.15
Hertz Corporation (The)	1	995,000.00	0.15
Zekelman Industries, Inc	1	995,000.00	0.15
Consolidated Container Company LLC	1	1,000,000.00	0.15
Minerals Technologies Inc.	1	1,010,256.41	0.16
Manitowoc Foodservice, Inc.	1	1,011,914.42	0.16
Kleopatra Holdings 1 S.C.A.	2	1,077,180.40	0.17
Micron Technology, Inc.	1	1,081,199.90	0.17
Pelican Products, Inc.	2	1,083,143.98	0.17
CPI International, Inc.	1	1,123,273.63	0.17
Confie Seguros Holding II Co.	1	1,128,883.05	0.17
Gray Television, Inc.	1	1,133,351.60	0.17
Avantor Performance Materials Holdings S.A.	1	1,165,251.64	0.18
CRCI Holdings, LLC	1	1,180,133.17	0.18
Exelon Corporation	1	1,198,547.08	0.19
Michaels Companies Inc	1	1,219,437.80	0.19
Hoffmaster Group, Inc.	1	1,230,414.79	0.19
Mediware Information Systems, Inc.	1	1,299,771.62	0.20
Triple Point Group Holdings, Inc	2	1,307,401.46	0.20
PolyOne Corporation	1	1,347,089.75	0.21
Cravey Green & Wahlen, Inc.	1	1,425,556.36	0.22
Karman Buyer Corp	1	1,485,354.36	0.23
Hargray Holdings	1	1,487,708.25	0.23
Yum! Brands, Inc.	1	1,496,789.43	0.23
Henry Company LLC	1	1,514,090.89	0.23
PODS LLC	1	1,519,287.93	0.23



Babson CLO Ltd 2013-II
Obligor Concentration
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<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
PFS Holding Corporation	1	1,520,907.18	0.23
Hubbard Radio, LLC	1	1,521,482.41	0.23
GNC Parent Corp	1	1,589,553.68	0.25
Alphabet Holding Company, Inc.	1	1,613,492.72	0.25
inVentiv Health, Inc.	1	1,617,588.74	0.25
Paragon Offshore PLC	1	1,620,666.26	0.25
Atrium Innovations, Inc.	1	1,628,650.49	0.25
NXP B.V.	1	1,656,178.03	0.26
ConvaTec Healthcare B S.a.r.l.	1	1,694,555.66	0.26
Apollo Security Services Borrower, LLC	1	1,716,113.68	0.26
Gates Global LLC	1	1,722,149.36	0.27
Greatbatch Ltd.	1	1,737,147.23	0.27
MTS Systems Corporation	1	1,807,874.73	0.28
Parfums de Coeur, Ltd	1	1,829,704.14	0.28
Proampac PG Borrower LLC	1	1,839,651.03	0.28
Metal Services LLC	1	1,842,597.29	0.28
Carr Management, Inc.	1	1,848,688.51	0.29
TCH-2 Holdings LLC	1	1,850,447.80	0.29
Bioscrip, Inc.	2	1,887,323.96	0.29
Tectum Holdings, Inc.	1	1,897,308.50	0.29
EMI Music Publishing Group North America Holdings, Inc.	1	1,900,714.29	0.29
Planet Fitness Holdings, LLC	1	1,906,171.08	0.29
EMG Utica, LLC	1	1,921,842.30	0.30
SIG Combibloc PurchaseCo S.a r.l.	1	1,932,007.23	0.30
Calpine Corporation	1	1,939,875.56	0.30
Nexstar Finance, Inc.	2	1,943,313.57	0.30
Wastequip, LLC	1	1,943,599.57	0.30
GGC Software Holdings, Inc	1	1,945,297.69	0.30
Seventy Seven Energy, Inc	1	1,950,000.00	0.30
Alison Bidco S.A.R.L.	2	1,955,000.00	0.30
Infinity Acquisition, LLC	1	1,955,225.00	0.30
PGT, Inc.	1	1,955,370.37	0.30
Total Merchant Services, Inc	1	1,960,000.00	0.30
Shaw Data Centre LP	1	1,965,775.16	0.30
Avis Budget Group Inc	1	1,969,309.46	0.30
Houghton Mifflin Harcourt Co.	1	1,970,000.00	0.30
Tekni-Plex, Inc.	1	1,970,000.00	0.30
NPC International, Inc.	1	1,974,093.26	0.30
ION Trading Technologies Limited	1	1,980,037.50	0.31
Select Medical Holdings Corp	1	1,985,000.00	0.31



Babson CLO Ltd 2013-II

Obligor Concentration

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<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
West Corporation	1	1,985,037.47	0.31
Cengage Learning Holdings II LP	1	1,990,000.00	0.31
Generation Brands Holdings, Inc.	1	1,990,000.00	0.31
SRAM, LLC	1	1,990,315.50	0.31
MediArena Acquisition B.V.	1	1,994,897.96	0.31
Ascena Retail Group, Inc.	1	2,000,000.00	0.31
Energy Transfer Equity, L.P.	1	2,000,000.00	0.31
Envision Healthcare Corporation	1	2,000,000.00	0.31
K&N Intermediate Holdings II, Inc.	1	2,000,000.00	0.31
Liberty Global, Inc.	1	2,000,000.00	0.31
Power Buyer, LLC	1	2,000,000.00	0.31
RP Crown Parent, LLC	1	2,000,000.00	0.31
Tessera Technologies, Inc.	1	2,000,000.00	0.31
Arbor Pharmaceuticals, Inc	1	2,007,970.83	0.31
USI, Inc.	1	2,046,629.50	0.32
AerCap Holdings NV	1	2,047,676.09	0.32
Fortescue Metals Corp	1	2,048,910.81	0.32
Midcontinent Communications	1	2,111,426.73	0.33
WG Partners Acquisition, LLC	1	2,117,367.72	0.33
At Home Group Inc.	1	2,129,536.34	0.33
CBS Outdoor Americas Capital Corporation	1	2,155,478.63	0.33
AmWINS Group, LLC	1	2,164,117.22	0.33
Chemours Company, The	1	2,199,418.52	0.34
Kenan Advantage Group, Inc.	3	2,260,210.32	0.35
ADMI Corp.	1	2,281,584.04	0.35
Global Healthcare Exchange, LLC	1	2,300,852.08	0.36
Steinway Musical Instruments, Inc.	1	2,304,362.54	0.36
Marine Acquisition Corp.	1	2,334,456.32	0.36
Jeld-Wen, Inc.	1	2,351,650.59	0.36
Concentra Inc.	1	2,381,812.53	0.37
Exopack Holdings S.A.	1	2,409,074.92	0.37
ASP Chromaflo Intermediate Holdings, Inc.	2	2,443,197.31	0.38
Caraustar Industries Inc.	2	2,444,316.59	0.38
Bronco Midstream Funding, LLC	1	2,444,399.04	0.38
Husky Injection Molding Systems Ltd.	1	2,461,849.99	0.38
SRS Distribution Inc.	1	2,518,995.35	0.39
MoneyGram International	1	2,584,049.67	0.40
BJ's Wholesale Club, Inc.	1	2,669,733.47	0.41
Sungard Availability Services Capital, Inc.	1	2,687,668.67	0.41
Internet Brands, Inc	2	2,693,384.37	0.42

**Babson CLO Ltd 2013-II**

Obligor Concentration

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<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
Astoria Energy LLC	1	2,765,960.89	0.43
Winebow Holdings Inc/The Vintner Group Inc	1	2,811,302.80	0.43
BOE Intermediate Holding Corporation	1	2,823,385.83	0.44
STS Operating, Inc.	1	2,859,423.53	0.44
Diamond US Holding LLC	1	2,866,082.45	0.44
Cinemark, Inc.	1	2,880,865.44	0.44
Pinnacle Operating Corporation	1	2,902,010.03	0.45
CareCore National, LLC	1	2,947,318.00	0.45
Consolidated Energy Ltd.	1	2,955,000.00	0.46
Kronos Incorporated	1	2,982,265.03	0.46
Prospect Medical Holdings Inc.	1	2,989,987.47	0.46
Omnova Solutions Inc.	1	2,992,500.00	0.46
Delta 2 Lux SARL	1	3,000,000.00	0.46
Seahawk Holding Limited	1	3,000,000.00	0.46
Serta Simmons Holdings, LLC	1	3,000,000.00	0.46
Information Resources, Inc.	1	3,025,268.20	0.47
Britax Childcare Holdings Limited	1	3,035,101.61	0.47
Samchully Midstream 3 LLC	1	3,137,511.05	0.48
Renaissance Learning, Inc.	1	3,227,487.61	0.50
Hilton Worldwide Holdings Inc.	2	3,246,197.75	0.50
EZE Castle Software, Inc.	2	3,256,565.17	0.50
Joerns Healthcare, LLC	1	3,261,548.03	0.50
National Financial Partners Corporation	2	3,349,639.09	0.52
E.W. Scripps Company, The	1	3,529,346.68	0.54
Dynegy Inc	2	3,561,403.51	0.55
RCN Telecom Services, LLC	1	3,635,132.59	0.56
SENSATA TECHNOLOGIES BV	1	3,656,520.42	0.56
Aquilex HydroChem, Inc.	1	3,670,915.12	0.57
Charter Communications Inc.	2	3,703,732.43	0.57
24 Hour Holdings III LLC	1	3,738,188.91	0.58
Spencer Spirit Holdings	1	3,755,998.89	0.58
Southeast PowerGen, LLC	1	3,766,092.22	0.58
EFS Cogen Holdings I LLC	1	3,816,617.18	0.59
New Academy Holdings Co. LLC.	1	3,841,776.73	0.59
Mediacom Communications Corporation	1	3,854,872.64	0.60
Tronox Limited	1	3,863,178.47	0.60
York Risk Services Holding Corp.	1	3,865,753.92	0.60
FPC Holdings, Inc.	1	3,869,017.59	0.60
W3 Co.	1	3,869,346.75	0.60
Marquee Inc. (AMC)	1	3,880,402.02	0.60



Babson CLO Ltd 2013-II
Obligor Concentration
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<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
Aramark Holdings Corporation	1	3,890,000.00	0.60
SBA Communications Corp	1	3,900,000.00	0.60
Sophia, L.P.	1	3,921,794.87	0.61
Tecomet Inc.	1	3,924,912.29	0.61
Seadrill Operating LP	1	3,926,646.02	0.61
The Talbots Inc.	1	3,930,275.57	0.61
Ortho-Clinical Diagnostics Bermuda Co., Ltd.	1	3,934,445.04	0.61
CITGO Petroleum Corporation	1	3,948,097.17	0.61
GENEX Holdings, Inc	2	3,954,708.21	0.61
Boyd Gaming Corporation	2	3,980,602.36	0.61
Horizon Global Corporation	1	3,984,376.75	0.62
Fiat Chrysler Automobiles, N.V.	1	4,047,032.27	0.62
Berry Plastics Group, Inc.	2	4,167,782.55	0.64
Multi Packaging Solutions, Inc.	2	4,175,623.73	0.64
Ziggo BV	1	4,206,866.04	0.65
American Builders & Contractors Supply Co., Inc.	1	4,304,999.86	0.66
Flex Acquisition Company Inc	1	4,456,835.92	0.69
MIH Parent, Inc.	1	4,657,738.01	0.72
Univision Communications Inc.	2	4,679,112.29	0.72
Valeant Pharmaceuticals International, Inc.	1	4,686,447.91	0.72
Sabre Holdings Corporation	1	4,840,357.36	0.75
USF Holdings LLC	1	4,851,171.72	0.75
Gardner Denver, Inc.	1	4,866,892.03	0.75
Chiron Merger Sub, Inc.	1	4,892,698.94	0.76
Acosta Holdco Inc	1	4,920,124.48	0.76
Grifols Worldwide Operations USA Inc	1	4,941,572.71	0.76
Bass Pro Group, LLC	1	4,952,921.34	0.76
Murray Energy Corporation	1	5,130,849.76	0.79
LPL Holdings, Inc.	1	5,254,964.10	0.81
Team Health, Inc.	1	5,280,526.03	0.82
Mallinckrodt PLC	2	5,385,694.71	0.83
RadNet Management, Inc.	1	5,397,737.34	0.83
Cunningham Lindsey U.S. Inc.	2	5,404,626.91	0.83
Eastern Power, LLC	1	5,406,259.77	0.83
Kindred Healthcare, Inc.	1	5,442,225.06	0.84
CHS/Community Health Systems, Inc.	2	5,654,519.91	0.87
Filtration Group Corporation	1	5,660,526.16	0.87
Syniverse Holdings, Inc.	2	5,674,121.86	0.88
Omnitracs, LLC	2	5,681,042.94	0.88
SeaWorld Parks & Entertainment, Inc.	2	5,719,248.23	0.88



Babson CLO Ltd 2013-II
Obligor Concentration
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Obligor</i>	<i>Number of Assets</i>	<i>Principal Balance</i>	<i>% of P.B.</i>
Lonestar Intermediate Super Holdings, LLC	4	5,740,541.53	0.89
Royalty Pharma Finance Trust	1	5,747,171.70	0.89
Apex Tool Group, LLC	1	5,804,020.06	0.90
Springer SBM One GmbH	1	5,806,906.60	0.90
Sinclair Broadcast Group Inc	1	5,836,998.46	0.90
VFH Parent LLC	1	5,950,098.25	0.92
Endo Luxembourg Finance Company I S.a.r.l.	1	5,954,962.22	0.92
Dell Technologies Inc.	2	6,000,000.00	0.93
GXS Group, Inc.	1	6,248,911.57	0.96
Fieldwood Energy LLC	2	6,448,556.83	1.00
Immucor, Inc.	1	6,665,036.50	1.03
Travelport Limited	1	6,712,358.20	1.04
American Airlines, Inc.	1	7,299,557.06	1.13
Magic Newco, LLC	1	7,771,544.04	1.20
First Data Corporation	2	10,393,434.41	1.60
Percent of P.B.		100.00	
Principal Balance (P.B.)		647,825,177.77	

**Babson CLO Ltd 2013-II**

Possible Haircuts

As of : 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CCC/Caa Adjustment</i>	<i>Current Pay Adjustment</i>	<i>Default Adjustment</i>	<i>Discount Adjustment</i>	<i>PIK Adjustment</i>	<i>Stated Maturity Adjustment</i>
Arch Coal, Inc.	Exit Term Loan (09/16)	460,007.50			289,804.73			
Paragon Offshore Finance Company	Term Loan B	1,620,666.26			1,345,153.00			
Peabody Energy Corporation	Term Loan B	877,637.13			552,911.39			
Seadrill Operating LP	Term Loan B	2,944,367.57				732,167.40		
Seventy Seven Operating LLC	Term Loan B	1,950,000.00			1,075,250.00			
		7,852,678.46	0.00	0.00	3,263,119.11	732,167.40	0.00	0.00



Babson CLO Ltd 2013-II
Defaulted Obligations
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
Arch Coal, Inc.	Exit Term Loan (09/16)	460,007.50
Paragon Offshore Finance Company	Term Loan B	1,620,666.26
Peabody Energy Corporation	Term Loan B	877,637.13
Seventy Seven Operating LLC	Term Loan B	1,950,000.00
		4,908,310.89



Babson CLO Ltd 2013-II
Defaulted Obligation - Adjusted Balances
As of: 1/5/2017
Next Payment: 1/18/2017



<i>LoanX ID</i>	<i>Issuer</i>	<i>Issue</i>	<i>Defaulted Date</i>	<i>Market Price</i>	<i>Moody's Recovery Rate</i>	<i>S&P Recovery Rate</i>	<i>Adjusted Principal Balance</i>
LX155314	Arch Coal, Inc.	Exit Term Loan (09/16)	07/07/2015	101.34	45.00	37.00	170,202.78
LX138205	Paragon Offshore Finance Company	Term Loan B	01/15/2016	36.79	45.00	17.00	275,513.27
LX132557	Peabody Energy Corporation	Term Loan B	03/18/2016	98.88	45.00	37.00	324,725.74
LX137857	Seventy Seven Operating LLC	Term Loan B	05/18/2016	99.13	45.00	65.00	877,500.00
							1,647,941.79



Babson CLO Ltd 2013-II
Discounted Obligations
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Purchase Price</i>	<i>Principal Balance</i>
Paragon Offshore Finance Company	Term Loan B	70.50	359,540.04
Paragon Offshore Finance Company	Term Loan B	70.50	143,816.03
Seadrill Operating LP	Term Loan B	78.50	1,959,595.99
Seadrill Operating LP	Term Loan B	68.63	984,771.58
			3,447,723.64



Babson CLO Ltd 2013-II
Discounted Obligations - Adjusted Balance
As of: 1/5/2017
Next Payment: 1/18/2017



<i>LoanX ID</i>	<i>Issuer</i>	<i>Issue</i>	<i>Purchase Price</i>	<i>Market Price</i>	<i>Moody's Recovery Rate</i>	<i>S&P Recovery Rate</i>	<i>Adjusted Principal Balance</i>
LX135384	Seadrill Operating LP	Term Loan B	78.50	71.67	45.00	30.00	1,538,282.85
LX135384	Seadrill Operating LP	Term Loan B	68.63	71.67	45.00	30.00	675,799.50
							2,214,082.35



Babson CLO Ltd 2013-II
Deferred Interest Obligations
As of: 1/5/2017
Next Payment: 1/18/2017



No asset records currently meet the summarization criteria.



Babson CLO Ltd 2013-II
Caa Assets
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Moody's Rating</i>	<i>Market Price</i>
Asurion, LLC	Second Lien Term Loan	418,263.35	Caa1	101.80
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	Caa1	94.00
Bioscrip, Inc.	Term Loan B	1,179,577.48	Caa1	94.00
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	Caa1	84.35
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	Caa2	99.08
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	Caa2	97.75
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	Caa2	46.50
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	Caa1	97.33
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	Caa1	94.33
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	Caa3	77.00
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	Caa2	96.00
Joerns Healthcare, LLC	Term Loan	3,261,548.03	*	93.00
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	Caa1	99.75
Murray Energy Corporation	Term Loan B2	5,130,849.76	Caa1	95.88
Omnitracs, LLC	Second Lien Term Loan	762,692.55	Caa1	96.44
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	*	96.63
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	Ca	83.00
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	Caa2	99.50
Seadrill Operating LP	Term Loan B	3,926,646.02	Caa2	71.67
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	Caa1	93.00
Southcross Energy Partners, L.P.	Term Loan	791,537.81	Caa1	79.83
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	Caa1	95.50
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	Caa2	97.00
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	Caa3	71.00
Utex Industries, Inc.	Term Loan	886,584.34	Caa1	92.88
W/S Packaging Group, Inc.	Term Loan B	746,607.74	Caa1	90.00
W3 Co.	New Term Loan A	3,869,346.75	Caa2	83.07
		44,545,446.39		



Babson CLO Ltd 2013-II
CCC Assets
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>S&P Rating</i>	<i>Market Price</i>
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	CCC-	94.00
Bioscrip, Inc.	Term Loan B	1,179,577.48	CCC-	94.00
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	CCC+	84.35
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	CCC+	94.33
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	CCC	77.00
Fieldwood Energy LLC	Term Loan	5,774,113.39	CCC	94.69
Immucor, Inc.	Term Loan B-2	6,665,036.50	CCC+	96.40
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	CCC	83.00
Seadrill Operating LP	Term Loan B	3,926,646.02	CCC+	71.67
Southcross Energy Partners, L.P.	Term Loan	791,537.81	CCC+	79.83
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	CCC+	88.33
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	CCC+	71.00
Utex Industries, Inc.	Term Loan	886,584.34	CCC+	92.88
W/S Packaging Group, Inc.	Term Loan B	746,607.74	CCC	90.00
W3 Co.	New Term Loan A	3,869,346.75	CCC	83.07
		36,335,170.64		



Babson CLO Ltd 2013-II
Excess Triple C Amount
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Principal Balance Used</i>	<i>Moody's Rating</i>	<i>S&P Rating</i>	<i>Market Price</i>	<i>Market Value Used</i>	
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	0.00	Caa1	CCC+	94.33	0.00	
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	0.00	Caa2	B	46.50	0.00	
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	0.00	Caa2	B	97.00	0.00	
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	0.00	Ca	CCC	83.00	0.00	
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	0.00	Caa2	B	99.50	0.00	
Immucor, Inc.	Term Loan B-2	6,665,036.50	0.00	B2	CCC+	96.40	0.00	
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	0.00	Caa3	CCC+	71.00	0.00	
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	0.00	B3	CCC+	88.33	0.00	
Bioscrip, Inc.	Term Loan B	1,179,577.48	0.00	Caa1	CCC-	94.00	0.00	
W/S Packaging Group, Inc.	Term Loan B	746,607.74	0.00	Caa1	CCC	90.00	0.00	
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	0.00	Caa1	B-	95.50	0.00	
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	0.00	Caa1	CCC+	84.35	0.00	
Seadrill Operating LP	Term Loan B	3,926,646.02	0.00	Caa2	CCC+	71.67	0.00	
Fieldwood Energy LLC	Term Loan	5,774,113.39	0.00	B2	CCC	94.69	0.00	
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	0.00	Caa3	CCC	77.00	0.00	
Asurion, LLC	Second Lien Term Loan	418,263.35	0.00	Caa1	B	101.80	0.00	
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	0.00	Caa1	B	97.33	0.00	
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	0.00	*	*	96.63	0.00	
Utex Industries, Inc.	Term Loan	886,584.34	0.00	Caa1	CCC+	92.88	0.00	
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	0.00	Caa1	CCC-	94.00	0.00	
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	0.00	Caa2	B	96.00	0.00	
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	0.00	Caa2	B-	97.75	0.00	
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	0.00	Caa1	B	93.00	0.00	
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	0.00	Caa1	B	99.75	0.00	
Southcross Energy Partners, L.P.	Term Loan	791,537.81	0.00	Caa1	CCC+	79.83	0.00	
Omnitracs, LLC	Second Lien Term Loan	762,692.55	0.00	Caa1	B	96.44	0.00	
Joerns Healthcare, LLC	Term Loan	3,261,548.03	0.00	*	*	93.00	0.00	
Murray Energy Corporation	Term Loan B2	5,130,849.76	0.00	Caa1	B-	95.88	0.00	
W3 Co.	New Term Loan A	3,869,346.75	0.00	Caa2	CCC	83.07	0.00	
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	0.00	Caa2	B	99.08	0.00	
		58,102,335.81	0.00					0.00



Babson CLO Ltd 2013-II
PIK Securities Report
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
Murray Energy Corporation	Term Loan B2	210,273.41
Southcross Holdings Borrower LP	Term Loan B	6,607.58
		216,880.99



Babson CLO Ltd 2013-II
Current Pay Obligations
As of: 1/5/2017
Next Payment: 1/18/2017



No asset records currently meet the summarization criteria.



Babson CLO Ltd 2013-II
Minimum Floating Spread
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Issuer Name</i>	<i>Facility Name</i>	<i>Balance</i>	<i>Coupon %</i>	<i>LIBOR Floor</i>	<i>Effective Spread</i>	<i>Weighted Factor</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	4.75	1.00	3.87	14,460,548.31
Academy, Ltd.	Term Loan	1,918,201.00	5.00	1.00	4.12	7,899,784.72
Academy, Ltd.	Term Loan	1,357,818.16	5.00	1.00	4.12	5,591,943.26
Academy, Ltd.	Term Loan	565,757.57	5.00	1.00	4.12	2,329,976.37
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	3.76	0.75	3.00	1,761,833.10
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	4.25	1.00	3.37	16,572,602.89
ADMI Corp.	Initial Term Loan	1,882,017.29	5.25	1.00	4.37	8,221,272.59
ADMI Corp.	Initial Term Loan	399,566.75	5.25	1.00	4.37	1,745,439.42
AdvancePierre Foods, Inc.	Term Loan	354,581.43	4.00	1.00	3.12	1,105,701.91
Advantage Sales & Marketing Inc.	First Lien Term Loan	18,504.13	4.25	1.00	3.37	62,328.02
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,466,850.23	4.25	1.00	3.37	4,940,835.64
Alere Inc.	Term Loan B	491,061.34	4.25	1.00	3.37	1,654,056.64
Alison US LLC	Term Loan B-1	977,500.00	5.25	1.00	4.37	4,270,042.58
Alison US LLC	Term Loan B-2	977,500.00	5.25	1.00	4.37	4,270,042.58
Alpha Topco Limited	Term Loan B3	3,000,000.00	5.07	1.00	3.75	11,250,000.00
AMC Entertainment Inc.	Term Loan	3,880,402.02	3.40	-	2.75	10,671,105.56
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	3.26	0.75	2.50	18,248,892.65
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	3.52	0.75	2.75	11,838,749.62
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	4.75	1.00	3.87	8,371,519.57
Apex Tool Group, LLC	Term Loan	5,804,020.06	4.50	1.25	3.62	21,000,859.90
Aquilex HydroChem, Inc.	Term Loan B	3,670,731.13	5.00	1.00	4.12	15,117,282.13
Aquilex HydroChem, Inc.	Term Loan B	183.99	6.75	1.00	5.87	1,079.71
Aramark Corporation	Term Loan F	3,890,000.00	3.50	0.75	2.50	9,725,000.00
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	6.00	1.00	5.12	10,277,457.34
Ascena Retail Group, Inc.	Term Loan B	1,918,554.09	5.31	0.75	4.50	8,633,493.42
Ascena Retail Group, Inc.	Term Loan B	81,445.91	5.25	0.75	4.50	366,506.58
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	5.00	1.00	4.12	4,374,128.37
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	5.00	1.00	4.12	5,687,764.41
Astoria Energy LLC	Term Loan	2,765,960.89	5.00	1.00	4.12	11,391,139.71
Asurion, LLC	First Lien Term Loan	2,855,338.62	5.00	1.00	4.12	11,759,226.70
Asurion, LLC	Replacement Term Loan B-2	471,939.56	4.02	0.75	3.25	1,533,803.57
Asurion, LLC	Second Lien Term Loan	418,263.35	8.50	1.00	7.62	3,186,468.23
Asurion, LLC	Term Loan B-5	1,995,000.00	4.75	1.00	3.87	7,717,318.35
At Home Holding III Inc	Term Loan	2,129,536.34	5.00	1.00	4.12	8,770,133.40
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	4.25	1.00	3.37	5,485,832.31
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	6.00	1.00	5.12	5,964,142.43
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	3.50	0.75	2.50	4,923,273.65
Bass Pro Group, LLC	Term Loan	4,952,921.34	4.00	0.75	3.25	16,096,994.36



Babson CLO Ltd 2013-II
Minimum Floating Spread
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Issuer Name</i>	<i>Facility Name</i>	<i>Balance</i>	<i>Coupon %</i>	<i>LIBOR Floor</i>	<i>Effective Spread</i>	<i>Weighted Factor</i>
Bats Global Markets, Inc.	Term Loan	991,672.64	4.27	-	3.50	3,470,854.24
Beacon Roofing Supply Inc	Term Loan B	581,684.70	3.71	0.75	2.75	1,599,632.93
Berry Plastics Corporation	Term Loan D	3,839,734.37	3.50	1.00	2.62	10,053,691.69
Berry Plastics Corporation	Term Loan H	154,912.84	3.75	1.00	2.87	444,341.15
Berry Plastics Corporation	Term Loan H	173,135.34	3.75	1.00	2.87	496,609.29
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	6.50	1.25	5.62	3,976,353.28
Bioscrip, Inc.	Term Loan B	1,179,577.48	6.50	1.25	5.62	6,627,255.54
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	4.50	1.00	3.62	9,659,976.71
Boyd Gaming Corporation	Term Loan B	1,230,682.13	4.00	1.00	3.12	3,837,673.01
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	3.77	0.00	3.00	8,249,760.69
Britax Childcare Holdings Limited	Term Loan	858,141.83	4.50	1.00	3.62	3,105,040.33
Britax Childcare Holdings Limited	Term Loan	572,676.61	4.50	1.00	3.62	2,072,132.96
Britax Childcare Holdings Limited	Term Loan	849,828.48	4.50	1.00	3.62	3,074,959.88
Britax Childcare Holdings Limited	Term Loan	754,454.69	4.50	1.00	3.62	2,729,866.04
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	5.00	1.00	4.12	10,066,841.90
Builders FirstSource, Inc.	Term Loan B	790,239.16	4.75	1.00	3.87	3,056,905.85
BWAY Holding Company	Term loan	2,823,385.83	4.75	1.00	3.87	10,921,788.11
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	3.27	0.75	2.50	4,849,688.90
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	6.00	1.00	5.12	1,526,890.89
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	8.00	1.25	7.12	5,069,879.49
Caraustar Industries Inc.	Term Loan	1,732,087.81	8.00	1.25	7.12	12,329,572.62
CareCore National, LLC	Term Loan B	2,947,318.00	5.50	1.00	4.62	13,611,687.14
Carr Management, Inc.	Term Loan	1,649,792.57	5.25	1.00	4.37	7,206,838.38
Carr Management, Inc.	Term Loan	198,895.94	5.25	1.00	4.37	868,843.10
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	3.75	1.00	2.87	710,617.05
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	3.02	0.75	2.25	4,849,826.92
CCM Merger, Inc.	Term Loan	714,699.88	4.02	0.75	3.25	2,322,774.61
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	5.25	1.00	4.37	8,692,976.70
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	3.02	0.75	2.25	4,488,372.09
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	3.01	-	2.25	3,845,025.88
Chemours Company, The	Term Loan B	2,199,418.52	3.77	0.75	3.00	6,598,255.56
CHS/Community Health Systems, Inc.	Term Loan G	1,293,630.06	3.75	1.00	2.87	3,710,557.91
CHS/Community Health Systems, Inc.	Term Loan G	24,220.65	3.75	1.00	2.87	69,472.82
CHS/Community Health Systems, Inc.	Term Loan H	17,791.05	4.00	1.00	3.12	55,478.36
CHS/Community Health Systems, Inc.	Term Loan H	4,318,878.15	4.00	1.00	3.12	13,467,687.30
Cinemark USA, Inc	Term Loan	2,880,865.44	2.96	-	2.25	6,481,947.24
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	4.50	1.00	3.62	14,285,518.43
Concentra Inc.	Term Loan B	889.66	5.75	1.00	4.87	4,331.16



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Concentra Inc.	Term Loan B	2,380,922.87	4.00	1.00	3.12	7,424,503.21
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	10.25	1.25	9.37	10,575,748.94
Consolidated Communications, Inc.	Term Loan B	858,840.37	4.00	1.00	3.12	2,678,147.69
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	7.75	1.25	6.87	6,868,330.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	4.75	1.00	3.87	2,114,820.27
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	3.27	0.75	2.50	4,236,389.15
CPI International, Inc.	Term Loan	1,123,273.63	4.25	1.00	3.37	3,783,556.27
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	6.50	1.00	5.62	6,630,377.59
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	9.25	1.25	8.37	5,582,399.47
Cunningham Lindsey U.S. Inc.	Term Loan B	2,788,098.46	5.00	1.25	4.12	11,482,309.53
Cunningham Lindsey U.S. Inc.	Term Loan B	1,949,442.01	5.07	1.25	3.75	7,310,407.54
Dayton Power And Light Company (The)	Term Loan B	767,105.59	4.01	0.75	3.25	2,493,093.17
Dell International L.L.C.	Term Loan A2	2,000,000.00	3.02	-	2.25	4,500,000.00
Dell International L.L.C.	Term Loan B	4,000,000.00	4.02	0.75	3.25	13,000,000.00
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	3.75	0.75	2.75	5,631,109.25
Diamond US Holding LLC	Term Loan B	2,837,273.21	4.75	1.00	3.87	10,975,509.08
Diamond US Holding LLC	Term Loan B	28,809.24	4.75	1.00	3.87	111,443.65
Dollar Tree, Inc	Term Loan	379,746.83	3.25	0.00	2.50	949,367.08
Dynegy Inc	Term Loan B	3,000,000.00	5.00	1.00	4.12	12,354,990.00
Dynegy Inc	Term Loan B2	561,403.51	4.00	1.00	3.12	1,750,641.41
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	3.27	-	2.50	8,823,366.70
Eastern Power, LLC	Term Loan B	5,406,259.77	5.00	1.00	4.12	22,264,761.80
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	4.50	1.00	3.62	13,809,780.44
Eldorado Resorts, Inc.	Term Loan B	528,436.87	4.25	1.00	3.37	1,779,949.76
EMG Utica, LLC	Term Loan	1,921,842.30	4.75	1.00	3.87	7,434,320.22
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	3.52	-	2.75	5,226,964.30
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	3.81	0.75	3.00	17,864,886.66
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	4.14	0.75	3.25	6,500,000.00
Entegris Inc	Term Loan	752,390.96	3.52	0.75	2.75	2,069,075.14
Entercom Radio, LLC	Term Loan B	943,539.79	4.50	1.00	3.62	3,414,038.33
Envision Healthcare Corporation	Term Loan B	2,000,000.00	4.00	1.00	3.12	6,236,660.00
EP Minerals, LLC	Term Loan (new)	726,588.10	5.50	1.00	4.62	3,355,623.62
Essential Power, LLC	Term Loan B	921,225.89	4.75	1.00	3.87	3,563,605.75
Exgen Renewables I, LLC	Term Loan	1,198,547.08	5.25	1.00	4.37	5,235,649.17
Exopack Holdings S.A.	Term Loan	2,409,074.92	4.50	1.00	3.62	8,716,828.06
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	4.00	1.00	3.12	5,890,270.01
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	7.25	1.00	6.37	8,709,627.80
FCA US LLC	New Term Loan B	4,047,032.27	3.27	0.75	2.50	10,117,580.68



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Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	8.38	1.25	7.49	5,053,827.26
Fieldwood Energy LLC	Term Loan	5,774,113.39	3.88	1.00	2.99	17,283,826.83
Filtration Group Corporation	Term Loan B	5,660,526.16	4.25	1.00	3.37	19,066,520.08
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	3.76	-	3.00	22,783,722.60
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	3.76	-	3.00	8,396,580.63
Flex Acquisition Company Inc	Term Loan	4,456,835.92	4.25	1.00	3.37	15,012,094.13
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	3.75	1.00	2.87	5,876,952.34
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	5.25	1.25	4.37	16,901,145.61
Gardner Denver, Inc.	Term Loan	4,718,628.22	4.57	1.00	3.25	15,335,541.72
Gardner Denver, Inc.	Term Loan	148,263.81	4.25	1.00	3.37	499,401.44
Gates Global LLC	Term Loan	1,722,149.36	4.25	1.00	3.37	5,800,767.35
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	3.27	0.75	2.50	3,973,884.20
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	6.00	1.00	5.12	10,185,476.70
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	8.75	1.00	7.87	7,868,330.00
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	5.25	1.00	4.37	12,907,140.52
Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	5.25	1.00	4.37	10,050,881.17
Global Payments Inc.	Term Loan B (10/16)	628,376.63	3.27	0.00	2.50	1,570,941.58
Gray Television, Inc.	Term Loan	1,133,351.60	3.96	0.75	3.19	3,612,558.23
Greatbatch Ltd.	Term Loan B	1,737,147.23	5.25	1.00	4.37	7,588,432.36
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	3.72	0.00	3.00	14,824,718.13
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	5.75	1.00	4.87	4,592,311.46
GTT Communications Inc	Term Loan B	572,197.44	5.00	1.00	4.12	2,356,497.88
GXS Group, Inc.	Term Loan B	6,248,911.57	3.27	0.75	2.50	15,622,278.93
Hargray Communications Group, Inc.	Term Loan (09/16)	1,451,455.43	4.75	1.00	3.87	5,614,708.58
Hargray Communications Group, Inc.	Term Loan (09/16)	36,252.82	4.75	1.00	3.87	140,237.87
Harsco Corporation	Term Loan B	789,881.79	6.00	1.00	5.12	4,042,875.66
Headwaters Incorporated	Term Loan B	643,518.00	4.00	1.00	3.12	2,006,701.48
Henry Company LLC	Term Loan B	1,514,090.89	5.50	1.00	4.62	6,992,571.38
Hertz Corporation (The)	Term Loan B-1	995,000.00	3.50	0.75	2.75	2,736,250.00
Hilton Worldwide Finance LLC	Term Loan B1	110,103.76	3.50	1.00	2.62	288,287.98
Hilton Worldwide Finance LLC	Term Loan B1	112,297.07	3.50	1.00	2.62	294,030.79
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	3.26	-	2.50	7,559,492.30
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	5.50	1.00	4.62	5,682,461.54
Horizon Global Corporation	Term Loan B	3,984,376.75	7.00	1.00	6.12	24,377,731.80
Horizon Pharma, Inc.	Term Loan B	396,310.20	5.00	1.00	4.12	1,632,136.19
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	4.00	1.00	3.12	6,143,110.10
Hubbard Radio, LLC	Term Loan B	1,521,482.41	4.25	1.00	3.37	5,124,854.85
Huntsman International LLC	2023 Term B Loan	144,513.51	3.78	0.75	3.00	433,540.53



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Huntsman International LLC	2023 Term B Loan	388,934.60	3.96	0.75	3.00	1,166,803.80
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	4.25	1.00	3.37	8,292,323.18
Immucor, Inc.	Term Loan B-2	6,665,036.50	5.00	1.25	4.12	27,448,819.77
Infinity Acquisition, LLC	Term Loan	1,950,411.25	4.25	1.00	3.37	6,569,628.73
Infinity Acquisition, LLC	Term Loan	4,813.75	4.25	1.00	3.37	16,214.30
Infor (US), Inc.	Term Loan B-5	1,945,297.69	3.75	1.00	2.87	5,579,755.72
Information Resources, Inc.	New Term Loan	1,254,349.50	6.50	1.00	5.62	7,047,349.43
Information Resources, Inc.	New Term Loan	1,006,025.20	5.00	1.00	3.75	3,772,594.50
Information Resources, Inc.	New Term Loan	588,524.74	4.75	1.00	3.87	2,276,607.91
Information Resources, Inc.	New Term Loan	153,073.00	4.75	1.00	3.87	592,136.88
Information Resources, Inc.	New Term Loan	23,295.76	4.75	1.00	3.87	90,115.69
inVentiv Health, Inc.	Term Loan B	1,617,588.74	4.75	1.00	3.87	6,257,367.05
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	4.25	1.00	3.37	6,669,419.71
Jazz Acquisition, Inc	Term Loan	368,013.38	4.50	1.00	3.62	1,331,593.85
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	4.75	1.00	3.87	9,096,960.53
Joerns Healthcare, LLC	Term Loan	2,823,425.55	6.00	1.00	5.12	14,451,223.70
Joerns Healthcare, LLC	Term Loan	438,122.48	6.00	1.00	5.12	2,242,455.43
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	5.75	1.00	4.87	9,736,660.00
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	4.00	1.00	3.12	1,581,182.81
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	0.02	1.00	1.50	172,644.41
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	4.00	1.00	3.12	5,107,990.68
KFC Holding Co.	Term Loan B	1,496,789.43	3.49	0.00	2.75	4,116,170.93
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	4.25	1.00	3.37	18,331,209.94
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	5.00	1.00	4.12	20,149,748.83
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	4.25	1.00	3.37	1,086,317.04
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	4.25	1.00	3.37	2,541,982.01
Kronos Incorporated	Initial Term Loan	2,982,265.03	5.00	1.00	4.12	12,281,951.54
LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	4.81	0.75	4.00	21,019,856.40
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	4.63	0.75	3.75	3,656,250.00
Magic Newco, LLC	Term Loan	7,771,544.04	5.00	1.00	4.12	32,005,782.97
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	3.50	0.75	2.50	8,576,736.78
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	3.75	0.75	2.75	5,376,250.00
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	5.75	1.00	4.87	4,926,333.33
Mannington Mills, Inc.	Term Loan	953,049.47	4.75	1.00	3.87	3,686,709.86
Marine Acquisition Corp.	Term Loan	2,334,456.32	5.25	1.00	4.37	10,197,675.58
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	3.25	0.75	2.50	9,637,181.60
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,989,795.92	6.75	1.00	5.87	11,676,779.09
MediArena Acquisition B.V.	Term Loan (1st Lien)	5,102.04	6.75	1.00	5.87	29,940.46



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Mediware Information Systems, Inc.	Term Loan	1,299,771.62	5.75	1.00	4.87	6,327,717.17
Metal Services LLC	Term Loan	1,842,597.29	8.50	1.00	7.62	14,037,514.21
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	4.25	0.75	3.50	10,342,500.00
Michaels Stores, Inc.	Term Loan B1	1,609.91	3.75	1.00	2.87	4,617.75
Michaels Stores, Inc.	Term Loan B1	312,472.60	3.75	1.00	2.87	896,274.53
Michaels Stores, Inc.	Term Loan B1	53,874.59	3.75	1.00	2.87	154,530.10
Michaels Stores, Inc.	Term Loan B1	343,447.19	3.75	1.00	2.87	985,119.88
Michaels Stores, Inc.	Term Loan B1	508,033.51	3.75	1.00	2.87	1,457,207.76
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	8.50	1.00	7.62	7,618,330.00
Micro Holding Corp.	Term Loan	1,693,384.37	4.75	1.00	3.87	6,550,569.56
Micron Technology, Inc.	Term Loan	1,081,199.90	4.52	-	3.75	4,054,499.63
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	3.45	-	2.50	5,278,566.83
Milacron LLC	Term Loan B (1st Lien)	340,119.27	4.25	1.00	3.37	1,145,633.94
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	3.76	0.75	3.00	3,030,769.23
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	3.75	1.00	2.87	2,612,007.20
Mitchell International, Inc.	Term Loan B	4,657,738.01	4.50	1.00	3.62	16,853,233.17
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	4.25	1.00	3.37	8,703,932.03
MTS Systems Corporation	Term Loan B	1,807,874.73	5.03	0.75	4.25	7,683,467.60
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	4.25	1.00	3.37	7,666,195.09
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	4.25	1.00	3.37	6,398,683.59
Murray Energy Corporation	Term Loan B2	210,273.41	8.25	1.00	7.37	1,549,363.88
Murray Energy Corporation	Term Loan B2	4,920,576.35	8.25	1.00	7.37	36,256,430.34
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	6.25	1.00	5.37	5,341,030.97
National Financial Partners Corporation	Term Loan B	2,354,724.29	4.50	1.00	3.62	8,520,169.54
National Surgical Hospitals, Inc.	Term Loan	731,421.39	4.50	1.00	3.62	2,646,523.96
NBTY, Inc.	Term Loan B	1,613,492.72	5.00	1.00	4.12	6,644,895.47
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	3.75	1.00	2.87	2,962,057.42
NN, Inc.	Term Loan B (9/16)	702,144.91	5.02	0.75	4.25	2,984,115.87
NPC International, Inc.	Term Loan B	761,213.00	4.75	1.00	3.87	2,944,623.08
NPC International, Inc.	Term Loan B	1,212,880.26	4.75	1.00	3.87	4,691,821.10
NXP B.V.	Term Loan F	1,656,178.03	3.27	-	2.50	4,140,445.08
Omnitracs, LLC	Second Lien Term Loan	361,275.42	8.75	1.00	7.87	2,842,634.23
Omnitracs, LLC	Second Lien Term Loan	401,417.13	8.75	1.00	7.87	3,158,482.45
Omnitracs, LLC	Term Loan	2,520,754.43	4.75	1.00	3.87	9,751,109.98
Omnitracs, LLC	Term Loan	2,397,595.96	4.75	1.00	3.87	9,274,692.38
Omnova Solutions Inc.	Term Loan B2	2,992,500.00	5.25	1.00	4.37	13,072,227.53
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	3.52	0.75	2.75	2,654,872.06
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	4.02	0.00	3.25	1,236,252.78



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Ortho-Clinical Diagnostics, Inc	Term Loan	2,007,587.80	4.75	1.00	3.87	7,766,012.11
Ortho-Clinical Diagnostics, Inc	Term Loan	1,331,994.20	4.75	1.00	3.87	5,152,593.12
Ortho-Clinical Diagnostics, Inc	Term Loan	237,261.47	4.75	1.00	3.87	917,805.66
Ortho-Clinical Diagnostics, Inc	Term Loan	357,601.57	4.75	1.00	3.87	1,383,320.88
Parfums de Coeur, Ltd	Term Loan B	30,568.54	7.75	1.00	6.87	209,954.82
Parfums de Coeur, Ltd	Term Loan B	1,799,135.60	6.00	1.00	5.12	9,208,569.72
Pelican Products, Inc.	Term Loan	111,885.85	5.25	1.00	4.37	488,754.32
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	9.25	1.00	8.37	8,127,808.55
Penn National Gaming, Inc.	New Term Loan B	866,316.21	3.27	0.75	2.50	2,165,790.53
PFS Holding Corporation	Term Loan	1,520,907.18	4.50	1.00	3.62	5,503,144.08
PGT, Inc.	Term Loan	706,111.11	6.75	1.00	5.87	4,143,693.01
PGT, Inc.	Term Loan	1,027,037.04	6.75	1.00	5.87	6,026,992.27
PGT, Inc.	Term Loan	222,222.22	6.75	1.00	5.87	1,304,073.32
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	3.52	-	2.75	1,604,160.14
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	3.51	0.00	2.75	1,974,015.04
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	4.75	1.00	3.87	11,225,932.46
Planet Fitness Holdings, LLC	Term Loan B	516,005.29	4.50	0.75	3.50	1,806,018.52
Planet Fitness Holdings, LLC	Term Loan B	1,390,165.79	4.27	0.75	3.50	4,865,580.27
PODS LLC	Term Loan B	1,519,287.93	4.50	1.00	3.62	5,497,285.10
PolyOne Corporation	Term Loan B	1,347,089.75	3.50	0.75	2.75	3,704,496.81
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	8.25	1.00	7.37	14,736,660.00
Prestige Brands, Inc.	Term Loan B3	818,276.14	3.50	0.75	2.75	2,250,259.38
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	4.25	1.00	3.37	5,780,437.19
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	5.00	1.00	4.12	7,576,290.03
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	7.00	1.00	6.12	18,293,730.04
RadNet Management, Inc.	Term Loan B 6/16	523,493.07	4.75	1.00	3.87	2,025,043.95
RadNet Management, Inc.	Term Loan B 6/16	4,874,244.27	4.75	1.00	3.87	18,855,185.34
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	4.25	1.00	3.37	12,244,326.16
Realogy Group LLC	Term Loan B (07/16)	474,783.66	3.77	0.75	3.00	1,424,350.98
Renaissance Learning, Inc.	Term Loan	3,227,487.61	4.50	1.00	3.62	11,678,115.24
RP Crown Parent, LLC	Term Loan B	2,000,000.00	4.50	1.00	3.62	7,236,660.00
RPI Finance Trust	Term Loan B5	5,747,171.70	3.50	-	2.50	14,367,929.25
Ryman Hospitality	Term Loan B	676,502.14	3.75	0.75	2.75	1,860,380.89
Sabre GLBL Inc.	Term Loan B-2	4,840,357.36	4.50	1.00	3.62	17,514,010.25
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	5.75	1.00	4.87	15,274,439.17
Samsonite International S.A.	Term Loan B	661,229.19	4.02	0.75	3.25	2,148,994.87
SBA Senior Finance II LLC	Term Loan	3,900,000.00	3.27	0.75	2.50	9,750,000.00
Seadrill Operating LP	Term Loan B	3,926,646.02	4.00	1.00	3.12	12,244,578.08



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Seahawk Holding Limited	Term Loan B	3,000,000.00	7.00	1.00	6.12	18,354,990.00
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	3.25	0.75	2.25	8,929,201.37
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	4.25	0.75	3.25	5,689,821.44
Select Medical Corporation	Series F Tranche B Term Loan	1,000.00	7.75	1.00	6.87	6,868.33
Select Medical Corporation	Series F Tranche B Term Loan	1,984,000.00	6.00	1.00	5.12	10,154,766.72
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	3.02	0.75	2.25	8,227,170.95
Serta Simmons Holdings, LLC	Initial Term Loan	653,846.15	4.50	1.00	3.62	2,365,831.14
Serta Simmons Holdings, LLC	Initial Term Loan	2,346,153.85	4.50	1.00	3.62	8,489,158.86
Shaw Data Centre LP	Term Loan	1,965,775.16	4.50	1.00	3.62	7,112,823.23
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	7.75	1.00	6.87	3,434,165.00
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,736,440.78	4.00	1.00	3.12	5,414,795.38
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	195,566.45	4.00	1.00	3.12	609,840.73
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	3.03	-	2.25	13,133,246.54
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	4.75	1.00	3.87	15,170,796.75
Southcross Energy Partners, L.P.	Term Loan	791,537.81	5.25	1.00	4.37	3,457,698.36
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	4.50	1.00	3.62	13,626,964.46
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	5.57	1.00	4.25	15,962,995.28
Springer Science & Business Media S.A.	Term Loan B9	551,002.14	4.50	1.00	3.62	1,993,707.57
Springer Science & Business Media S.A.	Term Loan B9	1,507,923.87	4.50	1.00	3.62	5,456,166.18
Springer Science & Business Media S.A.	Term Loan B9	3,151,758.98	4.50	1.00	3.62	11,404,104.07
Springer Science & Business Media S.A.	Term Loan B9	139,015.21	4.50	1.00	3.62	503,002.90
Springer Science & Business Media S.A.	Term Loan B9	278,077.13	4.50	1.00	3.62	1,006,174.82
Springer Science & Business Media S.A.	Term Loan B9	179,129.27	4.50	1.00	3.62	648,148.81
SRAM, LLC	First Lien Term Loan	20,324.41	5.75	1.00	4.87	98,945.93
SRAM, LLC	First Lien Term Loan	1,928,300.00	4.00	1.00	3.12	6,013,075.73
SRAM, LLC	First Lien Term Loan	41,691.09	4.00	1.00	3.12	130,006.59
SRS Distribution Inc.	Term Loan	442,555.46	5.25	1.00	4.37	1,933,228.29
SRS Distribution Inc.	Term Loan	1,427,517.93	5.25	1.00	4.37	6,235,869.40
SRS Distribution Inc.	Term Loan	648,921.96	5.25	1.00	4.37	2,834,705.27
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	4.75	1.00	3.87	8,914,034.74
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	4.75	1.00	3.87	11,061,193.82
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	6.00	1.00	5.12	13,756,375.18
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	4.00	1.00	3.12	2,457,424.06
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	4.00	1.00	3.12	15,236,360.36
Targa Resources Corp	Term Loan	372,093.02	5.75	1.00	4.87	1,811,471.61
Team Health, Inc.	5/16 Term Loan	5,280,526.03	3.77	0.75	3.00	15,841,578.09
Tecomet Inc.	Term Loan	3,924,912.29	5.75	1.00	4.87	19,107,768.25
Tectum Holdings, Inc.	Term Loan	1,485,421.14	5.75	1.00	4.87	7,231,520.30



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Tectum Holdings, Inc.	Term Loan	411,887.36	5.75	1.00	4.87	2,005,203.59
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	4.50	1.00	3.62	7,128,110.10
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	4.75	1.00	3.87	404,150.12
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	9.00	1.00	8.12	2,066,717.85
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	4.02	0.75	3.25	6,500,000.00
The Talbots Inc.	Term Loan	3,930,275.57	5.50	1.00	4.62	18,151,309.57
Total Merchant Services, Inc	Term Loan	1,960,000.00	6.82	1.00	5.50	10,780,000.00
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	5.50	1.00	4.62	8,545,978.59
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	5.00	1.00	4.12	27,643,706.15
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	4.25	1.00	3.37	1,329,351.75
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	5.25	1.00	4.37	4,882,655.12
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	9.25	1.00	8.37	1,587,153.62
Tronox Pigments (Netherlands) B.V.	New Term Loan	2,138,224.02	4.50	1.00	3.62	7,736,800.12
Tronox Pigments (Netherlands) B.V.	New Term Loan	1,724,954.45	4.50	1.00	3.62	6,241,454.44
TruckPro, Inc.	Term Loan	1,425,556.36	6.00	1.00	5.12	7,296,467.88
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	5.75	1.00	4.87	23,617,104.82
Univision Communications Inc.	Term Loan C3	252,546.41	4.00	1.00	3.12	787,523.05
Univision Communications Inc.	Term Loan C4	4,426,565.88	4.00	1.00	3.12	13,803,493.18
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	4.08	-	3.00	6,000,000.00
USI, Inc.	Term Loan B	2,046,629.50	4.25	1.00	3.37	6,893,723.54
USS Parent Holding Corp.	Delayed Draw Term Loan	313,272.16	0.02	1.00	2.25	704,862.36
USS Parent Holding Corp.	Delayed Draw Term Loan	133,588.19	5.50	1.00	4.62	616,954.35
USS Parent Holding Corp.	Term Loan	287,967.83	5.50	1.00	4.62	1,329,930.47
Utex Industries, Inc.	Term Loan	886,584.34	5.00	1.00	4.12	3,651,246.88
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	5.53	0.75	4.75	22,260,627.57
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	4.25	1.00	3.37	1,878,396.92
VFH Parent LLC	Term Loan (Virtu)	276,157.91	4.27	0.75	3.50	966,552.69
VFH Parent LLC	Term Loan (Virtu)	5,673,940.34	4.50	0.75	3.50	19,858,791.19
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	4.00	0.75	3.25	2,803,614.29
W/S Packaging Group, Inc.	Term Loan B	1,128.48	7.75	1.00	6.87	7,750.77
W/S Packaging Group, Inc.	Term Loan B	745,479.26	6.00	1.00	5.12	3,815,608.86
W3 Co.	New Term Loan A	3,859,296.50	5.75	1.25	4.87	18,788,328.93
W3 Co.	New Term Loan A	10,050.25	5.75	1.25	4.87	48,927.93
Wastequip, LLC	Term Loan	1,943,599.57	5.50	1.00	4.62	8,976,184.20
West Corporation	Replacement Term Loan B12	1,985,037.47	3.27	0.75	2.50	4,962,593.68
Western Digital Corporation	Term Loan B-1	796,000.00	4.52	0.75	3.75	2,985,000.00
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	5.00	1.00	4.12	8,720,019.00
Wilsonart LLC	Term Loan C	593,703.66	4.50	1.00	3.62	2,148,215.76



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Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	4.75	1.00	3.87	10,875,046.96
York Risk Services Holding Corp.	Term Loan B	377,146.74	4.75	1.00	3.87	1,458,928.05
York Risk Services Holding Corp.	Term Loan B	3,488,607.18	4.75	1.00	3.87	13,495,083.81
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	3.45	0.75	2.50	1,370,327.28
Zekelman Industries, Inc	Term Loan	995,000.00	6.00	1.00	5.12	5,092,738.35
Ziggo BV	Term Loan D	4,206,866.04	3.70	-	3.00	12,620,598.12
		642,916,866.88				2,413,727,921.71

Notes LIBOR	0.88167
Aggregate Excess Funded Spread	0.00
Weighted Average Floating Spread Numerator	2,413,727,921.71
Weighted Average Floating Spread Denominator	642,916,866.88
Weighted Average Floating Spread	0.04
WAC if blank use 0	0.00
Excess Weighted Average Coupon	0.00
Weighted Average Floating Spread (%)	3.75
Threshold (%)	3.15
Test Result	Passed



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Minimum Weighted Average Coupon
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No asset records currently meet the summarization criteria.



Babson CLO Ltd 2013-II
Adjusted Weighted Average Moody's Rating Factor
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Adjusted Moody's Rating</i>	<i>Adjusted Rating Factor</i>	<i>Adjusted Weighted Rating Factor</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	B2	2,720.00	10,167,873,835.20
ADMI Corp.	Initial Term Loan	2,281,584.04	B2	2,720.00	6,205,908,588.80
AMC Entertainment Inc.	Term Loan	3,880,402.02	B2	2,720.00	10,554,693,494.40
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	B3	3,490.00	3,706,771,438.40
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	B3	3,490.00	4,819,987,173.50
Academy, Ltd.	Term Loan	3,841,776.73	B2	2,720.00	10,449,632,705.60
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	B1	2,220.00	1,303,756,494.00
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	B2	2,720.00	13,382,738,585.60
AdvancePierre Foods, Inc.	Term Loan	354,581.43	B1	2,220.00	787,170,774.60
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	B2	2,720.00	4,040,163,859.20
Alere Inc.	Term Loan B	491,061.34	B1	2,220.00	1,090,156,174.80
Alison US LLC	Term Loan B-1	977,500.00	B3	3,490.00	3,411,475,000.00
Alison US LLC	Term Loan B-2	977,500.00	B3	3,490.00	3,411,475,000.00
Alpha Topco Limited	Term Loan B3	3,000,000.00	B3	3,490.00	10,470,000,000.00
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	B2	2,720.00	5,886,398,838.40
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	Ba3	1,766.00	12,891,017,767.96
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	B1	2,220.00	9,557,099,689.20
Apex Tool Group, LLC	Term Loan	5,804,020.06	B3	3,490.00	20,256,030,009.40
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	B2	2,720.00	9,984,889,126.40
Aramark Corporation	Term Loan F	3,890,000.00	Ba2	1,350.00	5,251,500,000.00
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	B1	2,220.00	4,457,695,242.60
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	Ba2	1,350.00	2,700,000,000.00
Astoria Energy LLC	Term Loan	2,765,960.89	B2	2,720.00	7,523,413,620.80
Asurion, LLC	First Lien Term Loan	2,855,338.62	B2	2,720.00	7,766,521,046.40
Asurion, LLC	Replacement Term Loan B-2	471,939.56	B2	2,720.00	1,283,675,603.20
Asurion, LLC	Second Lien Term Loan	418,263.35	B2	2,720.00	1,137,676,312.00
Asurion, LLC	Term Loan B-5	1,995,000.00	B2	2,720.00	5,426,400,000.00
At Home Holding III Inc	Term Loan	2,129,536.34	B1	2,220.00	4,727,570,674.80
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	B2	2,720.00	4,429,929,332.80
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	B1	2,220.00	2,586,858,640.80
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	Ba3	1,766.00	3,477,800,506.36
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	B3	3,490.00	9,317,369,810.30
BWAY Holding Company	Term loan	2,823,385.83	B3	3,490.00	9,853,616,546.70
Bass Pro Group, LLC	Term Loan	4,952,921.34	Ba3	1,766.00	8,746,859,086.44
Bats Global Markets, Inc.	Term Loan	991,672.64	Ba2	1,350.00	1,338,758,064.00
Beacon Roofing Supply Inc	Term Loan B	581,684.70	B1	2,220.00	1,291,340,034.00
Berry Plastics Corporation	Term Loan D	3,839,734.37	B3	3,490.00	13,400,672,951.30
Berry Plastics Corporation	Term Loan H	328,048.18	B3	3,490.00	1,144,888,148.20



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Adjusted Moody's Rating</i>	<i>Adjusted Rating Factor</i>	<i>Adjusted Weighted Rating Factor</i>
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	Caa2	6,500.00	4,600,352,120.00
Bioscrip, Inc.	Term Loan B	1,179,577.48	Caa2	6,500.00	7,667,253,620.00
Boyd Gaming Corporation	Term Loan B	1,230,682.13	B2	2,720.00	3,347,455,393.60
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	B2	2,720.00	7,479,783,025.60
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	Caa2	6,500.00	19,728,160,465.00
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	Ba2	1,350.00	3,299,938,704.00
Builders FirstSource, Inc.	Term Loan B	790,239.16	B3	3,490.00	2,757,934,668.40
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	Ba3	1,766.00	3,806,575,260.58
CCM Merger, Inc.	Term Loan	714,699.88	B2	2,720.00	1,943,983,673.60
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	B3	3,490.00	4,599,298,977.90
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	B3	3,490.00	15,134,975,508.00
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	B3	3,490.00	13,778,859,123.30
CPI International, Inc.	Term Loan	1,123,273.63	Caa1	4,770.00	5,358,015,215.10
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	B2	2,720.00	3,209,962,222.40
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	Ba3	1,766.00	3,425,820,238.96
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	Ba3	1,766.00	526,829,905.88
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	B3	3,490.00	2,485,678,442.20
Caraustar Industries Inc.	Term Loan	1,732,087.81	B3	3,490.00	6,044,986,456.90
CareCore National, LLC	Term Loan B	2,947,318.00	B2	2,720.00	8,016,704,960.00
Carr Management, Inc.	Term Loan	1,848,688.51	*	*	*
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	B1	2,220.00	549,995,942.40
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	B2	2,720.00	5,412,800,000.00
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	Ba2	1,350.00	2,693,023,254.00
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	Ba2	1,350.00	2,307,015,526.50
Chemours Company, The	Term Loan B	2,199,418.52	Ba3	1,766.00	3,884,173,106.32
Cinemark USA, Inc	Term Loan	2,880,865.44	B1	2,220.00	6,395,521,276.80
Concentra Inc.	Term Loan B	2,381,812.53	B2	2,720.00	6,478,530,081.60
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	B3	3,490.00	3,939,801,844.50
Consolidated Communications, Inc.	Term Loan B	858,840.37	B1	2,220.00	1,906,625,621.40
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	Caa1	4,770.00	4,770,000,000.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	B2	2,720.00	1,487,026,992.00
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	Ba3	1,766.00	2,992,585,295.56
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	Caa1	4,770.00	3,182,002,318.80
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	Caa1	4,770.00	22,598,068,041.90
Dayton Power And Light Company (The)	Term Loan B	767,105.59	Ba3	1,766.00	1,354,708,471.94
Dell International L.L.C.	Term Loan A2	2,000,000.00	Ba1	940.00	1,880,000,000.00
Dell International L.L.C.	Term Loan B	4,000,000.00	Ba1	940.00	3,760,000,000.00
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	Baa3	610.00	1,249,082,414.90



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Adjusted Moody's Rating</i>	<i>Adjusted Rating Factor</i>	<i>Adjusted Weighted Rating Factor</i>
Diamond US Holding LLC	Term Loan B	2,866,082.45	B2	2,720.00	7,795,744,264.00
Dollar Tree, Inc	Term Loan	379,746.83	Ba2	1,350.00	512,658,220.50
Dynegy Inc	Term Loan B	3,000,000.00	B2	2,720.00	8,160,000,000.00
Dynegy Inc	Term Loan B2	561,403.51	B2	2,720.00	1,527,017,547.20
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	Ba2	1,350.00	4,764,618,018.00
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	B1	2,220.00	8,472,890,139.60
EMG Utica, LLC	Term Loan	1,921,842.30	B2	2,720.00	5,227,411,056.00
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	B1	2,220.00	4,219,585,723.80
EP Minerals, LLC	Term Loan (new)	726,588.10	B3	3,490.00	2,535,792,469.00
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	B2	2,720.00	5,137,857,259.20
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	B2	2,720.00	3,720,000,003.20
Eastern Power, LLC	Term Loan B	5,406,259.77	B2	2,720.00	14,705,026,574.40
Eldorado Resorts, Inc.	Term Loan B	528,436.87	B1	2,220.00	1,173,129,851.40
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	B2	2,720.00	16,197,497,238.40
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	Ba3	1,766.00	3,532,000,000.00
Entegris Inc	Term Loan	752,390.96	Ba3	1,766.00	1,328,722,435.36
Entercom Radio, LLC	Term Loan B	943,539.79	B1	2,220.00	2,094,658,333.80
Envision Healthcare Corporation	Term Loan B	2,000,000.00	B1	2,220.00	4,440,000,000.00
Essential Power, LLC	Term Loan B	921,225.89	B2	2,720.00	2,505,734,420.80
Exgen Renewables I, LLC	Term Loan	1,198,547.08	B1	2,220.00	2,660,774,517.60
Exopack Holdings S.A.	Term Loan	2,409,074.92	B3	3,490.00	8,407,671,470.80
FCA US LLC	New Term Loan B	4,047,032.27	Ba3	1,766.00	7,147,058,988.82
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	Ba2	1,350.00	2,766,029,593.50
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	Caa1	4,770.00	18,455,213,904.30
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	Caa2	6,500.00	4,383,882,360.00
Fieldwood Energy LLC	Term Loan	5,774,113.39	Caa2	6,500.00	37,531,737,035.00
Filtration Group Corporation	Term Loan B	5,660,526.16	B3	3,490.00	19,755,236,298.40
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	B1	2,220.00	16,859,954,724.00
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	B1	2,220.00	6,213,469,666.20
Flex Acquisition Company Inc	Term Loan	4,456,835.92	B3	3,490.00	15,554,357,360.80
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	B3	3,490.00	3,490,000,000.00
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	B3	3,490.00	10,311,931,652.90
GTT Communications Inc	Term Loan B	572,197.44	B2	2,720.00	1,556,377,036.80
GXS Group, Inc.	Term Loan B	6,248,911.57	Ba1	940.00	5,873,976,875.80
Gardner Denver, Inc.	Term Loan	4,866,892.03	Caa1	4,770.00	23,215,074,983.10
Gates Global LLC	Term Loan	1,722,149.36	Caa1	4,770.00	8,214,652,447.20
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	B1	2,220.00	3,528,809,169.60
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	B2	2,720.00	5,412,800,000.00



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Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	B2	2,720.00	6,258,317,657.60
Global Payments Inc.	Term Loan B (10/16)	628,376.63	Ba2	1,350.00	848,308,450.50
Gray Television, Inc.	Term Loan	1,133,351.60	B1	2,220.00	2,516,040,552.00
Greatbatch Ltd.	Term Loan B	1,737,147.23	B3	3,490.00	6,062,643,832.70
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	Ba3	1,766.00	8,726,817,405.86
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	Caa1	4,770.00	4,499,556,454.80
Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	B2	2,720.00	4,046,566,440.00
Harsco Corporation	Term Loan B	789,881.79	Ba1	940.00	742,488,882.60
Headwaters Incorporated	Term Loan B	643,518.00	B1	2,220.00	1,428,609,960.00
Henry Company LLC	Term Loan B	1,514,090.89	B2	2,720.00	4,118,327,220.80
Hertz Corporation (The)	Term Loan B-1	995,000.00	B2	2,720.00	2,706,400,000.00
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	Ba2	1,350.00	300,241,120.50
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	Ba2	1,350.00	4,082,125,842.00
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	B3	3,490.00	4,294,147,617.10
Horizon Global Corporation	Term Loan B	3,984,376.75	B2	2,720.00	10,837,504,760.00
Horizon Pharma, Inc.	Term Loan B	396,310.20	B2	2,720.00	1,077,963,744.00
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	B2	2,720.00	5,358,400,000.00
Hubbard Radio, LLC	Term Loan B	1,521,482.41	B1	2,220.00	3,377,690,950.20
Huntsman International LLC	2023 Term B Loan	533,448.11	Ba3	1,766.00	942,069,362.26
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	B2	2,720.00	6,696,231,972.80
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	B2	2,720.00	5,385,702,000.00
Immucor, Inc.	Term Loan B-2	6,665,036.50	Caa1	4,770.00	31,792,224,105.00
Infinity Acquisition, LLC	Term Loan	1,955,225.00	B3	3,490.00	6,823,735,250.00
Infor (US), Inc.	Term Loan B-5	1,945,297.69	B3	3,490.00	6,789,088,938.10
Information Resources, Inc.	New Term Loan	3,025,268.20	B2	2,720.00	8,228,729,504.00
Jazz Acquisition, Inc	Term Loan	368,013.38	Caa1	4,770.00	1,755,423,822.60
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	B1	2,220.00	5,220,664,309.80
Joerns Healthcare, LLC	Term Loan	3,261,548.03	*	*	*
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	B3	3,490.00	6,980,000,000.00
KFC Holding Co.	Term Loan B	1,496,789.43	B1	2,220.00	3,322,872,534.60
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	B2	2,720.00	1,379,205,294.40
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	B2	2,720.00	313,061,854.40
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	B2	2,720.00	4,455,504,921.60
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	B2	2,720.00	14,802,852,163.20
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	B2	2,720.00	13,308,141,116.80
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	B2	2,720.00	877,224,724.80
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	B2	2,720.00	2,052,705,963.20
Kronos Incorporated	Initial Term Loan	2,982,265.03	B3	3,490.00	10,408,104,954.70



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LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	Ba3	1,766.00	9,280,266,600.60
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	Ba3	1,766.00	1,721,850,000.00
MTS Systems Corporation	Term Loan B	1,807,874.73	B1	2,220.00	4,013,481,900.60
Magic Newco, LLC	Term Loan	7,771,544.04	B3	3,490.00	27,122,688,699.60
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	Ba3	1,766.00	6,058,606,857.86
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	Ba3	1,766.00	3,452,530,000.00
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	B2	2,720.00	2,752,407,222.40
Mannington Mills, Inc.	Term Loan	953,049.47	B1	2,220.00	2,115,769,823.40
Marine Acquisition Corp.	Term Loan	2,334,456.32	B2	2,720.00	6,349,721,190.40
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	Caa1	4,770.00	9,515,663,269.20
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	Ba3	1,766.00	6,807,705,082.24
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	B2	2,720.00	3,535,378,806.40
Metal Services LLC	Term Loan	1,842,597.29	B2	2,720.00	5,011,864,628.80
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	B1	2,220.00	6,560,100,000.00
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	Ba2	1,350.00	1,646,241,030.00
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	B2	2,720.00	2,720,000,000.00
Micro Holding Corp.	Term Loan	1,693,384.37	B2	2,720.00	4,606,005,486.40
Micron Technology, Inc.	Term Loan	1,081,199.90	Ba2	1,350.00	1,459,619,865.00
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	B1	2,220.00	4,687,367,340.60
Milacron LLC	Term Loan B (1st Lien)	340,119.27	B2	2,720.00	925,124,414.40
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	Ba2	1,350.00	1,363,846,153.50
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	B1	2,220.00	2,021,613,962.40
Mitchell International, Inc.	Term Loan B	4,657,738.01	B3	3,490.00	16,255,505,654.90
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	B1	2,220.00	5,736,590,267.40
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	B1	2,220.00	5,052,638,281.80
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	B1	2,220.00	4,217,246,398.80
Murray Energy Corporation	Term Loan B2	5,130,849.76	Caa2	6,500.00	33,350,523,440.00
NBTY, Inc.	Term Loan B	1,613,492.72	B2	2,720.00	4,388,700,198.40
NN, Inc.	Term Loan B (9/16)	702,144.91	B2	2,720.00	1,909,834,155.20
NPC International, Inc.	Term Loan B	1,974,093.26	B2	2,720.00	5,369,533,667.20
NXP B.V.	Term Loan F	1,656,178.03	Baa3	610.00	1,010,268,598.30
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	B3	3,490.00	3,472,252,652.00
National Financial Partners Corporation	Term Loan B	2,354,724.29	B3	3,490.00	8,217,987,772.10
National Surgical Hospitals, Inc.	Term Loan	731,421.39	B2	2,720.00	1,989,466,180.80
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	B1	2,220.00	2,292,542,163.00
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	Ba2	1,350.00	513,520,384.50
Omnitracs, LLC	Second Lien Term Loan	762,692.55	B2	2,720.00	2,074,523,736.00
Omnitracs, LLC	Term Loan	4,918,350.39	B2	2,720.00	13,377,913,061.07



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Omnova Solutions Inc.	Term Loan B2	2,992,500.00	B1	2,220.00	6,643,350,000.00
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	Ba2	1,350.00	1,303,300,827.00
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	B3	3,490.00	13,731,213,189.60
PFS Holding Corporation	Term Loan	1,520,907.18	B3	3,490.00	5,307,966,058.20
PGT, Inc.	Term Loan	1,955,370.37	B2	2,720.00	5,318,607,406.40
PODS LLC	Term Loan B	1,519,287.93	B2	2,720.00	4,132,463,169.60
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	B2	2,720.00	4,976,795,260.80
Pelican Products, Inc.	Term Loan	111,885.85	*	*	*
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	*	*	*
Penn National Gaming, Inc.	New Term Loan B	866,316.21	Ba3	1,766.00	1,529,914,426.86
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	Ba1	940.00	548,331,102.40
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	Ba3	1,766.00	1,267,676,565.90
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	Ca	10,000.00	29,020,100,300.00
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	B1	2,220.00	4,231,699,797.60
PolyOne Corporation	Term Loan B	1,347,089.75	Ba2	1,350.00	1,818,571,162.50
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	B3	3,490.00	6,980,000,000.00
Prestige Brands, Inc.	Term Loan B3	818,276.14	Caa1	4,770.00	3,903,177,187.80
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	B1	2,220.00	3,809,772,369.60
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	B3	3,490.00	6,420,382,094.70
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	B2	2,720.00	8,132,765,918.40
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	B2	2,720.00	9,887,560,644.80
RP Crown Parent, LLC	Term Loan B	2,000,000.00	B2	2,720.00	5,440,000,000.00
RPI Finance Trust	Term Loan B5	5,747,171.70	Ba1	940.00	5,402,341,398.00
RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	B2	2,720.00	14,681,845,564.80
Realogy Group LLC	Term Loan B (07/16)	474,783.66	Ba3	1,766.00	838,467,943.56
Renaissance Learning, Inc.	Term Loan	3,227,487.61	B3	3,490.00	11,263,931,758.90
Ryman Hospitality	Term Loan B	676,502.14	Ba3	1,766.00	1,194,702,779.24
SBA Senior Finance II LLC	Term Loan	3,900,000.00	B1	2,220.00	8,658,000,000.00
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	Ba3	1,766.00	6,457,415,061.72
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	B2	2,720.00	5,255,059,665.60
SRAM, LLC	First Lien Term Loan	1,990,315.50	B2	2,720.00	5,413,658,160.00
SRS Distribution Inc.	Term Loan	2,518,995.35	B2	2,720.00	6,851,667,352.00
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	B2	2,720.00	7,777,632,001.60
Sabre GBLB Inc.	Term Loan B-2	4,840,357.36	Ba2	1,350.00	6,534,482,436.00
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	Caa1	4,770.00	14,965,927,708.50
Samsonite International S.A.	Term Loan B	661,229.19	Ba2	1,350.00	892,659,406.50
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	B1	2,220.00	8,810,145,346.80
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	B1	2,220.00	3,886,585,723.80



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Seadrill Operating LP	Term Loan B	3,926,646.02	Caa3	8,070.00	31,688,033,381.40
Seahawk Holding Limited	Term Loan B	3,000,000.00	B2	2,720.00	8,160,000,000.00
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	B1	2,220.00	4,406,700,000.00
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	B2	2,720.00	8,160,000,000.00
Shaw Data Centre LP	Term Loan	1,965,775.16	B2	2,720.00	5,346,908,435.20
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	B2	2,720.00	1,360,000,000.00
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	Ba3	1,766.00	10,308,139,280.36
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	B3	3,490.00	13,687,064,096.30
Southcross Energy Partners, L.P.	Term Loan	791,537.81	Caa1	4,770.00	3,775,635,353.70
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	B2	2,720.00	10,243,770,838.40
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	B3	3,490.00	13,108,436,126.10
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	B2	2,720.00	15,794,785,952.00
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	Caa1	4,770.00	10,991,809,315.80
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	B3	3,490.00	9,379,963,658.30
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	Caa2	6,500.00	5,122,375,245.00
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	Caa2	6,500.00	31,759,416,845.00
Targa Resources Corp	Term Loan	372,093.02	Ba3	1,766.00	657,116,273.32
Team Health, Inc.	5/16 Term Loan	5,280,526.03	B2	2,720.00	14,363,030,801.60
Tecomet Inc.	Term Loan	3,924,912.29	Caa1	4,770.00	18,721,831,623.30
Tectum Holdings, Inc.	Term Loan	1,897,308.50	B2	2,720.00	5,160,679,120.00
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	B3	3,490.00	6,875,300,000.00
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	B3	3,490.00	364,623,473.60
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	B3	3,490.00	888,464,167.40
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	Ba3	1,766.00	3,532,000,000.00
The Talbots Inc.	Term Loan	3,930,275.57	B2	2,720.00	10,690,349,550.40
Total Merchant Services, Inc	Term Loan	1,960,000.00	B2	2,720.00	5,331,200,000.00
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	B3	3,490.00	6,458,062,822.00
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	B2	2,720.00	18,257,614,304.00
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	B2	2,720.00	1,073,480,558.40
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	Caa1	4,770.00	5,331,617,558.10
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	Caa1	4,770.00	904,687,406.10
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	B3	3,490.00	13,482,492,860.30
TruckPro, Inc.	Term Loan	1,425,556.36	*	*	*
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	B2	2,720.00	13,195,187,078.40
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	Ba3	1,766.00	3,532,000,000.00
USI, Inc.	Term Loan B	2,046,629.50	B3	3,490.00	7,142,736,955.00
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	B2	2,720.00	1,215,460,152.00
USS Parent Holding Corp.	Term Loan	287,967.83	B2	2,720.00	783,272,497.60



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Univision Communications Inc.	Term Loan C3	252,546.41	B2	2,720.00	686,926,235.20
Univision Communications Inc.	Term Loan C4	4,426,565.88	B2	2,720.00	12,040,259,193.60
Utex Industries, Inc.	Term Loan	886,584.34	Caa2	6,500.00	5,762,798,210.00
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	B3	3,490.00	1,946,247,918.40
VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	Ba3	1,766.00	10,507,873,509.50
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	Caa1	4,770.00	22,354,356,530.70
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	Ba2	1,350.00	1,164,578,242.50
W/S Packaging Group, Inc.	Term Loan B	746,607.74	Caa3	8,070.00	6,025,124,461.80
W3 Co.	New Term Loan A	3,869,346.75	Ca	10,000.00	38,693,467,500.00
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	B1	2,220.00	4,700,556,338.40
Wastequip, LLC	Term Loan	1,943,599.57	B2	2,720.00	5,286,590,830.40
West Corporation	Replacement Term Loan B12	1,985,037.47	B1	2,220.00	4,406,783,183.40
Western Digital Corporation	Term Loan B-1	796,000.00	Ba1	940.00	748,240,000.00
Wilsonart LLC	Term Loan C	593,703.66	B2	2,720.00	1,614,873,955.20
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	B2	2,720.00	7,646,743,616.00
York Risk Services Holding Corp.	Term Loan B	3,865,753.92	Caa1	4,770.00	18,439,646,198.40
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	Ba3	1,766.00	967,999,187.06
Zekelman Industries, Inc	Term Loan	995,000.00	B2	2,720.00	2,706,400,000.00
Ziggo BV	Term Loan D	4,206,866.04	B1	2,220.00	9,339,242,608.80
inVentiv Health, Inc.	Term Loan B	1,617,588.74	B3	3,490.00	5,645,384,702.60

642,916,866.88

Adjusted Weighted Average Rating	2,961
Recovery Rate Modifier	539
Maximum Weighted Average Rating	3,189
Test Result	Passed
Total Weighted Factor	1,903,446,635,743.69



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24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	B2	2,720.00	10,167,873,835.20
ADMI Corp.	Initial Term Loan	2,281,584.04	B2	2,720.00	6,205,908,588.80
AMC Entertainment Inc.	Term Loan	3,880,402.02	B1	2,220.00	8,614,492,484.40
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	B3	3,490.00	3,706,771,438.40
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	B3	3,490.00	4,819,987,173.50
Academy, Ltd.	Term Loan	3,841,776.73	B2	2,720.00	10,449,632,705.60
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	B1	2,220.00	1,303,756,494.00
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	B2	2,720.00	13,382,738,585.60
AdvancePierre Foods, Inc.	Term Loan	354,581.43	B1	2,220.00	787,170,774.60
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	B2	2,720.00	4,040,163,859.20
Alere Inc.	Term Loan B	491,061.34	B1	2,220.00	1,090,156,174.80
Alison US LLC	Term Loan B-1	977,500.00	B3	3,490.00	3,411,475,000.00
Alison US LLC	Term Loan B-2	977,500.00	B3	3,490.00	3,411,475,000.00
Alpha Topco Limited	Term Loan B3	3,000,000.00	B3	3,490.00	10,470,000,000.00
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	B2	2,720.00	5,886,398,838.40
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	Ba3	1,766.00	12,891,017,767.96
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	B1	2,220.00	9,557,099,689.20
Apex Tool Group, LLC	Term Loan	5,804,020.06	B3	3,490.00	20,256,030,009.40
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	B2	2,720.00	9,984,889,126.40
Aramark Corporation	Term Loan F	3,890,000.00	Ba2	1,350.00	5,251,500,000.00
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	B1	2,220.00	4,457,695,242.60
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	Ba2	1,350.00	2,700,000,000.00
Astoria Energy LLC	Term Loan	2,765,960.89	B1	2,220.00	6,140,433,175.80
Asurion, LLC	First Lien Term Loan	2,855,338.62	B2	2,720.00	7,766,521,046.40
Asurion, LLC	Replacement Term Loan B-2	471,939.56	B2	2,720.00	1,283,675,603.20
Asurion, LLC	Second Lien Term Loan	418,263.35	B2	2,720.00	1,137,676,312.00
Asurion, LLC	Term Loan B-5	1,995,000.00	B2	2,720.00	5,426,400,000.00
At Home Holding III Inc	Term Loan	2,129,536.34	B1	2,220.00	4,727,570,674.80
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	B2	2,720.00	4,429,929,332.80
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	B1	2,220.00	2,586,858,640.80
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	Ba3	1,766.00	3,477,800,506.36
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	B3	3,490.00	9,317,369,810.30
BWAY Holding Company	Term loan	2,823,385.83	B3	3,490.00	9,853,616,546.70
Bass Pro Group, LLC	Term Loan	4,952,921.34	Ba3	1,766.00	8,746,859,086.44
Bats Global Markets, Inc.	Term Loan	991,672.64	Ba2	1,350.00	1,338,758,064.00
Beacon Roofing Supply Inc	Term Loan B	581,684.70	B1	2,220.00	1,291,340,034.00
Berry Plastics Corporation	Term Loan D	3,839,734.37	B2	2,720.00	10,444,077,486.40
Berry Plastics Corporation	Term Loan H	328,048.18	B2	2,720.00	892,291,049.60



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Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	Caa2	6,500.00	4,600,352,120.00
Bioscrip, Inc.	Term Loan B	1,179,577.48	Caa2	6,500.00	7,667,253,620.00
Boyd Gaming Corporation	Term Loan B	1,230,682.13	B2	2,720.00	3,347,455,393.60
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	B2	2,720.00	7,479,783,025.60
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	Caa1	4,770.00	14,477,434,679.70
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	Ba2	1,350.00	3,299,938,704.00
Builders FirstSource, Inc.	Term Loan B	790,239.16	B3	3,490.00	2,757,934,668.40
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	Ba3	1,766.00	3,806,575,260.58
CCM Merger, Inc.	Term Loan	714,699.88	B2	2,720.00	1,943,983,673.60
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	B2	2,720.00	3,584,553,931.20
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	B2	2,720.00	11,795,740,224.00
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	B3	3,490.00	13,778,859,123.30
CPI International, Inc.	Term Loan	1,123,273.63	B3	3,490.00	3,920,224,968.70
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	B2	2,720.00	3,209,962,222.40
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	Ba3	1,766.00	3,425,820,238.96
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	Ba3	1,766.00	526,829,905.88
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	B2	2,720.00	1,937,262,281.60
Caraustar Industries Inc.	Term Loan	1,732,087.81	B2	2,720.00	4,711,278,843.20
CareCore National, LLC	Term Loan B	2,947,318.00	B2	2,720.00	8,016,704,960.00
Carr Management, Inc.	Term Loan	1,848,688.51	*	*	*
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	B1	2,220.00	549,995,942.40
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	B2	2,720.00	5,412,800,000.00
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	Ba2	1,350.00	2,693,023,254.00
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	Ba2	1,350.00	2,307,015,526.50
Chemours Company, The	Term Loan B	2,199,418.52	Ba3	1,766.00	3,884,173,106.32
Cinemark USA, Inc	Term Loan	2,880,865.44	B1	2,220.00	6,395,521,276.80
Concentra Inc.	Term Loan B	2,381,812.53	B2	2,720.00	6,478,530,081.60
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	B3	3,490.00	3,939,801,844.50
Consolidated Communications, Inc.	Term Loan B	858,840.37	B1	2,220.00	1,906,625,621.40
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	Caa1	4,770.00	4,770,000,000.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	B2	2,720.00	1,487,026,992.00
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	Ba3	1,766.00	2,992,585,295.56
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	B3	3,490.00	2,328,131,675.60
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	B3	3,490.00	16,534,016,240.30
Dayton Power And Light Company (The)	Term Loan B	767,105.59	Ba3	1,766.00	1,354,708,471.94
Dell International L.L.C.	Term Loan A2	2,000,000.00	Ba1	940.00	1,880,000,000.00
Dell International L.L.C.	Term Loan B	4,000,000.00	Ba1	940.00	3,760,000,000.00
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	Baa3	610.00	1,249,082,414.90



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Diamond US Holding LLC	Term Loan B	2,866,082.45	B2	2,720.00	7,795,744,264.00
Dollar Tree, Inc	Term Loan	379,746.83	Ba2	1,350.00	512,658,220.50
Dynegy Inc	Term Loan B	3,000,000.00	B2	2,720.00	8,160,000,000.00
Dynegy Inc	Term Loan B2	561,403.51	B2	2,720.00	1,527,017,547.20
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	Ba2	1,350.00	4,764,618,018.00
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	B1	2,220.00	8,472,890,139.60
EMG Utica, LLC	Term Loan	1,921,842.30	B2	2,720.00	5,227,411,056.00
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	B1	2,220.00	4,219,585,723.80
EP Minerals, LLC	Term Loan (new)	726,588.10	B3	3,490.00	2,535,792,469.00
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	B2	2,720.00	5,137,857,259.20
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	B2	2,720.00	3,720,000,003.20
Eastern Power, LLC	Term Loan B	5,406,259.77	B2	2,720.00	14,705,026,574.40
Eldorado Resorts, Inc.	Term Loan B	528,436.87	B1	2,220.00	1,173,129,851.40
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	B1	2,220.00	13,220,016,128.40
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	Ba2	1,350.00	2,700,000,000.00
Entegris Inc	Term Loan	752,390.96	Ba3	1,766.00	1,328,722,435.36
Entercom Radio, LLC	Term Loan B	943,539.79	B1	2,220.00	2,094,658,333.80
Envision Healthcare Corporation	Term Loan B	2,000,000.00	B1	2,220.00	4,440,000,000.00
Essential Power, LLC	Term Loan B	921,225.89	B2	2,720.00	2,505,734,420.80
Exgen Renewables I, LLC	Term Loan	1,198,547.08	B1	2,220.00	2,660,774,517.60
Exopack Holdings S.A.	Term Loan	2,409,074.92	B3	3,490.00	8,407,671,470.80
FCA US LLC	New Term Loan B	4,047,032.27	Ba3	1,766.00	7,147,058,988.82
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	Ba2	1,350.00	2,766,029,593.50
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	Caa1	4,770.00	18,455,213,904.30
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	Caa2	6,500.00	4,383,882,360.00
Fieldwood Energy LLC	Term Loan	5,774,113.39	Caa2	6,500.00	37,531,737,035.00
Filtration Group Corporation	Term Loan B	5,660,526.16	B2	2,720.00	15,396,631,155.20
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	B1	2,220.00	16,859,954,724.00
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	B1	2,220.00	6,213,469,666.20
Flex Acquisition Company Inc	Term Loan	4,456,835.92	B2	2,720.00	12,122,593,702.40
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	B3	3,490.00	3,490,000,000.00
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	B3	3,490.00	10,311,931,652.90
GTT Communications Inc	Term Loan B	572,197.44	B2	2,720.00	1,556,377,036.80
GXS Group, Inc.	Term Loan B	6,248,911.57	Ba1	940.00	5,873,976,875.80
Gardner Denver, Inc.	Term Loan	4,866,892.03	B3	3,490.00	16,985,453,184.70
Gates Global LLC	Term Loan	1,722,149.36	B3	3,490.00	6,010,301,266.40
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	Ba3	1,766.00	2,807,151,798.88
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	B2	2,720.00	5,412,800,000.00



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Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	B2	2,720.00	6,258,317,657.60
Global Payments Inc.	Term Loan B (10/16)	628,376.63	Ba2	1,350.00	848,308,450.50
Gray Television, Inc.	Term Loan	1,133,351.60	B1	2,220.00	2,516,040,552.00
Greatbatch Ltd.	Term Loan B	1,737,147.23	B3	3,490.00	6,062,643,832.70
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	Ba3	1,766.00	8,726,817,405.86
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	B3	3,490.00	3,292,128,307.60
Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	B2	2,720.00	4,046,566,440.00
Harsco Corporation	Term Loan B	789,881.79	Ba1	940.00	742,488,882.60
Headwaters Incorporated	Term Loan B	643,518.00	B1	2,220.00	1,428,609,960.00
Henry Company LLC	Term Loan B	1,514,090.89	B2	2,720.00	4,118,327,220.80
Hertz Corporation (The)	Term Loan B-1	995,000.00	B1	2,220.00	2,208,900,000.00
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	Ba2	1,350.00	300,241,120.50
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	Ba2	1,350.00	4,082,125,842.00
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	B3	3,490.00	4,294,147,617.10
Horizon Global Corporation	Term Loan B	3,984,376.75	B2	2,720.00	10,837,504,760.00
Horizon Pharma, Inc.	Term Loan B	396,310.20	B2	2,720.00	1,077,963,744.00
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	B2	2,720.00	5,358,400,000.00
Hubbard Radio, LLC	Term Loan B	1,521,482.41	B1	2,220.00	3,377,690,950.20
Huntsman International LLC	2023 Term B Loan	533,448.11	Ba3	1,766.00	942,069,362.26
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	B2	2,720.00	6,696,231,972.80
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	B2	2,720.00	5,385,702,000.00
Immucor, Inc.	Term Loan B-2	6,665,036.50	Caa1	4,770.00	31,792,224,105.00
Infinity Acquisition, LLC	Term Loan	1,955,225.00	B3	3,490.00	6,823,735,250.00
Infor (US), Inc.	Term Loan B-5	1,945,297.69	B3	3,490.00	6,789,088,938.10
Information Resources, Inc.	New Term Loan	3,025,268.20	B2	2,720.00	8,228,729,504.00
Jazz Acquisition, Inc	Term Loan	368,013.38	Caa1	4,770.00	1,755,423,822.60
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	B1	2,220.00	5,220,664,309.80
Joerns Healthcare, LLC	Term Loan	3,261,548.03	*	*	*
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	B2	2,720.00	5,440,000,000.00
KFC Holding Co.	Term Loan B	1,496,789.43	Ba3	1,766.00	2,643,330,133.38
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	B2	2,720.00	1,379,205,294.40
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	B2	2,720.00	313,061,854.40
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	B2	2,720.00	4,455,504,921.60
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	B2	2,720.00	14,802,852,163.20
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	B2	2,720.00	13,308,141,116.80
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	B2	2,720.00	877,224,724.80
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	B2	2,720.00	2,052,705,963.20
Kronos Incorporated	Initial Term Loan	2,982,265.03	B3	3,490.00	10,408,104,954.70



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LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	Ba3	1,766.00	9,280,266,600.60
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	Ba3	1,766.00	1,721,850,000.00
MTS Systems Corporation	Term Loan B	1,807,874.73	B1	2,220.00	4,013,481,900.60
Magic Newco, LLC	Term Loan	7,771,544.04	B2	2,720.00	21,138,599,788.80
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	Ba3	1,766.00	6,058,606,857.86
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	Ba3	1,766.00	3,452,530,000.00
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	B2	2,720.00	2,752,407,222.40
Mannington Mills, Inc.	Term Loan	953,049.47	B1	2,220.00	2,115,769,823.40
Marine Acquisition Corp.	Term Loan	2,334,456.32	B2	2,720.00	6,349,721,190.40
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	B3	3,490.00	6,962,193,880.40
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	Ba3	1,766.00	6,807,705,082.24
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	B2	2,720.00	3,535,378,806.40
Metal Services LLC	Term Loan	1,842,597.29	B2	2,720.00	5,011,864,628.80
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	B1	2,220.00	6,560,100,000.00
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	Ba2	1,350.00	1,646,241,030.00
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	B2	2,720.00	2,720,000,000.00
Micro Holding Corp.	Term Loan	1,693,384.37	B2	2,720.00	4,606,005,486.40
Micron Technology, Inc.	Term Loan	1,081,199.90	Ba2	1,350.00	1,459,619,865.00
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	B1	2,220.00	4,687,367,340.60
Milacron LLC	Term Loan B (1st Lien)	340,119.27	B2	2,720.00	925,124,414.40
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	Ba2	1,350.00	1,363,846,153.50
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	B1	2,220.00	2,021,613,962.40
Mitchell International, Inc.	Term Loan B	4,657,738.01	B3	3,490.00	16,255,505,654.90
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	B1	2,220.00	5,736,590,267.40
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	B1	2,220.00	5,052,638,281.80
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	B1	2,220.00	4,217,246,398.80
Murray Energy Corporation	Term Loan B2	5,130,849.76	Caa2	6,500.00	33,350,523,440.00
NBTY, Inc.	Term Loan B	1,613,492.72	B2	2,720.00	4,388,700,198.40
NN, Inc.	Term Loan B (9/16)	702,144.91	B2	2,720.00	1,909,834,155.20
NPC International, Inc.	Term Loan B	1,974,093.26	B2	2,720.00	5,369,533,667.20
NXP B.V.	Term Loan F	1,656,178.03	Baa3	610.00	1,010,268,598.30
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	B3	3,490.00	3,472,252,652.00
National Financial Partners Corporation	Term Loan B	2,354,724.29	B3	3,490.00	8,217,987,772.10
National Surgical Hospitals, Inc.	Term Loan	731,421.39	B2	2,720.00	1,989,466,180.80
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	B1	2,220.00	2,292,542,163.00
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	Ba2	1,350.00	513,520,384.50
Omnitracs, LLC	Second Lien Term Loan	762,692.55	B2	2,720.00	2,074,523,736.00
Omnitracs, LLC	Term Loan	4,918,350.39	B2	2,720.00	13,377,913,061.07



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Omnova Solutions Inc.	Term Loan B2	2,992,500.00	B1	2,220.00	6,643,350,000.00
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	Ba2	1,350.00	1,303,300,827.00
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	B3	3,490.00	13,731,213,189.60
PFS Holding Corporation	Term Loan	1,520,907.18	B3	3,490.00	5,307,966,058.20
PGT, Inc.	Term Loan	1,955,370.37	B2	2,720.00	5,318,607,406.40
PODS LLC	Term Loan B	1,519,287.93	B2	2,720.00	4,132,463,169.60
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	B2	2,720.00	4,976,795,260.80
Pelican Products, Inc.	Term Loan	111,885.85	*	*	*
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	*	*	*
Penn National Gaming, Inc.	New Term Loan B	866,316.21	Ba3	1,766.00	1,529,914,426.86
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	Ba1	940.00	548,331,102.40
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	Ba3	1,766.00	1,267,676,565.90
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	Ca	10,000.00	29,020,100,300.00
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	B1	2,220.00	4,231,699,797.60
PolyOne Corporation	Term Loan B	1,347,089.75	Ba2	1,350.00	1,818,571,162.50
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	B3	3,490.00	6,980,000,000.00
Prestige Brands, Inc.	Term Loan B3	818,276.14	B3	3,490.00	2,855,783,728.60
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	B1	2,220.00	3,809,772,369.60
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	B3	3,490.00	6,420,382,094.70
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	B1	2,220.00	6,637,772,183.40
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	B2	2,720.00	9,887,560,644.80
RP Crown Parent, LLC	Term Loan B	2,000,000.00	B2	2,720.00	5,440,000,000.00
RPI Finance Trust	Term Loan B5	5,747,171.70	Baa3	610.00	3,505,774,737.00
RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	B2	2,720.00	14,681,845,564.80
Realogy Group LLC	Term Loan B (07/16)	474,783.66	Ba3	1,766.00	838,467,943.56
Renaissance Learning, Inc.	Term Loan	3,227,487.61	B3	3,490.00	11,263,931,758.90
Ryman Hospitality	Term Loan B	676,502.14	Ba3	1,766.00	1,194,702,779.24
SBA Senior Finance II LLC	Term Loan	3,900,000.00	B1	2,220.00	8,658,000,000.00
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	Ba2	1,350.00	4,936,302,567.00
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	B2	2,720.00	5,255,059,665.60
SRAM, LLC	First Lien Term Loan	1,990,315.50	B2	2,720.00	5,413,658,160.00
SRS Distribution Inc.	Term Loan	2,518,995.35	B2	2,720.00	6,851,667,352.00
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	B2	2,720.00	7,777,632,001.60
Sabre GBLB Inc.	Term Loan B-2	4,840,357.36	Ba2	1,350.00	6,534,482,436.00
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	B3	3,490.00	10,949,913,564.50
Samsonite International S.A.	Term Loan B	661,229.19	Ba2	1,350.00	892,659,406.50
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	B1	2,220.00	8,810,145,346.80
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	B1	2,220.00	3,886,585,723.80



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Seadrill Operating LP	Term Loan B	3,926,646.02	Caa2	6,500.00	25,523,199,130.00
Seahawk Holding Limited	Term Loan B	3,000,000.00	B2	2,720.00	8,160,000,000.00
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	B1	2,220.00	4,406,700,000.00
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	B1	2,220.00	6,660,000,000.00
Shaw Data Centre LP	Term Loan	1,965,775.16	B2	2,720.00	5,346,908,435.20
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	B2	2,720.00	1,360,000,000.00
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	Ba3	1,766.00	10,308,139,280.36
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	B3	3,490.00	13,687,064,096.30
Southcross Energy Partners, L.P.	Term Loan	791,537.81	Caa1	4,770.00	3,775,635,353.70
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	B1	2,220.00	8,360,724,728.40
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	B2	2,720.00	10,216,316,980.80
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	B2	2,720.00	15,794,785,952.00
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	Caa1	4,770.00	10,991,809,315.80
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	B3	3,490.00	9,379,963,658.30
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	Caa1	4,770.00	3,759,035,372.10
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	Caa1	4,770.00	23,306,525,900.10
Targa Resources Corp	Term Loan	372,093.02	Ba2	1,350.00	502,325,577.00
Team Health, Inc.	5/16 Term Loan	5,280,526.03	B1	2,220.00	11,722,767,786.60
Tecomet Inc.	Term Loan	3,924,912.29	B3	3,490.00	13,697,943,892.10
Tectum Holdings, Inc.	Term Loan	1,897,308.50	B2	2,720.00	5,160,679,120.00
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	B3	3,490.00	6,875,300,000.00
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	B3	3,490.00	364,623,473.60
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	B3	3,490.00	888,464,167.40
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	Ba3	1,766.00	3,532,000,000.00
The Talbots Inc.	Term Loan	3,930,275.57	B2	2,720.00	10,690,349,550.40
Total Merchant Services, Inc	Term Loan	1,960,000.00	B2	2,720.00	5,331,200,000.00
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	B3	3,490.00	6,458,062,822.00
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	B2	2,720.00	18,257,614,304.00
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	B2	2,720.00	1,073,480,558.40
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	Caa1	4,770.00	5,331,617,558.10
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	Caa1	4,770.00	904,687,406.10
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	B2	2,720.00	10,507,845,438.40
TruckPro, Inc.	Term Loan	1,425,556.36	*	*	*
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	B2	2,720.00	13,195,187,078.40
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	Ba3	1,766.00	3,532,000,000.00
USI, Inc.	Term Loan B	2,046,629.50	B3	3,490.00	7,142,736,955.00
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	B2	2,720.00	1,215,460,152.00
USS Parent Holding Corp.	Term Loan	287,967.83	B2	2,720.00	783,272,497.60



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Univision Communications Inc.	Term Loan C3	252,546.41	B2	2,720.00	686,926,235.20
Univision Communications Inc.	Term Loan C4	4,426,565.88	B2	2,720.00	12,040,259,193.60
Utex Industries, Inc.	Term Loan	886,584.34	Caa2	6,500.00	5,762,798,210.00
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	B3	3,490.00	1,946,247,918.40
VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	Ba3	1,766.00	10,507,873,509.50
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	B3	3,490.00	16,355,703,205.90
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	Ba2	1,350.00	1,164,578,242.50
W/S Packaging Group, Inc.	Term Loan B	746,607.74	Caa2	6,500.00	4,852,950,310.00
W3 Co.	New Term Loan A	3,869,346.75	Caa3	8,070.00	31,225,628,272.50
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	B1	2,220.00	4,700,556,338.40
Wastequip, LLC	Term Loan	1,943,599.57	B2	2,720.00	5,286,590,830.40
West Corporation	Replacement Term Loan B12	1,985,037.47	B1	2,220.00	4,406,783,183.40
Western Digital Corporation	Term Loan B-1	796,000.00	Ba1	940.00	748,240,000.00
Wilsonart LLC	Term Loan C	593,703.66	B2	2,720.00	1,614,873,955.20
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	B2	2,720.00	7,646,743,616.00
York Risk Services Holding Corp.	Term Loan B	3,865,753.92	Caa1	4,770.00	18,439,646,198.40
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	Ba3	1,766.00	967,999,187.06
Zekelman Industries, Inc	Term Loan	995,000.00	B2	2,720.00	2,706,400,000.00
Ziggo BV	Term Loan D	4,206,866.04	Ba3	1,766.00	7,429,325,426.64
inVentiv Health, Inc.	Term Loan B	1,617,588.74	B3	3,490.00	5,645,384,702.60

642,916,866.88

Weighted Average Rating	2,775
Recovery Rate Modifier	539
Maximum Weighted Average Rating	3,189
Test Result	Passed
Total Weighted Factor	1,784,193,574,360.55



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Aerospace and Defense	1.70000	2.38164	AerCap Holdings NV	0.7994	2,047,676.09
			American Airlines, Inc.	1.0000	7,299,557.06
			CPI International, Inc.	0.4385	1,123,273.63
			Jazz Acquisition, Inc	0.1437	368,013.38
Aerospace and Defense					10,838,520.16
Automotive	2.56670	4.72728	Fiat Chrysler Automobiles, N.V.	1.0000	4,047,032.27
			Gates Global LLC	0.6723	1,722,149.36
			Horizon Global Corporation	1.0000	3,984,376.75
			K&N Intermediate Holdings II, Inc.	0.7808	2,000,000.00
			NN, Inc.	0.2741	702,144.91
			USF Holdings LLC	1.0000	4,851,171.72
Automotive					17,306,875.01
Banking, Finance, Insurance & Real Estate	4.18000	11.77362	AmWINS Group, LLC	0.8449	2,164,117.22
			Bats Global Markets, Inc.	0.3872	991,672.64
			Capital Automotive L.P.	0.1165	298,318.18
			Confie Seguros Holding II Co.	0.4407	1,128,883.05
			Cunningham Lindsey U.S. Inc.	1.0000	5,404,626.91
			EZE Castle Software, Inc.	1.0000	3,256,565.17
			First Data Corporation	1.0000	10,393,434.41
			GENEX Holdings, Inc	1.0000	3,954,708.21
			LPL Holdings, Inc.	1.0000	5,254,964.10
			MoneyGram International	1.0000	2,584,049.67
			National Financial Partners Corporation	1.0000	3,349,639.09
			Realogy Group LLC	0.1854	474,783.66
			USI, Inc.	0.7990	2,046,629.50
			VFH Parent LLC	1.0000	5,950,098.25
			York Risk Services Holding Corp.	1.0000	3,865,753.92
Banking, Finance, Insurance & Real Estate					51,118,243.98
Beverage, Food & Tobacco	2.13330	3.44608	Acosta Holdco Inc	1.0000	4,920,124.48
			AdvancePierre Foods, Inc.	0.1384	354,581.43
			Atrium Innovations, Inc.	0.6358	1,628,650.49

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Beverage, Food & Tobacco	2.13330	3.44608	Constellation Brands Canada Inc	0.2134	546,701.10
			PFS Holding Corporation	0.5938	1,520,907.18
			Pinnacle Foods Finance LLC	0.2802	717,823.65
			Yum! Brands, Inc.	0.5844	1,496,789.43
Beverage, Food & Tobacco					11,185,577.76
Capital Equipment	2.03330	3.09391	Apex Tool Group, LLC	1.0000	5,804,020.06
			Gardner Denver, Inc.	1.0000	4,866,892.03
			Husky Injection Molding Systems Ltd.	0.9611	2,461,849.99
			Milacron LLC	0.1328	340,119.27
Capital Equipment					13,472,881.35
Chemical, Plastics, & Rubber	3.40000	7.57624	ASP Chromaflo Intermediate Holdings, Inc.	0.9538	2,443,197.31
			Avantor Performance Materials Holdings S.A.	0.4549	1,165,251.64
			Chemours Company, The	0.8587	2,199,418.52
			Consolidated Energy Ltd.	1.0000	2,955,000.00
			Huntsman International LLC	0.2083	533,448.11
			Kleopatra Holdings 1 S.C.A.	0.4205	1,077,180.40
			Omnova Solutions Inc.	1.0000	2,992,500.00
			Pinnacle Operating Corporation	1.0000	2,902,010.03
			PolyOne Corporation	0.5259	1,347,089.75
			Trinseo S.A.	0.1541	394,661.97
			Tronox Limited	1.0000	3,863,178.47
Chemical, Plastics, & Rubber					21,872,936.20
Construction & Building	3.10000	6.41000	Alison Bidco S.A.R.L.	0.7632	1,955,000.00
			American Builders & Contractors Supply Co., Inc.	1.0000	4,304,999.86
			Beacon Roofing Supply Inc	0.2271	581,684.70
			Builders FirstSource, Inc.	0.3085	790,239.16
			Headwaters Incorporated	0.2512	643,518.00
			Henry Company LLC	0.5911	1,514,090.89

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Construction & Building	3.10000	6.41000	Jeld-Wen, Inc.	0.9181	2,351,650.59
			Mannington Mills, Inc.	0.3721	953,049.47
			PGT, Inc.	0.7634	1,955,370.37
			SRS Distribution Inc.	0.9834	2,518,995.35
			Wilsonart LLC	0.2318	593,703.66
Construction & Building					18,162,302.05
Consumer Goods: Durable	3.65000	8.58114	Britax Childcare Holdings Limited	1.0000	3,035,101.61
			Generation Brands Holdings, Inc.	0.7769	1,990,000.00
			MTS Systems Corporation	0.7058	1,807,874.73
			Pelican Products, Inc.	0.4229	1,083,143.98
			Samsonite International S.A.	0.2581	661,229.19
			Serta Simmons Holdings, LLC	1.0000	3,000,000.00
			SRAM, LLC	0.7770	1,990,315.50
			Steinway Musical Instruments, Inc.	0.8996	2,304,362.54
			STS Operating, Inc.	1.0000	2,859,423.53
			Tectum Holdings, Inc.	0.7407	1,897,308.50
			Winebow Holdings Inc/The Vintner Group Inc	1.0000	2,811,302.80
Consumer Goods: Durable					23,440,062.38
Consumer Goods: Non- durable	1.05000	1.13924	Manitowoc Foodservice, Inc.	0.3951	1,011,914.42
			Planet Fitness Holdings, LLC	0.7442	1,906,171.08
Consumer Goods: Non- durable					2,918,085.50
Containers, Packaging & Glass	3.82500	9.26612	Berry Plastics Group, Inc.	1.0000	4,167,782.55
			BOE Intermediate Holding Corporation	1.0000	2,823,385.83
			Caraustar Industries Inc.	0.9543	2,444,316.59
			Carr Management, Inc.	0.7217	1,848,688.51
			Consolidated Container Company LLC	0.3904	1,000,000.00
			Exopack Holdings S.A.	0.9405	2,409,074.92
			Flex Acquisition Company Inc	1.0000	4,456,835.92
			Hoffmaster Group, Inc.	0.4804	1,230,414.79

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Containers, Packaging & Glass	3.82500	9.26612	Multi Packaging Solutions, Inc.	1.0000	4,175,623.73
			Proampac PG Borrower LLC	0.7182	1,839,651.03
			Tekni-Plex, Inc.	0.7691	1,970,000.00
			W/S Packaging Group, Inc.	0.2915	746,607.74
Containers, Packaging & Glass					29,112,381.61
Energy: Electricity	1.15000	1.33679	Astoria Energy LLC	1.0000	2,765,960.89
			Vistra Operations Company LLC	0.3368	862,650.55
Energy: Electricity					3,628,611.44
Energy: Oil & Gas	2.93330	5.75473	Bronco Midstream Funding, LLC	0.9543	2,444,399.04
			CITGO Petroleum Corporation	1.0000	3,948,097.17
			Fieldwood Energy LLC	1.0000	6,448,556.83
			Samchully Midstream 3 LLC	1.0000	3,137,511.05
			Seadrill Operating LP	1.0000	3,926,646.02
			Southcross Holdings LP	0.3090	791,537.81
			Targa Resources Corp	0.1453	372,093.02
			Utex Industries, Inc.	0.3461	886,584.34
Energy: Oil & Gas					21,955,425.28
Environmental Industries	1.00000	1.04568	USS Parent Holding Corp.	0.2869	734,828.18
			Wastequip, LLC	0.7588	1,943,599.57
Environmental Industries					2,678,427.75
Forest Products & Paper	0.80000	0.75427	SIG Combibloc PurchaseCo S.a r.l.	0.7543	1,932,007.23
Forest Products & Paper					1,932,007.23
Healthcare & Pharmaceuticals	5.00000	23.20244	Acadia Healthcare Company, Inc.	0.2293	587,277.70
			Alere Inc.	0.1917	491,061.34

**Babson CLO Ltd 2013-II**

Moody's Diversity

As of : 1/5/2017

Next Payment: 1/18/2017



Industry Name	Industry Diversity Score	Aggregate Industry Score	Issuer Name	Equivalent Unit Score	Principal Balance
Healthcare & Pharmaceuticals	5.00000	23.20244	Arbor Pharmaceuticals, Inc	0.7839	2,007,970.83
			Bioscrip, Inc.	0.7368	1,887,323.96
			CareCore National, LLC	1.0000	2,947,318.00
			Catalent Pharma Solutions, Inc.	0.0967	247,745.92
			Chiron Merger Sub, Inc.	1.0000	4,892,698.94
			CHS/Community Health Systems, Inc.	1.0000	5,654,519.91
			Concentra Inc.	0.9299	2,381,812.53
			ConvaTec Healthcare B S.a.r.l.	0.6616	1,694,555.66
			Endo Luxembourg Finance Company I S.a.r.l.	1.0000	5,954,962.22
			Envision Healthcare Corporation	0.7808	2,000,000.00
			Global Healthcare Exchange, LLC	0.8983	2,300,852.08
			Greatbatch Ltd.	0.6782	1,737,147.23
			Grifols Worldwide Operations USA Inc	1.0000	4,941,572.71
			Horizon Pharma, Inc.	0.1547	396,310.20
			Immucor, Inc.	1.0000	6,665,036.50
			Joerns Healthcare, LLC	1.0000	3,261,548.03
			Kindred Healthcare, Inc.	1.0000	5,442,225.06
			Mallinckrodt PLC	1.0000	5,385,694.71
			National Surgical Hospitals, Inc.	0.2856	731,421.39
			Ortho-Clinical Diagnostics Bermuda Co., Ltd.	1.0000	3,934,445.04
			Prospect Medical Holdings Inc.	1.0000	2,989,987.47
			RadNet Management, Inc.	1.0000	5,397,737.34
			Royalty Pharma Finance Trust	1.0000	5,747,171.70
			Select Medical Holdings Corp	0.7750	1,985,000.00
			Team Health, Inc.	1.0000	5,280,526.03
			Tecomet Inc.	1.0000	3,924,912.29
			Valeant Pharmaceuticals International, Inc.	1.0000	4,686,447.91
Healthcare & Pharmaceuticals					95,555,282.70
High Tech Industries	4.39000	13.89052	Dell Technologies Inc.	1.0000	6,000,000.00
			Diamond US Holding LLC	1.0000	2,866,082.45
			Entegris Inc	0.2937	752,390.96
			GGC Software Holdings, Inc	0.7595	1,945,297.69
			Infinity Acquisition, LLC	0.7633	1,955,225.00



Babson CLO Ltd 2013-II

Moody's Diversity

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<i>Industry Name</i>	<i>Industry Diversity Score</i>	<i>Aggregate Industry Score</i>	<i>Issuer Name</i>	<i>Equivalent Unit Score</i>	<i>Principal Balance</i>
High Tech Industries	4.39000	13.89052	Internet Brands, Inc	1.0000	2,693,384.37
			Kronos Incorporated	1.0000	2,982,265.03
			Magic Newco, LLC	1.0000	7,771,544.04
			Micron Technology, Inc.	0.4221	1,081,199.90
			NXP B.V.	0.6466	1,656,178.03
			Omnitracs, LLC	1.0000	5,681,042.94
			ON Semiconductor Corporation	0.1485	380,385.47
			Renaissance Learning, Inc.	1.0000	3,227,487.61
			Sabre Holdings Corporation	1.0000	4,840,357.36
			Sophia, L.P.	1.0000	3,921,794.87
			Tessera Technologies, Inc.	0.7808	2,000,000.00
			Total Merchant Services, Inc	0.7652	1,960,000.00
			Western Digital Corporation	0.3108	796,000.00
High Tech Industries					52,510,635.72
Hotels, Gaming & Leisure	3.22500	6.86648	Boyd Gaming Corporation	1.0000	3,980,602.36
			CCM Merger, Inc.	0.2790	714,699.88
			Delta 2 Lux SARL	1.0000	3,000,000.00
			Eldorado Resorts, Inc.	0.2063	528,436.87
			Hilton Worldwide Holdings Inc.	1.0000	3,246,197.75
			Marquee Inc. (AMC)	1.0000	3,880,402.02
			MediArena Acquisition B.V.	0.7788	1,994,897.96
			Penn National Gaming, Inc.	0.3382	866,316.21
			Ryman Hospitality	0.2641	676,502.14
			SeaWorld Parks & Entertainment, Inc.	1.0000	5,719,248.23
Hotels, Gaming & Leisure					24,607,303.42
Media: Advertising, Printing & Publishing	2.16670	3.50207	Cengage Learning Holdings II LP	0.7769	1,990,000.00
			EMI Music Publishing Group North America Holdings, Inc.	0.7421	1,900,714.29
			Houghton Mifflin Harcourt Co.	0.7691	1,970,000.00
			Springer SBM One GmbH	1.0000	5,806,906.60
			Zebra Technologies Corporation	0.2140	548,130.91
Media: Advertising, Printing & Publishing					12,215,751.80



Babson CLO Ltd 2013-II

Moody's Diversity

As of : 1/5/2017

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<i>Industry Name</i>	<i>Industry Diversity Score</i>	<i>Aggregate Industry Score</i>	<i>Issuer Name</i>	<i>Equivalent Unit Score</i>	<i>Principal Balance</i>
Media: Broadcasting & Subscription	4.19000	11.92603	CBS Outdoor Americas Capital Corporation	0.8415	2,155,478.63
			Charter Communications Inc.	1.0000	3,703,732.43
			Cinemark, Inc.	1.0000	2,880,865.44
			E.W. Scripps Company, The	1.0000	3,529,346.68
			Entercom Radio, LLC	0.3684	943,539.79
			Gray Television, Inc.	0.4425	1,133,351.60
			Hubbard Radio, LLC	0.5940	1,521,482.41
			Liberty Global, Inc.	0.7808	2,000,000.00
			Mediacom Communications Corporation	1.0000	3,854,872.64
			Nexstar Finance, Inc.	0.7587	1,943,313.57
			RCN Telecom Services, LLC	1.0000	3,635,132.59
			Sinclair Broadcast Group Inc	1.0000	5,836,998.46
			Telecommunications Management, LLC	0.1402	359,050.90
			Univision Communications Inc.	1.0000	4,679,112.29
			Ziggo BV	1.0000	4,206,866.04
Media: Broadcasting & Subscription					42,383,143.47
Metals & Mining	2.20000	3.58581	EP Minerals, LLC	0.2837	726,588.10
			Fortescue Metals Corp	0.7999	2,048,910.81
			Metal Services LLC	0.7194	1,842,597.29
			Minerals Technologies Inc.	0.3944	1,010,256.41
			Murray Energy Corporation	1.0000	5,130,849.76
			Zekelman Industries, Inc	0.3885	995,000.00
Metals & Mining					11,754,202.37
Retail	4.11000	11.06537	24 Hour Holdings III LLC	1.0000	3,738,188.91
			Alphabet Holding Company, Inc.	0.6299	1,613,492.72
			Ascena Retail Group, Inc.	0.7808	2,000,000.00
			At Home Group Inc.	0.8314	2,129,536.34
			Bass Pro Group, LLC	1.0000	4,952,921.34
			BJ's Wholesale Club, Inc.	1.0000	2,669,733.47
			Dollar Tree, Inc	0.1483	379,746.83
			GNC Parent Corp	0.6206	1,589,553.68
			Karman Buyer Corp	0.5799	1,485,354.36

**Babson CLO Ltd 2013-II**

Moody's Diversity

As of : 1/5/2017

Next Payment: 1/18/2017



<i>Industry Name</i>	<i>Industry Diversity Score</i>	<i>Aggregate Industry Score</i>	<i>Issuer Name</i>	<i>Equivalent Unit Score</i>	<i>Principal Balance</i>
Retail	4.11000	11.06537	Michaels Companies Inc	0.4761	1,219,437.80
			New Academy Holdings Co. LLC.	1.0000	3,841,776.73
			NPC International, Inc.	0.7707	1,974,093.26
			Pilot Travel Centers LLC	0.2277	583,330.96
			Spencer Spirit Holdings	1.0000	3,755,998.89
			The Talbots Inc.	1.0000	3,930,275.57
Retail					35,863,440.86
Services: Business	4.41000	14.07592	Aquilex HydroChem, Inc.	1.0000	3,670,915.12
			Aramark Holdings Corporation	1.0000	3,890,000.00
			Filtration Group Corporation	1.0000	5,660,526.16
			Global Payments Inc.	0.2453	628,376.63
			GXS Group, Inc.	1.0000	6,248,911.57
			Harsco Corporation	0.3084	789,881.79
			Information Resources, Inc.	1.0000	3,025,268.20
			inVentiv Health, Inc.	0.6315	1,617,588.74
			Mediware Information Systems, Inc.	0.5074	1,299,771.62
			MIH Parent, Inc.	1.0000	4,657,738.01
			On Assignment, Inc.	0.3769	965,408.02
			Power Buyer, LLC	0.7808	2,000,000.00
			Seahawk Holding Limited	1.0000	3,000,000.00
			SENSATA TECHNOLOGIES BV	1.0000	3,656,520.42
			TCH-2 Holdings LLC	0.7224	1,850,447.80
			Travelport Limited	1.0000	6,712,358.20
			Triple Point Group Holdings, Inc	0.5104	1,307,401.46
			VF Holdings Corp	0.2177	557,664.16
			West Corporation	0.7750	1,985,037.47
Services: Business					53,523,815.37
Services: Consumer	2.46670	4.38287	ADMI Corp.	0.8907	2,281,584.04
			Apollo Security Services Borrower, LLC	0.6700	1,716,113.68
			Lonestar Intermediate Super Holdings, LLC	1.0000	5,740,541.53
			Parfums de Coeur, Ltd	0.7143	1,829,704.14
			PODS LLC	0.5931	1,519,287.93

**Babson CLO Ltd 2013-II**

Moody's Diversity

As of : 1/5/2017

Next Payment: 1/18/2017



<i>Industry Name</i>	<i>Industry Diversity Score</i>	<i>Aggregate Industry Score</i>	<i>Issuer Name</i>	<i>Equivalent Unit Score</i>	<i>Principal Balance</i>
Services: Consumer	2.46670	4.38287	Prestige Brands, Inc. Shearer's Foods, LLC	0.3195 0.1952	818,276.14 500,000.00
Services: Consumer					14,405,507.46
Telecommunications	3.42500	7.66576	Consolidated Communications Holdings Inc GTT Communications Inc Hargray Holdings ION Trading Technologies Limited M/A-COM Technology Solutions Holdings, Inc. Midcontinent Communications RP Crown Parent, LLC SBA Communications Corp Shaw Data Centre LP Sungard Availability Services Capital, Inc. Syniverse Holdings, Inc.	0.3353 0.2234 0.5808 0.7730 0.3806 0.8243 0.7808 1.0000 0.7675 1.0000 1.0000	858,840.37 572,197.44 1,487,708.25 1,980,037.50 975,000.00 2,111,426.73 2,000,000.00 3,900,000.00 1,965,775.16 2,687,668.67 5,674,121.86
Telecommunications					24,212,775.98
Transportation: Cargo	1.40000	1.80723	Cravey Green & Wahlen, Inc. Gruden Acquisition, Inc. Kenan Advantage Group, Inc.	0.5565 0.3683 0.8824	1,425,556.36 943,303.24 2,260,210.32
Transportation: Cargo					4,629,069.92
Transportation: Consumer	1.55000	2.06868	Avis Budget Group Inc Hertz Corporation (The) Marine Acquisition Corp.	0.7688 0.3885 0.9114	1,969,309.46 995,000.00 2,334,456.32
Transportation: Consumer					5,298,765.78
Utilities: Electric	3.30000	7.17178	Calpine Corporation CRCI Holdings, LLC Dynegy Inc	0.7573 0.4607 1.0000	1,939,875.56 1,180,133.17 3,561,403.51

**Babson CLO Ltd 2013-II**

Moody's Diversity

As of : 1/5/2017

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<i>Industry Name</i>	<i>Industry Diversity Score</i>	<i>Aggregate Industry Score</i>	<i>Issuer Name</i>	<i>Equivalent Unit Score</i>	<i>Principal Balance</i>
Utilities: Electric	3.30000	7.17178	Eastern Power, LLC	1.0000	5,406,259.77
			EFS Cogen Holdings I LLC	1.0000	3,816,617.18
			Essential Power, LLC	0.3597	921,225.89
			Exelon Corporation	0.4679	1,198,547.08
			Southeast PowerGen, LLC	1.0000	3,766,092.22
			The AES Corporation	0.2995	767,105.59
			WG Partners Acquisition, LLC	0.8266	2,117,367.72
Utilities: Electric					24,674,627.69
Utilities: Oil & Gas	1.75000	2.53112	EMG Utica, LLC	0.7503	1,921,842.30
			Energy Transfer Equity, L.P.	0.7808	2,000,000.00
			W3 Co.	1.0000	3,869,346.75
Utilities: Oil & Gas					7,791,189.05
Wholesale	1.00000	1.00000	FPC Holdings, Inc.	1.0000	3,869,017.59
Wholesale					3,869,017.59
Average Issuer Principal Balance					2,561,421.78
Number of Issuers					251
Total Principal Balance					642,916,866.88
Diversity Score					78
Minimum Diversity Score Allowed					70
Test Result					Passed



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
Aerospace & Defense	1.31	American Airlines, Inc.	7,299,557.06
		CPI International, Inc.	1,123,273.63
		Jazz Acquisition, Inc	368,013.38
Aerospace & Defense			8,790,844.07
Air Transport	1.00	Travelport Finance (Luxembourg) S.A.R.L.	6,712,358.20
Air Transport			6,712,358.20
Automotive	2.71	FCA US LLC	4,047,032.27
		FPC Holdings, Inc.	3,869,017.59
		Gates Global LLC	1,722,149.36
		Horizon Global Corporation	3,984,376.75
		K&N Parent Inc	2,000,000.00
		NN, Inc.	702,144.91
		Tectum Holdings, Inc.	1,897,308.50
Automotive			18,222,029.38
Beverage & Tobacco	0.08	Constellation Brands Canada Inc	546,701.10
Beverage & Tobacco			546,701.10
Building & Development	2.82	Alison US LLC	1,955,000.00



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



Industry Name	% of A.P.B.	Issuer Name	Principal Balance
Building & Development	2.82	American Builders & Contractors Supply Co., Inc.	4,304,999.86
		Beacon Roofing Supply Inc	581,684.70
		Builders FirstSource, Inc.	790,239.16
		Capital Automotive L.P.	298,318.18
		Headwaters Incorporated	643,518.00
		Henry Company LLC	1,514,090.89
		Jeld-Wen, Inc.	2,351,650.59
		Mannington Mills, Inc.	953,049.47
		PGT, Inc.	1,955,370.37
		Realogy Group LLC	474,783.66
		SRS Distribution Inc.	2,518,995.35
		Wilsonart LLC	593,703.66
Building & Development			18,935,403.89
Business equipment & services	9.04	Aquilex HydroChem, Inc.	3,670,915.12
		Aramark Corporation	3,890,000.00
		First Data Corporation	10,393,434.41
		GXS Group, Inc.	6,248,911.57
		Global Payments Inc.	628,376.63
		Infinity Acquisition, LLC	1,955,225.00
		Information Resources, Inc.	3,025,268.20
		Magic Newco, LLC	7,771,544.04
		Mitchell International, Inc.	4,657,738.01
		On Assignment, Inc.	965,408.02
		PODS LLC	1,519,287.93
		Parfums de Coeur, Ltd	1,829,704.14
Prime Security Services Borrower, LLC	1,716,113.68		



Babson CLO Ltd 2013-II
S&P Industry Concentration
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Industry Name	% of A.P.B.	Issuer Name	Principal Balance
Business equipment & services	9.04	Sabre GLBL Inc.	4,840,357.36
		Seahawk Holding Limited	3,000,000.00
		TravelCLICK, Inc.	1,850,447.80
		VF Holdings Corp	557,664.16
		Zebra Technologies Corporation	548,130.91
		inVentiv Health, Inc.	1,617,588.74
		Business equipment & services	
Cable & satellite television	3.73	Atrium Innovations, Inc.	1,628,650.49
		Charter Communications Operating, LLC.	3,703,732.43
		E.W. Scripps Company, The	3,529,346.68
		Mediacom Broadband, LLC	3,854,872.64
		Midcontinent Communications	2,111,426.73
		RCN Telecom Services, LLC	3,635,132.59
		Telecommunications Management, LLC	359,050.90
		UPC Broadband Holding B.V.	2,000,000.00
		Ziggo BV	4,206,866.04
Cable & satellite television			25,029,078.50
Chemicals & plastics	3.10	ASP Chromaflo Intermediate Holdings, Inc.	2,443,197.31
		Avantor Performance Materials Holdings, Inc.	1,165,251.64
		Chemours Company, The	2,199,418.52
		Huntsman International LLC	533,448.11
		Methanol Holdings (Delaware) LLC	2,955,000.00
		Omnova Solutions Inc.	2,992,500.00



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
Chemicals & plastics	3.10	Pinnacle Operating Corporation	2,902,010.03
		PolyOne Corporation	1,347,089.75
		Trinseo Materials Operating S.C.A	394,661.97
		Tronox Pigments (Netherlands) B.V.	3,863,178.47
Chemicals & plastics			20,795,755.80
Conglomerates	2.30	Prestige Brands, Inc.	818,276.14
		SENSATA TECHNOLOGIES BV	3,656,520.42
		Triple Point Technology, Inc.	1,307,401.46
		U.S. Farathane, LLC	4,851,171.72
		West Corporation	1,985,037.47
		Winebow Holdings Inc/The Vintner Group Inc	2,811,302.80
Conglomerates			15,429,710.01
Containers & glass products	3.85	BWAY Holding Company	2,823,385.83
		Berry Plastics Corporation	4,167,782.55
		Consolidated Container Company LLC	1,000,000.00
		Exopack Holdings S.A.	2,409,074.92
		Flex Acquisition Company Inc	4,456,835.92
		Hoffmaster Group, Inc.	1,230,414.79
		Klockner-Pentaplast of America, Inc.	1,077,180.40
		Multi Packaging Solutions, Inc.	4,175,623.73
		Proampac PG Borrower LLC	1,839,651.03
		Samsonite International S.A.	661,229.19



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
Containers & glass products	3.85	Tekni-Plex, Inc.	1,970,000.00
Containers & glass products			25,811,178.36
Diversified Insurance	2.23	AmWINS Group, LLC	2,164,117.22
		Asurion, LLC	5,740,541.53
		Confie Seguros Holding II Co.	1,128,883.05
		USI, Inc.	2,046,629.50
		York Risk Services Holding Corp.	3,865,753.92
Diversified Insurance			14,945,925.22
Drugs	2.44	Endo Luxembourg Finance Company I S.a.r.l.	5,954,962.22
		RPI Finance Trust	5,747,171.70
		Valeant Pharmaceuticals International, Inc.	4,686,447.91
Drugs			16,388,581.83
Ecological services & equipment	0.40	USS Parent Holding Corp.	734,828.18
		Wastequip, LLC	1,943,599.57
Ecological services & equipment			2,678,427.75
Electronics/electric	6.39	Astoria Energy LLC	2,765,960.89
		Dell International L.L.C.	6,000,000.00



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



Industry Name	% of A.P.B.	Issuer Name	Principal Balance
Electronics/electric	6.39	Diamond US Holding LLC	2,866,082.45
		Entegris Inc	752,390.96
		Infor (US), Inc.	1,945,297.69
		Kronos Incorporated	2,982,265.03
		MTS Systems Corporation	1,807,874.73
		Micro Holding Corp.	2,693,384.37
		Micron Technology, Inc.	1,081,199.90
		NXP B.V.	1,656,178.03
		Omnitracs, LLC	5,681,042.94
		Power Buyer, LLC	2,000,000.00
		RP Crown Parent, LLC	2,000,000.00
		Sophia, L.P.	3,921,794.87
		Tessera Technologies, Inc.	2,000,000.00
		Total Merchant Services, Inc	1,960,000.00
		Western Digital Corporation	796,000.00
Electronics/electric			42,909,471.86
Equipment leasing	0.31	Delos Finance S.a.r.l.	2,047,676.09
Equipment leasing			2,047,676.09
Financial intermediaries	4.64	Bats Global Markets, Inc.	991,672.64
		Cunningham Lindsey U.S. Inc.	5,404,626.91
		EZE Software Group LLC	3,256,565.17
		GENEX Services, Inc.	3,954,708.21
		LPL Holdings, Inc.	5,254,964.10



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
Financial intermediaries	4.64	MoneyGram Payment Systems Worldwide, Inc	2,584,049.67
		National Financial Partners Corporation	3,349,639.09
		ON Semiconductor Corporation	380,385.47
		VFH Parent LLC	5,950,098.25
Financial intermediaries			31,126,709.51
Food products	1.19	Acosta, Inc.	4,920,124.48
		AdvancePierre Foods, Inc.	354,581.43
		PFS Holding Corporation	1,520,907.18
		Pinnacle Foods Finance LLC	717,823.65
		Shearer's Foods, LLC	500,000.00
Food products			8,013,436.74
Food service	0.29	NPC International, Inc.	1,974,093.26
Food service			1,974,093.26
Food/drug retailers	0.70	General Nutrition Centers, Inc.	1,589,553.68
		KFC Holding Co.	1,496,789.43
		NBTY, Inc.	1,613,492.72
Food/drug retailers			4,699,835.83



Babson CLO Ltd 2013-II
S&P Industry Concentration
As of : 1/5/2017
Next Payment: 1/18/2017



Industry Name	% of A.P.B.	Issuer Name	Principal Balance
Forest Products	0.93	Caraustar Industries Inc.	2,444,316.59
		Carr Management, Inc.	1,848,688.51
		SIG Combibloc PurchaseCo S.a r.l.	1,932,007.23
Forest Products			6,225,012.33
Health care	12.78	ADMI Corp.	2,281,584.04
		Acadia Healthcare Company, Inc.	587,277.70
		Alere Inc.	491,061.34
		Arbor Pharmaceuticals, Inc	2,007,970.83
		Bioscrip, Inc.	1,887,323.96
		Britax Childcare Holdings Limited	3,035,101.61
		CHS/Community Health Systems, Inc.	5,654,519.91
		CareCore National, LLC	2,947,318.00
		Catalent Pharma Solutions, Inc.	247,745.92
		Concentra Inc.	2,381,812.53
		ConvaTec Inc.	1,694,555.66
		Envision Healthcare Corporation	2,000,000.00
		Global Healthcare Exchange, LLC	2,300,852.08
		Greatbatch Ltd.	1,737,147.23
		Grifols Worldwide Operations USA Inc	4,941,572.71
		Horizon Pharma, Inc.	396,310.20
		Immucor, Inc.	6,665,036.50
		Joerns Healthcare, LLC	3,261,548.03
		Kindred Healthcare, Inc.	5,442,225.06
		Kinetic Concepts, Inc.	4,892,698.94
		Mallinckrodt International Finance S.A.	5,385,694.71
		Mediware Information Systems, Inc.	1,299,771.62



Babson CLO Ltd 2013-II
S&P Industry Concentration
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Industry Name	% of A.P.B.	Issuer Name	Principal Balance
Health care	12.78	National Surgical Hospitals, Inc.	731,421.39
		Ortho-Clinical Diagnostics, Inc	3,934,445.04
		Prospect Medical Holdings Inc.	2,989,987.47
		RadNet Management, Inc.	5,397,737.34
		Select Medical Corporation	1,985,000.00
		Team Health, Inc.	5,280,526.03
		Tecomet Inc.	3,924,912.29
Health care			85,783,158.14
Home Furnishings	0.74	Generation Brands Holdings, Inc.	1,990,000.00
		Serta Simmons Holdings, LLC	3,000,000.00
Home Furnishings			4,990,000.00
Industrial equipment	4.63	Apex Tool Group, LLC	5,804,020.06
		Filtration Group Corporation	5,660,526.16
		Gardner Denver, Inc.	4,866,892.03
		Harsco Corporation	789,881.79
		Husky Injection Molding Systems Ltd.	2,461,849.99
		Manitowoc Foodservice, Inc.	1,011,914.42
		Marine Acquisition Corp.	2,334,456.32
		Milacron LLC	340,119.27
		Pelican Products, Inc.	1,083,143.98
STS Operating, Inc.	2,859,423.53		



Babson CLO Ltd 2013-II
S&P Industry Concentration
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<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
Industrial equipment	4.63	W3 Co.	3,869,346.75
Industrial equipment			31,081,574.30
Leisure goods/activities/movies	3.61	AMC Entertainment Inc.	3,880,402.02
		Alpha Topco Limited	3,000,000.00
		Cinemark USA, Inc	2,880,865.44
		Eldorado Resorts, Inc.	528,436.87
		MediArena Acquisition B.V.	1,994,897.96
		Planet Fitness Holdings, LLC	1,906,171.08
		SRAM, LLC	1,990,315.50
		SeaWorld Parks & Entertainment, Inc.	5,719,248.23
		Steinway Musical Instruments, Inc.	2,304,362.54
Leisure goods/activities/movies			24,204,699.64
Lodging & casinos	1.41	Boyd Gaming Corporation	3,980,602.36
		CCM Merger, Inc.	714,699.88
		Hilton Worldwide Finance LLC	3,246,197.75
		Penn National Gaming, Inc.	866,316.21
		Ryman Hospitality	676,502.14
Lodging & casinos			9,484,318.34
Nonferrous metals/minerals	1.46	EP Minerals, LLC	726,588.10
		FMG Resources (August 2006) Pty Ltd	2,048,910.81



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Industry Name	% of A.P.B.	Issuer Name	Principal Balance
Nonferrous metals/minerals	1.46	Minerals Technologies Inc.	1,010,256.41
		Murray Energy Corporation	5,130,849.76
		Peabody Energy Corporation	877,637.13
Nonferrous metals/minerals			9,794,242.21
Oil & gas	4.39	Bronco Midstream Funding, LLC	2,444,399.04
		CITGO Petroleum Corporation	3,948,097.17
		EMG Utica, LLC	1,921,842.30
		Energy Transfer Equity, L.P.	2,000,000.00
		Fieldwood Energy LLC	6,448,556.83
		Paragon Offshore Finance Company	1,620,666.26
		Samchully Midstream 3 LLC	3,137,511.05
		Seadrill Operating LP	3,926,646.02
		Seventy Seven Operating LLC	1,950,000.00
		Southcross Energy Partners, L.P.	791,537.81
		Targa Resources Corp	372,093.02
		Utex Industries, Inc.	886,584.34
Oil & gas			29,447,933.84
Publishing	1.85	Cengage Learning Acquisitions, Inc.	1,990,000.00
		EMI Music Publishing Group North America Holdings, Inc.	1,900,714.29
		Houghton Mifflin Harcourt Publishers, Inc.	1,970,000.00



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S&P Industry Concentration
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<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
		Springer Science & Business Media S.A.	5,806,906.60
		W/S Packaging Group, Inc.	746,607.74
Publishing			12,414,228.63
Radio & Television	2.71	CBS Outdoor Americas Capital Corporation	2,155,478.63
		Entercom Radio, LLC	943,539.79
		Gray Television, Inc.	1,133,351.60
		Hubbard Radio, LLC	1,521,482.41
		Mission Broadcasting, Inc.	910,636.92
		Nexstar Broadcasting, Inc.	1,032,676.65
		Sinclair Television Group, Inc.	5,836,998.46
		Univision Communications Inc.	4,679,112.29
Radio & Television			18,213,276.75
Retailers (except food & drug)	4.57	24 Hour Fitness Worldwide, Inc.	3,738,188.91
		Academy, Ltd.	3,841,776.73
		Advantage Sales & Marketing Inc.	1,485,354.36
		Ascena Retail Group, Inc.	2,000,000.00
		At Home Holding III Inc	2,129,536.34
		BJ's Wholesale Club, Inc.	2,669,733.47
		Bass Pro Group, LLC	4,952,921.34
		Dollar Tree, Inc	379,746.83
		Michaels Stores, Inc.	1,219,437.80



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S&P Industry Concentration
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<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
		Pilot Travel Centers LLC	583,330.96
		Spencer Spirit Holdings	3,755,998.89
		The Talbots Inc.	3,930,275.57
Retailers (except food & drug)			30,686,301.20
Steel	0.49	Arch Coal, Inc.	460,007.50
		Metal Services LLC	1,842,597.29
		Zekelman Industries, Inc	995,000.00
Steel			3,297,604.79
Surface transport	1.13	Avis Budget Car Rental, LLC	1,969,309.46
		Gruden Acquisition, Inc.	943,303.24
		Hertz Corporation (The)	995,000.00
		Kenan Advantage Group, Inc.	2,260,210.32
		TruckPro, Inc.	1,425,556.36
Surface transport			7,593,379.38
Telecommunications	3.48	Consolidated Communications, Inc.	858,840.37
		GTT Communications Inc	572,197.44
		Hargray Communications Group, Inc.	1,487,708.25
		ION Trading Technologies S.a.R.L	1,980,037.50



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<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
		M/A-COM Technology Solutions Holdings, Inc.	975,000.00
		Renaissance Learning, Inc.	3,227,487.61
		SBA Senior Finance II LLC	3,900,000.00
		Shaw Data Centre LP	1,965,775.16
		Sungard Availability Services Capital, Inc.	2,687,668.67
		Syniverse Holdings, Inc.	788,057.73
		Syniverse Magellan Finance, LLC	4,886,064.13
Telecommunications			23,328,836.86
Utilities	3.80	CRCI Holdings, LLC	1,180,133.17
		Calpine Construction Finance Company, L.P.	1,939,875.56
		Dayton Power And Light Company (The)	767,105.59
		Dynegy Inc	3,561,403.51
		EFS Cogen Holdings I LLC	3,816,617.18
		Eastern Power, LLC	5,406,259.77
		Essential Power, LLC	921,225.89
		Exgen Renewables I, LLC	1,198,547.08
		Southeast PowerGen, LLC	3,766,092.22
		Vistra Operations Company LLC	862,650.55



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S&P Industry Concentration
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<i>Industry Name</i>	<i>% of A.P.B.</i>	<i>Issuer Name</i>	<i>Principal Balance</i>
Utilities	3.80	WG Partners Acquisition, LLC	2,117,367.72
Utilities			25,537,278.24
Cash Account Balance		23,366,341.02	
Percent of A.P.B.		96.52	
Aggregate Principal Balance (A.P.B.)		671,191,518.79	



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Moody's Default Prob Rating</i>	<i>Moody's Rating</i>	<i>Moody's Recovery Rate</i>	<i>Weighted Recovery Rate</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	B2	Ba3	60.00	224,291,334.60
ADMI Corp.	Initial Term Loan	2,281,584.04	B2	B1	50.00	114,079,202.00
AMC Entertainment Inc.	Term Loan	3,880,402.02	B1	Ba1	60.00	232,824,121.20
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	B3	B2	50.00	53,105,608.00
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	B3	B2	50.00	69,054,257.50
Academy, Ltd.	Term Loan	3,841,776.73	B2	B2	45.00	172,879,952.85
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	B1	Ba2	60.00	35,236,662.00
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	B2	B1	50.00	246,006,224.00
AdvancePierre Foods, Inc.	Term Loan	354,581.43	B1	Ba3	50.00	17,729,071.50
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	B2	B1	50.00	74,267,718.00
Alere Inc.	Term Loan B	491,061.34	B1	Ba2	60.00	29,463,680.40
Alison US LLC	Term Loan B-1	977,500.00	B3	B2	50.00	48,875,000.00
Alison US LLC	Term Loan B-2	977,500.00	B3	B2	50.00	48,875,000.00
Alpha Topco Limited	Term Loan B3	3,000,000.00	B3	B2	50.00	150,000,000.00
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	B2	B1	50.00	108,205,861.00
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	Ba3	Ba1	60.00	437,973,423.60
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	B1	B1	45.00	193,724,993.70
Apex Tool Group, LLC	Term Loan	5,804,020.06	B3	B2	50.00	290,201,003.00
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	B2	B2	45.00	165,191,180.40
Aramark Corporation	Term Loan F	3,890,000.00	Ba2	Ba1	50.00	194,500,000.00
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	B1	B1	45.00	90,358,687.35
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	Ba2	Ba2	45.00	90,000,000.00
Astoria Energy LLC	Term Loan	2,765,960.89	B1	Ba3	50.00	138,298,044.50
Asurion, LLC	First Lien Term Loan	2,855,338.62	B2	B1	50.00	142,766,931.00
Asurion, LLC	Replacement Term Loan B-2	471,939.56	B2	B1	50.00	23,596,978.00
Asurion, LLC	Second Lien Term Loan	418,263.35	B2	Caa1	15.00	6,273,950.25
Asurion, LLC	Term Loan B-5	1,995,000.00	B2	B1	50.00	99,750,000.00
At Home Holding III Inc	Term Loan	2,129,536.34	B1	B2	40.00	85,181,453.60
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	B2	B1	50.00	81,432,524.50
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	B1	B1	45.00	52,436,323.80
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	Ba3	Baa3	60.00	118,158,567.60
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	B3	B3	45.00	120,138,006.15
BWAY Holding Company	Term loan	2,823,385.83	B3	B2	50.00	141,169,291.50
Bass Pro Group, LLC	Term Loan	4,952,921.34	Ba3	B1	40.00	198,116,853.60
Bats Global Markets, Inc.	Term Loan	991,672.64	Ba2	Ba2	45.00	44,625,268.80
Beacon Roofing Supply Inc	Term Loan B	581,684.70	B1	B2	40.00	23,267,388.00
Berry Plastics Corporation	Term Loan D	3,839,734.37	B2	B1	50.00	191,986,718.50
Berry Plastics Corporation	Term Loan H	328,048.18	B2	B1	50.00	16,402,409.00



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Moody's Default Prob Rating</i>	<i>Moody's Rating</i>	<i>Moody's Recovery Rate</i>	<i>Weighted Recovery Rate</i>
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	Caa2	Caa1	50.00	35,387,324.00
Bioscrip, Inc.	Term Loan B	1,179,577.48	Caa2	Caa1	50.00	58,978,874.00
Boyd Gaming Corporation	Term Loan B	1,230,682.13	B2	Ba3	60.00	73,840,927.80
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	B2	Ba3	60.00	164,995,213.80
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	Caa1	Caa1	45.00	136,579,572.45
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	Ba2	Ba2	45.00	109,997,956.80
Builders FirstSource, Inc.	Term Loan B	790,239.16	B3	B3	45.00	35,560,762.20
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	Ba3	Ba1	60.00	129,328,717.80
CCM Merger, Inc.	Term Loan	714,699.88	B2	B1	50.00	35,734,994.00
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	B2	Ba3	60.00	79,071,042.60
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	B2	Ba3	60.00	260,200,152.00
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	B3	B3	45.00	177,664,372.65
CPI International, Inc.	Term Loan	1,123,273.63	B3	B1	60.00	67,396,417.80
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	B2	B2	45.00	53,105,992.65
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	Ba3	Ba2	50.00	96,993,778.00
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	Ba3	B1	25.00	7,457,954.50
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	B2	B2	45.00	32,050,295.10
Caraustar Industries Inc.	Term Loan	1,732,087.81	B2	B2	45.00	77,943,951.45
CareCore National, LLC	Term Loan B	2,947,318.00	B2	B2	45.00	132,629,310.00
Carr Management, Inc.	Term Loan	1,848,688.51	*	*	45.00	83,190,982.95
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	B1	Ba3	50.00	12,387,296.00
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	B2	B1	50.00	99,500,000.00
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	Ba2	Ba1	50.00	99,741,602.00
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	Ba2	Ba1	50.00	85,445,019.50
Chemours Company, The	Term Loan B	2,199,418.52	Ba3	Ba1	60.00	131,965,111.20
Cinemark USA, Inc	Term Loan	2,880,865.44	B1	Ba3	50.00	144,043,272.00
Concentra Inc.	Term Loan B	2,381,812.53	B2	B2	30.00	71,454,375.90
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	B3	Caa2	15.00	16,933,245.75
Consolidated Communications, Inc.	Term Loan B	858,840.37	B1	Ba3	50.00	42,942,018.50
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	Caa1	Caa2	25.00	25,000,000.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	B2	Ba3	60.00	32,802,066.00
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	Ba3	Ba3	45.00	76,255,004.70
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	B3	Caa2	15.00	10,006,296.60
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	B3	B2	50.00	236,877,023.50
Dayton Power And Light Company (The)	Term Loan B	767,105.59	Ba3	Baa2	60.00	46,026,335.40
Dell International L.L.C.	Term Loan A2	2,000,000.00	Ba1	Baa3	50.00	100,000,000.00
Dell International L.L.C.	Term Loan B	4,000,000.00	Ba1	Baa3	50.00	200,000,000.00
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	Baa3	Baa2	50.00	102,383,804.50



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Diamond US Holding LLC	Term Loan B	2,866,082.45	B2	B2	45.00	128,973,710.25
Dollar Tree, Inc	Term Loan	379,746.83	Ba2	Ba1	50.00	18,987,341.50
Dynegy Inc	Term Loan B	3,000,000.00	B2	Ba3	60.00	180,000,000.00
Dynegy Inc	Term Loan B2	561,403.51	B2	Ba3	60.00	33,684,210.60
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	Ba2	Ba2	45.00	158,820,600.60
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	B1	Ba3	50.00	190,830,859.00
EMG Utica, LLC	Term Loan	1,921,842.30	B2	B2	45.00	86,482,903.50
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	B1	Ba3	50.00	95,035,714.50
EP Minerals, LLC	Term Loan (new)	726,588.10	B3	B2	50.00	36,329,405.00
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	B2	B1	50.00	94,445,905.50
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	B2	Caa1	15.00	20,514,705.90
Eastern Power, LLC	Term Loan B	5,406,259.77	B2	B1	50.00	270,312,988.50
Eldorado Resorts, Inc.	Term Loan B	528,436.87	B1	Ba2	60.00	31,706,212.20
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	B1	Ba2	60.00	357,297,733.20
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	Ba2	Ba2	45.00	90,000,000.00
Entegris Inc	Term Loan	752,390.96	Ba3	Ba1	60.00	45,143,457.60
Entercom Radio, LLC	Term Loan B	943,539.79	B1	B1	45.00	42,459,290.55
Envision Healthcare Corporation	Term Loan B	2,000,000.00	B1	Ba3	50.00	100,000,000.00
Essential Power, LLC	Term Loan B	921,225.89	B2	B1	50.00	46,061,294.50
Exgen Renewables I, LLC	Term Loan	1,198,547.08	B1	B1	45.00	53,934,618.60
Exopack Holdings S.A.	Term Loan	2,409,074.92	B3	B2	50.00	120,453,746.00
FCA US LLC	New Term Loan B	4,047,032.27	Ba3	Baa3	60.00	242,821,936.20
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	Ba2	Ba1	50.00	102,445,540.50
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	Caa1	Caa1	45.00	174,105,791.55
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	Caa2	Caa3	25.00	16,861,086.00
Fieldwood Energy LLC	Term Loan	5,774,113.39	Caa2	B2	60.00	346,446,803.40
Filtration Group Corporation	Term Loan B	5,660,526.16	B2	B2	45.00	254,723,677.20
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	B1	Ba3	50.00	379,728,710.00
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	B1	Ba3	50.00	139,943,010.50
Flex Acquisition Company Inc	Term Loan	4,456,835.92	B2	B1	50.00	222,841,796.00
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	B3	Caa2	15.00	15,000,000.00
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	B3	B2	50.00	147,735,410.50
GTT Communications Inc	Term Loan B	572,197.44	B2	B1	50.00	28,609,872.00
GXS Group, Inc.	Term Loan B	6,248,911.57	Ba1	Baa2	60.00	374,934,694.20
Gardner Denver, Inc.	Term Loan	4,866,892.03	B3	B2	50.00	243,344,601.50
Gates Global LLC	Term Loan	1,722,149.36	B3	B2	50.00	86,107,468.00
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	Ba3	Ba2	50.00	79,477,684.00
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	B2	B1	50.00	99,500,000.00



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Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	B2	B1	50.00	115,042,604.00
Global Payments Inc.	Term Loan B (10/16)	628,376.63	Ba2	Ba2	45.00	28,276,948.35
Gray Television, Inc.	Term Loan	1,133,351.60	B1	Ba2	60.00	68,001,096.00
Greatbatch Ltd.	Term Loan B	1,737,147.23	B3	B2	50.00	86,857,361.50
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	Ba3	Ba2	50.00	247,078,635.50
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	B3	B2	50.00	47,165,162.00
Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	B2	B2	45.00	66,946,871.25
Harsco Corporation	Term Loan B	789,881.79	Ba1	Ba1	45.00	35,544,680.55
Headwaters Incorporated	Term Loan B	643,518.00	B1	B1	45.00	28,958,310.00
Henry Company LLC	Term Loan B	1,514,090.89	B2	B2	45.00	68,134,090.05
Hertz Corporation (The)	Term Loan B-1	995,000.00	B1	Ba1	60.00	59,700,000.00
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	Ba2	Ba1	50.00	11,120,041.50
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	Ba2	Ba1	50.00	151,189,846.00
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	B3	B2	50.00	61,520,739.50
Horizon Global Corporation	Term Loan B	3,984,376.75	B2	B2	45.00	179,296,953.75
Horizon Pharma, Inc.	Term Loan B	396,310.20	B2	Ba2	60.00	23,778,612.00
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	B2	B2	45.00	88,650,000.00
Hubbard Radio, LLC	Term Loan B	1,521,482.41	B1	B1	45.00	68,466,708.45
Huntsman International LLC	2023 Term B Loan	533,448.11	Ba3	Ba2	50.00	26,672,405.50
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	B2	B2	45.00	110,783,249.55
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	B2	B2	45.00	89,101,687.50
Immucor, Inc.	Term Loan B-2	6,665,036.50	Caa1	B2	60.00	399,902,190.00
Infinity Acquisition, LLC	Term Loan	1,955,225.00	B3	B1	60.00	117,313,500.00
Infor (US), Inc.	Term Loan B-5	1,945,297.69	B3	B1	60.00	116,717,861.40
Information Resources, Inc.	New Term Loan	3,025,268.20	B2	B2	45.00	136,137,069.00
Jazz Acquisition, Inc	Term Loan	368,013.38	Caa1	B3	50.00	18,400,669.00
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	B1	B1	45.00	105,824,276.55
Joerns Healthcare, LLC	Term Loan	3,261,548.03	*	*	45.00	146,769,661.35
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	B2	B2	45.00	90,000,000.00
KFC Holding Co.	Term Loan B	1,496,789.43	Ba3	Ba1	60.00	89,807,365.80
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	B2	B1	50.00	25,353,038.50
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	B2	B1	50.00	5,754,813.50
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	B2	B1	50.00	81,902,664.00
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	B2	Ba3	60.00	326,533,503.60
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	B2	Ba2	60.00	293,561,936.40
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	B2	B1	50.00	16,125,454.50
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	B2	B1	50.00	37,733,565.50
Kronos Incorporated	Initial Term Loan	2,982,265.03	B3	B2	50.00	149,113,251.50



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LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	Ba3	Ba3	45.00	236,473,384.50
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	Ba3	Ba3	45.00	43,875,000.00
MTS Systems Corporation	Term Loan B	1,807,874.73	B1	B1	45.00	81,354,362.85
Magic Newco, LLC	Term Loan	7,771,544.04	B2	B1	50.00	388,577,202.00
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	Ba3	Ba1	60.00	205,841,682.60
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	Ba3	Ba1	60.00	117,300,000.00
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	B2	B1	50.00	50,595,721.00
Mannington Mills, Inc.	Term Loan	953,049.47	B1	B1	45.00	42,887,226.15
Marine Acquisition Corp.	Term Loan	2,334,456.32	B2	B2	45.00	105,050,534.40
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	B3	B2	50.00	99,744,898.00
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	Ba3	Ba2	50.00	192,743,632.00
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	B2	B2	45.00	58,489,722.90
Metal Services LLC	Term Loan	1,842,597.29	B2	B1	50.00	92,129,864.50
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	B1	Ba3	50.00	147,750,000.00
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	Ba2	Ba2	45.00	54,874,701.00
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	B2	Caa1	15.00	15,000,000.00
Micro Holding Corp.	Term Loan	1,693,384.37	B2	B1	50.00	84,669,218.50
Micron Technology, Inc.	Term Loan	1,081,199.90	Ba2	Baa2	60.00	64,871,994.00
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	B1	Ba1	60.00	126,685,603.80
Milacron LLC	Term Loan B (1st Lien)	340,119.27	B2	Ba3	60.00	20,407,156.20
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	Ba2	Ba2	45.00	45,461,538.45
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	B1	Ba2	60.00	54,638,215.20
Mitchell International, Inc.	Term Loan B	4,657,738.01	B3	B1	60.00	279,464,280.60
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	B1	B1	45.00	116,282,235.15
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	B1	B1	45.00	102,418,343.55
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	B1	B1	45.00	85,484,724.30
Murray Energy Corporation	Term Loan B2	5,130,849.76	Caa2	Caa1	50.00	256,542,488.00
NBTY, Inc.	Term Loan B	1,613,492.72	B2	B1	50.00	80,674,636.00
NN, Inc.	Term Loan B (9/16)	702,144.91	B2	Ba3	60.00	42,128,694.60
NPC International, Inc.	Term Loan B	1,974,093.26	B2	B1	50.00	98,704,663.00
NXP B.V.	Term Loan F	1,656,178.03	Baa3	Baa1	60.00	99,370,681.80
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	B3	B1	60.00	59,694,888.00
National Financial Partners Corporation	Term Loan B	2,354,724.29	B3	B1	60.00	141,283,457.40
National Surgical Hospitals, Inc.	Term Loan	731,421.39	B2	B1	50.00	36,571,069.50
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	B1	Ba2	60.00	61,960,599.00
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	Ba2	Ba1	50.00	19,019,273.50
Omnitracs, LLC	Second Lien Term Loan	762,692.55	B2	Caa1	15.00	11,440,388.25
Omnitracs, LLC	Term Loan	4,918,350.39	B2	B1	50.00	245,917,519.51



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Omnova Solutions Inc.	Term Loan B2	2,992,500.00	B1	B1	45.00	134,662,500.00
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	Ba2	Ba2	45.00	43,443,360.90
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	B3	B1	60.00	236,066,702.40
PFS Holding Corporation	Term Loan	1,520,907.18	B3	B3	45.00	68,440,823.10
PGT, Inc.	Term Loan	1,955,370.37	B2	B2	45.00	87,991,666.65
PODS LLC	Term Loan B	1,519,287.93	B2	B2	45.00	68,367,956.85
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	B2	B2	45.00	82,336,686.30
Pelican Products, Inc.	Term Loan	111,885.85	*	*	40.00	4,475,434.00
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	*	*	15.00	14,568,871.95
Penn National Gaming, Inc.	New Term Loan B	866,316.21	Ba3	Ba2	50.00	43,315,810.50
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	Ba1	Ba1	45.00	26,249,893.20
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	Ba3	Ba2	50.00	35,891,182.50
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	Ca	Ca	45.00	130,590,451.35
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	B1	B1	45.00	85,777,698.60
PolyOne Corporation	Term Loan B	1,347,089.75	Ba2	Ba1	50.00	67,354,487.50
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	B3	Caa2	15.00	30,000,000.00
Prestige Brands, Inc.	Term Loan B3	818,276.14	B3	B2	50.00	40,913,807.00
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	B1	Ba2	60.00	102,966,820.80
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	B3	B2	50.00	91,982,551.50
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	B1	Ba3	50.00	149,499,373.50
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	B2	B1	50.00	181,756,629.50
RP Crown Parent, LLC	Term Loan B	2,000,000.00	B2	B1	50.00	100,000,000.00
RPI Finance Trust	Term Loan B5	5,747,171.70	Baa3	Baa2	50.00	287,358,585.00
RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	B2	Ba3	60.00	323,864,240.40
Realogy Group LLC	Term Loan B (07/16)	474,783.66	Ba3	Ba1	60.00	28,487,019.60
Renaissance Learning, Inc.	Term Loan	3,227,487.61	B3	B2	50.00	161,374,380.50
Ryman Hospitality	Term Loan B	676,502.14	Ba3	Ba3	45.00	30,442,596.30
SBA Senior Finance II LLC	Term Loan	3,900,000.00	B1	B1	45.00	175,500,000.00
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	Ba2	Baa3	60.00	219,391,225.20
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	B2	B1	50.00	96,600,361.50
SRAM, LLC	First Lien Term Loan	1,990,315.50	B2	B2	45.00	89,564,197.50
SRS Distribution Inc.	Term Loan	2,518,995.35	B2	B2	45.00	113,354,790.75
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	B2	B2	45.00	128,674,058.85
Sabre GBLB Inc.	Term Loan B-2	4,840,357.36	Ba2	Ba2	45.00	217,816,081.20
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	B3	B3	45.00	141,187,997.25
Samsonite International S.A.	Term Loan B	661,229.19	Ba2	Ba2	45.00	29,755,313.55
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	B1	B1	45.00	178,584,027.30
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	B1	B1	45.00	78,782,143.05



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Seadrill Operating LP	Term Loan B	3,926,646.02	Caa2	Caa2	45.00	176,699,070.90
Seahawk Holding Limited	Term Loan B	3,000,000.00	B2	B1	50.00	150,000,000.00
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	B1	Ba2	60.00	119,100,000.00
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	B1	B1	45.00	135,000,000.00
Shaw Data Centre LP	Term Loan	1,965,775.16	B2	B2	45.00	88,459,882.20
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	B2	Caa1	15.00	7,500,000.00
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	Ba3	Ba1	60.00	350,219,907.60
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	B3	B2	50.00	196,089,743.50
Southcross Energy Partners, L.P.	Term Loan	791,537.81	Caa1	Caa1	45.00	35,619,201.45
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	B1	Ba3	50.00	188,304,611.00
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	B2	B1	50.00	187,799,944.50
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	B2	B2	45.00	261,310,797.00
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	Caa1	Caa1	45.00	103,696,314.30
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	B3	B1	60.00	161,260,120.20
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	Caa1	B3	50.00	39,402,886.50
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	Caa1	B3	50.00	244,303,206.50
Targa Resources Corp	Term Loan	372,093.02	Ba2	B1	30.00	11,162,790.60
Team Health, Inc.	5/16 Term Loan	5,280,526.03	B1	Ba3	50.00	264,026,301.50
Tecomet Inc.	Term Loan	3,924,912.29	B3	B2	50.00	196,245,614.50
Tectum Holdings, Inc.	Term Loan	1,897,308.50	B2	B2	45.00	85,378,882.50
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	B3	B3	45.00	88,650,000.00
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	B3	B2	50.00	5,223,832.00
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	B3	Caa2	15.00	3,818,613.90
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	Ba3	Ba3	45.00	90,000,000.00
The Talbots Inc.	Term Loan	3,930,275.57	B2	B1	50.00	196,513,778.50
Total Merchant Services, Inc	Term Loan	1,960,000.00	B2	B2	45.00	88,200,000.00
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	B3	B1	60.00	111,026,868.00
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	B2	B2	45.00	302,056,119.00
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	B2	Ba3	60.00	23,679,718.20
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	Caa1	B3	50.00	55,886,976.50
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	Caa1	Caa3	15.00	2,844,928.95
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	B2	B1	50.00	193,158,923.50
TruckPro, Inc.	Term Loan	1,425,556.36	*	*	45.00	64,150,036.20
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	B2	B2	45.00	218,302,727.40
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	Ba3	Ba3	45.00	90,000,000.00
USI, Inc.	Term Loan B	2,046,629.50	B3	B1	60.00	122,797,770.00
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	B2	B2	45.00	20,108,715.75
USS Parent Holding Corp.	Term Loan	287,967.83	B2	B2	45.00	12,958,552.35



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Univision Communications Inc.	Term Loan C3	252,546.41	B2	B2	45.00	11,364,588.45
Univision Communications Inc.	Term Loan C4	4,426,565.88	B2	B2	45.00	199,195,464.60
Utex Industries, Inc.	Term Loan	886,584.34	Caa2	Caa1	50.00	44,329,217.00
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	B3	B2	50.00	27,883,208.00
VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	Ba3	Ba3	45.00	267,754,421.25
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	B3	Ba3	60.00	281,186,874.60
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	Ba2	Ba2	45.00	38,819,274.75
W/S Packaging Group, Inc.	Term Loan B	746,607.74	Caa2	Caa1	50.00	37,330,387.00
W3 Co.	New Term Loan A	3,869,346.75	Caa3	Caa2	50.00	193,467,337.50
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	B1	Ba3	50.00	105,868,386.00
Wastequip, LLC	Term Loan	1,943,599.57	B2	B3	40.00	77,743,982.80
West Corporation	Replacement Term Loan B12	1,985,037.47	B1	Ba3	50.00	99,251,873.50
Western Digital Corporation	Term Loan B-1	796,000.00	Ba1	Ba1	45.00	35,820,000.00
Wilsonart LLC	Term Loan C	593,703.66	B2	B2	45.00	26,716,664.70
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	B2	B1	50.00	140,565,140.00
York Risk Services Holding Corp.	Term Loan B	3,865,753.92	Caa1	B3	50.00	193,287,696.00
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	Ba3	Ba2	50.00	27,406,545.50
Zekelman Industries, Inc	Term Loan	995,000.00	B2	B2	45.00	44,775,000.00
Ziggo BV	Term Loan D	4,206,866.04	Ba3	Ba3	45.00	189,308,971.80
inVentiv Health, Inc.	Term Loan B	1,617,588.74	B3	B2	50.00	80,879,437.00

642,916,866.88

31,935,334,988.31

Moody's Weighted Avg. Recovery Rate
Min Weighted Avg Moody's Recovery Rate
Test Result

49.7
42.0
Passed



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Recovery Rate- S&P

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24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	50.00	60.00	66.00	73.00	79.00	85.00
ADMI Corp.	Initial Term Loan	2,281,584.04	30.00	40.00	46.00	53.00	59.00	65.00
AMC Entertainment Inc.	Term Loan	3,880,402.02	65.00	75.00	80.00	85.00	90.00	95.00
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	50.00	60.00	66.00	73.00	79.00	85.00
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	50.00	60.00	66.00	73.00	79.00	85.00
Academy, Ltd.	Term Loan	3,841,776.73	20.00	26.00	33.00	39.00	43.00	45.00
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	50.00	60.00	66.00	73.00	79.00	85.00
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	30.00	40.00	46.00	53.00	59.00	65.00
AdvancePierre Foods, Inc.	Term Loan	354,581.43	30.00	40.00	46.00	53.00	59.00	65.00
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	30.00	40.00	46.00	53.00	59.00	65.00
Alere Inc.	Term Loan B	491,061.34	65.00	75.00	80.00	85.00	90.00	95.00
Alison US LLC	Term Loan B-1	977,500.00	30.00	40.00	46.00	53.00	59.00	65.00
Alison US LLC	Term Loan B-2	977,500.00	30.00	40.00	46.00	53.00	59.00	65.00
Alpha Topco Limited	Term Loan B3	3,000,000.00	30.00	40.00	46.00	53.00	59.00	65.00
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	30.00	40.00	46.00	53.00	59.00	65.00
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	65.00	75.00	80.00	85.00	90.00	95.00
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	50.00	60.00	66.00	73.00	79.00	85.00
Apex Tool Group, LLC	Term Loan	5,804,020.06	30.00	40.00	46.00	53.00	59.00	65.00
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	30.00	40.00	46.00	53.00	59.00	65.00
Aramark Corporation	Term Loan F	3,890,000.00	65.00	75.00	80.00	85.00	90.00	95.00
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	50.00	60.00	66.00	73.00	79.00	85.00
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Astoria Energy LLC	Term Loan	2,765,960.89	65.00	75.00	80.00	85.00	90.00	95.00
Asurion, LLC	First Lien Term Loan	2,855,338.62	50.00	60.00	66.00	73.00	79.00	85.00
Asurion, LLC	Replacement Term Loan B-2	471,939.56	50.00	60.00	66.00	73.00	79.00	85.00
Asurion, LLC	Second Lien Term Loan	418,263.35	2.00	4.00	6.00	8.00	10.00	10.00
Asurion, LLC	Term Loan B-5	1,995,000.00	50.00	60.00	66.00	73.00	79.00	85.00
At Home Holding III Inc	Term Loan	2,129,536.34	30.00	40.00	46.00	53.00	59.00	65.00
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	30.00	40.00	46.00	53.00	59.00	65.00
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	30.00	40.00	46.00	53.00	59.00	65.00
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	65.00	75.00	80.00	85.00	90.00	95.00
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	30.00	40.00	46.00	53.00	59.00	65.00



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BWAY Holding Company	Term loan	2,823,385.83	30.00	40.00	46.00	53.00	59.00	65.00
Bass Pro Group, LLC	Term Loan	4,952,921.34	30.00	40.00	46.00	53.00	59.00	65.00
Bats Global Markets, Inc.	Term Loan	991,672.64	45.00	49.00	53.00	58.00	70.00	74.00
Beacon Roofing Supply Inc	Term Loan B	581,684.70	65.00	75.00	80.00	85.00	90.00	95.00
Berry Plastics Corporation	Term Loan D	3,839,734.37	50.00	60.00	66.00	73.00	79.00	85.00
Berry Plastics Corporation	Term Loan H	328,048.18	50.00	60.00	66.00	73.00	79.00	85.00
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	50.00	60.00	66.00	73.00	79.00	85.00
Bioscrip, Inc.	Term Loan B	1,179,577.48	50.00	60.00	66.00	73.00	79.00	85.00
Boyd Gaming Corporation	Term Loan B	1,230,682.13	65.00	75.00	80.00	85.00	90.00	95.00
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	65.00	75.00	80.00	85.00	90.00	95.00
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	20.00	26.00	33.00	39.00	43.00	45.00
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	30.00	40.00	46.00	53.00	59.00	65.00
Builders FirstSource, Inc.	Term Loan B	790,239.16	30.00	40.00	46.00	53.00	59.00	65.00
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	65.00	75.00	80.00	85.00	90.00	95.00
CCM Merger, Inc.	Term Loan	714,699.88	65.00	75.00	80.00	85.00	90.00	95.00
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	65.00	75.00	80.00	85.00	90.00	95.00
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	65.00	75.00	80.00	85.00	90.00	95.00
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	65.00	75.00	80.00	85.00	90.00	95.00
CPI International, Inc.	Term Loan	1,123,273.63	30.00	40.00	46.00	53.00	59.00	65.00
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	50.00	60.00	66.00	73.00	79.00	85.00
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	65.00	75.00	80.00	85.00	90.00	95.00
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	2.00	4.00	6.00	8.00	10.00	10.00
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	30.00	40.00	46.00	53.00	59.00	65.00
Caraustar Industries Inc.	Term Loan	1,732,087.81	30.00	40.00	46.00	53.00	59.00	65.00
CareCore National, LLC	Term Loan B	2,947,318.00	30.00	40.00	46.00	53.00	59.00	65.00
Carr Management, Inc.	Term Loan	1,848,688.51	45.00	49.00	53.00	58.00	70.00	74.00
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	50.00	60.00	66.00	73.00	79.00	85.00
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	65.00	75.00	80.00	85.00	90.00	95.00
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	65.00	75.00	80.00	85.00	90.00	95.00
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	65.00	75.00	80.00	85.00	90.00	95.00



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Chemours Company, The	Term Loan B	2,199,418.52	65.00	75.00	80.00	85.00	90.00	95.00
Cinemark USA, Inc	Term Loan	2,880,865.44	37.00	41.00	44.00	49.00	59.00	62.00
Concentra Inc.	Term Loan B	2,381,812.53	30.00	40.00	46.00	53.00	59.00	65.00
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	2.00	4.00	6.00	8.00	10.00	10.00
Consolidated Communications, Inc.	Term Loan B	858,840.37	50.00	60.00	66.00	73.00	79.00	85.00
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	2.00	4.00	6.00	8.00	10.00	10.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	65.00	75.00	80.00	85.00	90.00	95.00
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	30.00	40.00	46.00	53.00	59.00	65.00
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	5.00	10.00	15.00	20.00	23.00	25.00
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	30.00	40.00	46.00	53.00	59.00	65.00
Dayton Power And Light Company (The)	Term Loan B	767,105.59	65.00	75.00	80.00	85.00	90.00	95.00
Dell International L.L.C.	Term Loan A2	2,000,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Dell International L.L.C.	Term Loan B	4,000,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	45.00	49.00	53.00	58.00	70.00	74.00
Diamond US Holding LLC	Term Loan B	2,866,082.45	50.00	60.00	66.00	73.00	79.00	85.00
Dollar Tree, Inc	Term Loan	379,746.83	65.00	75.00	80.00	85.00	90.00	95.00
Dynegy Inc	Term Loan B	3,000,000.00	65.00	75.00	80.00	85.00	90.00	95.00
Dynegy Inc	Term Loan B2	561,403.51	65.00	75.00	80.00	85.00	90.00	95.00
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	65.00	75.00	80.00	85.00	90.00	95.00
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	65.00	75.00	80.00	85.00	90.00	95.00
EMG Utica, LLC	Term Loan	1,921,842.30	30.00	40.00	46.00	53.00	59.00	65.00
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	50.00	60.00	66.00	73.00	79.00	85.00
EP Minerals, LLC	Term Loan (new)	726,588.10	50.00	60.00	66.00	73.00	79.00	85.00
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	50.00	60.00	66.00	73.00	79.00	85.00
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	2.00	4.00	6.00	8.00	10.00	10.00
Eastern Power, LLC	Term Loan B	5,406,259.77	30.00	40.00	46.00	53.00	59.00	65.00
Eldorado Resorts, Inc.	Term Loan B	528,436.87	65.00	75.00	80.00	85.00	90.00	95.00
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	65.00	75.00	80.00	85.00	90.00	95.00
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	20.00	26.00	33.00	39.00	43.00	45.00
Entegris Inc	Term Loan	752,390.96	50.00	60.00	66.00	73.00	79.00	85.00
Entercom Radio, LLC	Term Loan B	943,539.79	50.00	60.00	66.00	73.00	79.00	85.00
Envision Healthcare Corporation	Term Loan B	2,000,000.00	30.00	40.00	46.00	53.00	59.00	65.00



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Essential Power, LLC	Term Loan B	921,225.89	50.00	60.00	66.00	73.00	79.00	85.00
Exgen Renewables I, LLC	Term Loan	1,198,547.08	30.00	40.00	46.00	53.00	59.00	65.00
Exopack Holdings S.A.	Term Loan	2,409,074.92	30.00	40.00	46.00	53.00	59.00	65.00
FCA US LLC	New Term Loan B	4,047,032.27	65.00	75.00	80.00	85.00	90.00	95.00
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	50.00	60.00	66.00	73.00	79.00	85.00
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	20.00	26.00	33.00	39.00	43.00	45.00
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	5.00	10.00	15.00	20.00	23.00	25.00
Fieldwood Energy LLC	Term Loan	5,774,113.39	65.00	75.00	80.00	85.00	90.00	95.00
Filtration Group Corporation	Term Loan B	5,660,526.16	30.00	40.00	46.00	53.00	59.00	65.00
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	65.00	75.00	80.00	85.00	90.00	95.00
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	65.00	75.00	80.00	85.00	90.00	95.00
Flex Acquisition Company Inc	Term Loan	4,456,835.92	30.00	40.00	46.00	53.00	59.00	65.00
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	2.00	4.00	6.00	8.00	10.00	10.00
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	30.00	40.00	46.00	53.00	59.00	65.00
GTT Communications Inc	Term Loan B	572,197.44	30.00	40.00	46.00	53.00	59.00	65.00
GXS Group, Inc.	Term Loan B	6,248,911.57	65.00	75.00	80.00	85.00	90.00	95.00
Gardner Denver, Inc.	Term Loan	4,866,892.03	30.00	40.00	46.00	53.00	59.00	65.00
Gates Global LLC	Term Loan	1,722,149.36	30.00	40.00	46.00	53.00	59.00	65.00
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	50.00	60.00	66.00	73.00	79.00	85.00
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	30.00	40.00	46.00	53.00	59.00	65.00
Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	30.00	40.00	46.00	53.00	59.00	65.00
Global Payments Inc.	Term Loan B (10/16)	628,376.63	50.00	60.00	66.00	73.00	79.00	85.00
Gray Television, Inc.	Term Loan	1,133,351.60	65.00	75.00	80.00	85.00	90.00	95.00
Greatbatch Ltd.	Term Loan B	1,737,147.23	30.00	40.00	46.00	53.00	59.00	65.00
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	30.00	40.00	46.00	53.00	59.00	65.00
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	30.00	40.00	46.00	53.00	59.00	65.00
Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	30.00	40.00	46.00	53.00	59.00	65.00
Harsco Corporation	Term Loan B	789,881.79	50.00	60.00	66.00	73.00	79.00	85.00
Headwaters Incorporated	Term Loan B	643,518.00	30.00	40.00	46.00	53.00	59.00	65.00
Henry Company LLC	Term Loan B	1,514,090.89	30.00	40.00	46.00	53.00	59.00	65.00
Hertz Corporation (The)	Term Loan B-1	995,000.00	65.00	75.00	80.00	85.00	90.00	95.00
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	65.00	75.00	80.00	85.00	90.00	95.00
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	65.00	75.00	80.00	85.00	90.00	95.00



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Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	30.00	40.00	46.00	53.00	59.00	65.00
Horizon Global Corporation	Term Loan B	3,984,376.75	30.00	40.00	46.00	53.00	59.00	65.00
Horizon Pharma, Inc.	Term Loan B	396,310.20	65.00	75.00	80.00	85.00	90.00	95.00
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Hubbard Radio, LLC	Term Loan B	1,521,482.41	50.00	60.00	66.00	73.00	79.00	85.00
Huntsman International LLC	2023 Term B Loan	533,448.11	50.00	60.00	66.00	73.00	79.00	85.00
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	30.00	40.00	46.00	53.00	59.00	65.00
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	30.00	40.00	46.00	53.00	59.00	65.00
Immucor, Inc.	Term Loan B-2	6,665,036.50	50.00	60.00	66.00	73.00	79.00	85.00
Infinity Acquisition, LLC	Term Loan	1,955,225.00	50.00	60.00	66.00	73.00	79.00	85.00
Infor (US), Inc.	Term Loan B-5	1,945,297.69	50.00	60.00	66.00	73.00	79.00	85.00
Information Resources, Inc.	New Term Loan	3,025,268.20	30.00	40.00	46.00	53.00	59.00	65.00
Jazz Acquisition, Inc	Term Loan	368,013.38	30.00	40.00	46.00	53.00	59.00	65.00
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	30.00	40.00	46.00	53.00	59.00	65.00
Joerns Healthcare, LLC	Term Loan	3,261,548.03	30.00	40.00	46.00	53.00	59.00	65.00
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	50.00	60.00	66.00	73.00	79.00	85.00
KFC Holding Co.	Term Loan B	1,496,789.43	65.00	75.00	80.00	85.00	90.00	95.00
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	50.00	60.00	66.00	73.00	79.00	85.00
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	50.00	60.00	66.00	73.00	79.00	85.00
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	50.00	60.00	66.00	73.00	79.00	85.00
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	50.00	60.00	66.00	73.00	79.00	85.00
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	65.00	75.00	80.00	85.00	90.00	95.00
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	20.00	26.00	33.00	39.00	43.00	45.00
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	20.00	26.00	33.00	39.00	43.00	45.00
Kronos Incorporated	Initial Term Loan	2,982,265.03	50.00	60.00	66.00	73.00	79.00	85.00
LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	45.00	49.00	53.00	58.00	70.00	74.00
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	30.00	40.00	46.00	53.00	59.00	65.00
MTS Systems Corporation	Term Loan B	1,807,874.73	30.00	40.00	46.00	53.00	59.00	65.00
Magic Newco, LLC	Term Loan	7,771,544.04	50.00	60.00	66.00	73.00	79.00	85.00
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	65.00	75.00	80.00	85.00	90.00	95.00



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Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	65.00	75.00	80.00	85.00	90.00	95.00
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	30.00	40.00	46.00	53.00	59.00	65.00
Mannington Mills, Inc.	Term Loan	953,049.47	30.00	40.00	46.00	53.00	59.00	65.00
Marine Acquisition Corp.	Term Loan	2,334,456.32	30.00	40.00	46.00	53.00	59.00	65.00
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	20.00	26.00	33.00	39.00	43.00	45.00
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	65.00	75.00	80.00	85.00	90.00	95.00
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	30.00	40.00	46.00	53.00	59.00	65.00
Metal Services LLC	Term Loan	1,842,597.29	50.00	60.00	66.00	73.00	79.00	85.00
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	45.00	49.00	53.00	58.00	70.00	74.00
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	65.00	75.00	80.00	85.00	90.00	95.00
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	2.00	4.00	6.00	8.00	10.00	10.00
Micro Holding Corp.	Term Loan	1,693,384.37	30.00	40.00	46.00	53.00	59.00	65.00
Micron Technology, Inc.	Term Loan	1,081,199.90	65.00	75.00	80.00	85.00	90.00	95.00
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	65.00	75.00	80.00	85.00	90.00	95.00
Milacron LLC	Term Loan B (1st Lien)	340,119.27	50.00	60.00	66.00	73.00	79.00	85.00
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	50.00	60.00	66.00	73.00	79.00	85.00
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	65.00	75.00	80.00	85.00	90.00	95.00
Mitchell International, Inc.	Term Loan B	4,657,738.01	50.00	60.00	66.00	73.00	79.00	85.00
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	20.00	26.00	33.00	39.00	43.00	45.00
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	50.00	60.00	66.00	73.00	79.00	85.00
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	50.00	60.00	66.00	73.00	79.00	85.00
Murray Energy Corporation	Term Loan B2	5,130,849.76	30.00	40.00	46.00	53.00	59.00	65.00
NBTY, Inc.	Term Loan B	1,613,492.72	50.00	60.00	66.00	73.00	79.00	85.00
NN, Inc.	Term Loan B (9/16)	702,144.91	37.00	41.00	44.00	49.00	59.00	62.00
NPC International, Inc.	Term Loan B	1,974,093.26	50.00	60.00	66.00	73.00	79.00	85.00
NXP B.V.	Term Loan F	1,656,178.03	41.00	46.00	49.00	53.00	63.00	67.00
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	50.00	60.00	66.00	73.00	79.00	85.00
National Financial Partners Corporation	Term Loan B	2,354,724.29	50.00	60.00	66.00	73.00	79.00	85.00
National Surgical Hospitals, Inc.	Term Loan	731,421.39	30.00	40.00	46.00	53.00	59.00	65.00
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	65.00	75.00	80.00	85.00	90.00	95.00
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	30.00	40.00	46.00	53.00	59.00	65.00
Omnitracs, LLC	Second Lien Term Loan	762,692.55	2.00	4.00	6.00	8.00	10.00	10.00



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Omnitracs, LLC	Term Loan	4,918,350.39	50.00	60.00	66.00	73.00	79.00	85.00
Omnova Solutions Inc.	Term Loan B2	2,992,500.00	50.00	60.00	66.00	73.00	79.00	85.00
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	30.00	40.00	46.00	53.00	59.00	65.00
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	30.00	40.00	46.00	53.00	59.00	65.00
PFS Holding Corporation	Term Loan	1,520,907.18	20.00	26.00	33.00	39.00	43.00	45.00
PGT, Inc.	Term Loan	1,955,370.37	50.00	60.00	66.00	73.00	79.00	85.00
PODS LLC	Term Loan B	1,519,287.93	20.00	26.00	33.00	39.00	43.00	45.00
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	50.00	60.00	66.00	73.00	79.00	85.00
Pelican Products, Inc.	Term Loan	111,885.85	30.00	40.00	46.00	53.00	59.00	65.00
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	5.00	10.00	15.00	20.00	23.00	25.00
Penn National Gaming, Inc.	New Term Loan B	866,316.21	65.00	75.00	80.00	85.00	90.00	95.00
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	30.00	40.00	46.00	53.00	59.00	65.00
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	65.00	75.00	80.00	85.00	90.00	95.00
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	20.00	26.00	33.00	39.00	43.00	45.00
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	30.00	40.00	46.00	53.00	59.00	65.00
PolyOne Corporation	Term Loan B	1,347,089.75	50.00	60.00	66.00	73.00	79.00	85.00
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	2.00	4.00	6.00	8.00	10.00	10.00
Prestige Brands, Inc.	Term Loan B3	818,276.14	65.00	75.00	80.00	85.00	90.00	95.00
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	50.00	60.00	66.00	73.00	79.00	85.00
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	30.00	40.00	46.00	53.00	59.00	65.00
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	30.00	40.00	46.00	53.00	59.00	65.00
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	50.00	60.00	66.00	73.00	79.00	85.00
RP Crown Parent, LLC	Term Loan B	2,000,000.00	30.00	40.00	46.00	53.00	59.00	65.00
RPI Finance Trust	Term Loan B5	5,747,171.70	45.00	49.00	53.00	58.00	70.00	74.00
RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	30.00	40.00	46.00	53.00	59.00	65.00
Realogy Group LLC	Term Loan B (07/16)	474,783.66	65.00	75.00	80.00	85.00	90.00	95.00
Renaissance Learning, Inc.	Term Loan	3,227,487.61	30.00	40.00	46.00	53.00	59.00	65.00
Ryman Hospitality	Term Loan B	676,502.14	65.00	75.00	80.00	85.00	90.00	95.00
SBA Senior Finance II LLC	Term Loan	3,900,000.00	50.00	60.00	66.00	73.00	79.00	85.00
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	65.00	75.00	80.00	85.00	90.00	95.00
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	30.00	40.00	46.00	53.00	59.00	65.00
SRAM, LLC	First Lien Term Loan	1,990,315.50	30.00	40.00	46.00	53.00	59.00	65.00
SRS Distribution Inc.	Term Loan	2,518,995.35	20.00	26.00	33.00	39.00	43.00	45.00
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	30.00	40.00	46.00	53.00	59.00	65.00
Sabre GLBL Inc.	Term Loan B-2	4,840,357.36	30.00	40.00	46.00	53.00	59.00	65.00



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Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	30.00	40.00	46.00	53.00	59.00	65.00
Samsonite International S.A.	Term Loan B	661,229.19	65.00	75.00	80.00	85.00	90.00	95.00
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	50.00	60.00	66.00	73.00	79.00	85.00
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	50.00	60.00	66.00	73.00	79.00	85.00
Seadrill Operating LP	Term Loan B	3,926,646.02	30.00	40.00	46.00	53.00	59.00	65.00
Seahawk Holding Limited	Term Loan B	3,000,000.00	30.00	40.00	46.00	53.00	59.00	65.00
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	30.00	40.00	46.00	53.00	59.00	65.00
Shaw Data Centre LP	Term Loan	1,965,775.16	30.00	40.00	46.00	53.00	59.00	65.00
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	2.00	4.00	6.00	8.00	10.00	10.00
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	65.00	75.00	80.00	85.00	90.00	95.00
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	50.00	60.00	66.00	73.00	79.00	85.00
Southcross Energy Partners, L.P.	Term Loan	791,537.81	30.00	40.00	46.00	53.00	59.00	65.00
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	30.00	40.00	46.00	53.00	59.00	65.00
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	30.00	40.00	46.00	53.00	59.00	65.00
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	30.00	40.00	46.00	53.00	59.00	65.00
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	30.00	40.00	46.00	53.00	59.00	65.00
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	50.00	60.00	66.00	73.00	79.00	85.00
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	20.00	26.00	33.00	39.00	43.00	45.00
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	20.00	26.00	33.00	39.00	43.00	45.00
Targa Resources Corp	Term Loan	372,093.02	2.00	4.00	6.00	8.00	10.00	10.00
Team Health, Inc.	5/16 Term Loan	5,280,526.03	30.00	40.00	46.00	53.00	59.00	65.00
Tecomet Inc.	Term Loan	3,924,912.29	30.00	40.00	46.00	53.00	59.00	65.00
Tectum Holdings, Inc.	Term Loan	1,897,308.50	30.00	40.00	46.00	53.00	59.00	65.00
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	30.00	40.00	46.00	53.00	59.00	65.00
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	50.00	60.00	66.00	73.00	79.00	85.00
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	2.00	4.00	6.00	8.00	10.00	10.00
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	30.00	40.00	46.00	53.00	59.00	65.00
The Talbots Inc.	Term Loan	3,930,275.57	30.00	40.00	46.00	53.00	59.00	65.00



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Total Merchant Services, Inc	Term Loan	1,960,000.00	50.00	60.00	66.00	73.00	79.00	85.00
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	30.00	40.00	46.00	53.00	59.00	65.00
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	30.00	40.00	46.00	53.00	59.00	65.00
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	65.00	75.00	80.00	85.00	90.00	95.00
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	30.00	40.00	46.00	53.00	59.00	65.00
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	2.00	4.00	6.00	8.00	10.00	10.00
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	65.00	75.00	80.00	85.00	90.00	95.00
TruckPro, Inc.	Term Loan	1,425,556.36	45.00	49.00	53.00	58.00	70.00	74.00
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	30.00	40.00	46.00	53.00	59.00	65.00
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	50.00	60.00	66.00	73.00	79.00	85.00
USI, Inc.	Term Loan B	2,046,629.50	30.00	40.00	46.00	53.00	59.00	65.00
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	30.00	40.00	46.00	53.00	59.00	65.00
USS Parent Holding Corp.	Term Loan	287,967.83	30.00	40.00	46.00	53.00	59.00	65.00
Univision Communications Inc.	Term Loan C3	252,546.41	50.00	60.00	66.00	73.00	79.00	85.00
Univision Communications Inc.	Term Loan C4	4,426,565.88	50.00	60.00	66.00	73.00	79.00	85.00
Utex Industries, Inc.	Term Loan	886,584.34	20.00	26.00	33.00	39.00	43.00	45.00
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	50.00	60.00	66.00	73.00	79.00	85.00
VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	45.00	49.00	53.00	58.00	70.00	74.00
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	65.00	75.00	80.00	85.00	90.00	95.00
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	65.00	75.00	80.00	85.00	90.00	95.00
W/S Packaging Group, Inc.	Term Loan B	746,607.74	30.00	40.00	46.00	53.00	59.00	65.00
W3 Co.	New Term Loan A	3,869,346.75	20.00	26.00	33.00	39.00	43.00	45.00
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	65.00	75.00	80.00	85.00	90.00	95.00
Wastequip, LLC	Term Loan	1,943,599.57	30.00	40.00	46.00	53.00	59.00	65.00
West Corporation	Replacement Term Loan B12	1,985,037.47	50.00	60.00	66.00	73.00	79.00	85.00
Western Digital Corporation	Term Loan B-1	796,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Wilsonart LLC	Term Loan C	593,703.66	20.00	26.00	33.00	39.00	43.00	45.00
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	30.00	40.00	46.00	53.00	59.00	65.00
York Risk Services Holding Corp.	Term Loan B	3,865,753.92	30.00	40.00	46.00	53.00	59.00	65.00
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	65.00	75.00	80.00	85.00	90.00	95.00



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Zekelman Industries, Inc	Term Loan	995,000.00	50.00	60.00	66.00	73.00	79.00	85.00
Ziggo BV	Term Loan D	4,206,866.04	30.00	40.00	46.00	53.00	59.00	65.00
inVentiv Health, Inc.	Term Loan B	1,617,588.74	30.00	40.00	46.00	53.00	59.00	65.00

642,916,866.88

	<i>Result Value</i>	<i>Minimum Allowed</i>	<i>Test Result</i>
S&P Recovery Rate - AAA	42.3	40.3	Passed
S&P Recovery Rate - AA	51.6	49.6	Passed
S&P Recovery Rate - A	57.3	54.9	Passed
S&P Recovery Rate - BBB	63.6	61.2	Passed
S&P Recovery Rate - BB	69.4	66.8	Passed
S&P Recovery Rate - B and below	74.8	72.1	Passed



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Maturity Date</i>	<i>Average (Years)</i>	<i>Weighted Average Life</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	05/28/2021	4.36	16,299,142.90
ADMI Corp.	Initial Term Loan	2,281,584.04	04/29/2022	5.25	11,977,254.84
AMC Entertainment Inc.	Term Loan	3,880,402.02	12/15/2022	5.84	22,658,082.48
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	11/20/2023	6.74	7,158,871.98
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	11/20/2023	6.74	9,308,820.82
Academy, Ltd.	Term Loan	3,841,776.73	07/01/2022	5.41	20,769,738.68
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	02/11/2022	5.05	2,963,347.05
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	09/26/2021	4.67	22,996,760.77
AdvancePierre Foods, Inc.	Term Loan	354,581.43	06/02/2023	6.38	2,261,357.79
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	07/23/2021	4.51	6,697,527.49
Alere Inc.	Term Loan B	491,061.34	06/20/2022	5.39	2,644,994.09
Alison US LLC	Term Loan B-1	977,500.00	08/30/2021	4.61	4,505,875.17
Alison US LLC	Term Loan B-2	977,500.00	08/30/2021	4.61	4,505,875.17
Alpha Topco Limited	Term Loan B3	3,000,000.00	07/30/2021	4.63	13,891,666.67
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	09/06/2019	2.67	5,780,512.16
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	04/28/2023	6.19	45,162,967.83
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	10/31/2023	6.70	28,864,725.10
Apex Tool Group, LLC	Term Loan	5,804,020.06	01/31/2020	3.07	17,805,276.47
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	12/31/2020	4.01	14,706,189.82
Aramark Corporation	Term Loan F	3,890,000.00	02/24/2021	4.11	15,997,556.09
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	07/05/2023	5.79	11,634,444.59
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	08/22/2022	4.85	9,700,878.53
Astoria Energy LLC	Term Loan	2,765,960.89	12/24/2021	5.03	13,910,951.54
Asurion, LLC	First Lien Term Loan	2,855,338.62	08/04/2022	5.28	15,072,269.73
Asurion, LLC	Replacement Term Loan B-2	471,939.56	07/08/2020	3.50	1,650,375.92
Asurion, LLC	Second Lien Term Loan	418,263.35	03/03/2021	4.22	1,763,677.13
Asurion, LLC	Term Loan B-5	1,995,000.00	11/03/2023	6.70	13,357,374.34
At Home Holding III Inc	Term Loan	2,129,536.34	06/03/2022	5.33	11,355,485.28
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	02/16/2021	4.09	6,663,092.68
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	06/21/2022	5.39	6,282,080.34
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	03/15/2022	5.13	10,098,281.01
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	09/26/2019	2.72	7,274,027.35
BWAY Holding Company	Term loan	2,823,385.83	08/14/2023	6.70	18,916,685.06
Bass Pro Group, LLC	Term Loan	4,952,921.34	06/05/2020	3.41	16,876,515.73
Bats Global Markets, Inc.	Term Loan	991,672.64	06/30/2023	6.18	6,133,363.04
Beacon Roofing Supply Inc	Term Loan B	581,684.70	10/03/2022	5.66	3,293,570.60
Berry Plastics Corporation	Term Loan D	3,839,734.37	02/10/2020	3.09	11,882,094.17
Berry Plastics Corporation	Term Loan H	328,048.18	10/03/2022	5.83	1,910,880.65



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Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	07/31/2020	3.26	2,305,428.10
Bioscrip, Inc.	Term Loan B	1,179,577.48	07/31/2020	3.26	3,842,380.21
Boyd Gaming Corporation	Term Loan B	1,230,682.13	08/14/2020	3.45	4,249,259.39
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	09/15/2023	6.57	18,062,652.04
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	10/15/2020	3.76	11,400,113.42
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	08/17/2020	3.67	8,962,796.48
Builders FirstSource, Inc.	Term Loan B	790,239.16	07/29/2022	5.49	4,338,434.12
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	02/01/2021	4.13	8,909,311.67
CCM Merger, Inc.	Term Loan	714,699.88	08/06/2021	4.65	3,323,354.44
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	12/31/2019	2.98	3,933,022.28
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	01/27/2021	4.04	17,508,229.90
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	07/29/2021	4.52	17,864,915.95
CPI International, Inc.	Term Loan	1,123,273.63	11/17/2017	0.88	985,984.63
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	08/31/2023	6.53	7,705,651.32
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	01/31/2022	5.02	9,729,383.61
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	04/30/2020	3.36	1,003,509.21
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	05/01/2019	2.32	1,655,313.11
Caraustar Industries Inc.	Term Loan	1,732,087.81	05/01/2019	2.32	4,024,071.12
CareCore National, LLC	Term Loan B	2,947,318.00	03/05/2021	4.15	12,219,068.40
Carr Management, Inc.	Term Loan	1,848,688.51	10/22/2020	3.78	6,986,089.31
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	05/20/2021	4.34	1,074,343.76
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	06/07/2023	6.31	12,553,097.67
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	07/01/2020	3.48	6,934,625.53
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	01/15/2024	6.88	11,761,540.70
Chemours Company, The	Term Loan B	2,199,418.52	05/12/2022	5.27	11,597,342.29
Cinemark USA, Inc	Term Loan	2,880,865.44	05/09/2022	5.31	15,292,657.00
Concentra Inc.	Term Loan B	2,381,812.53	06/01/2022	5.26	12,710,036.93
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	05/08/2019	2.37	2,674,825.67
Consolidated Communications, Inc.	Term Loan B	858,840.37	10/05/2023	6.62	5,685,960.64
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	01/03/2020	3.04	3,036,111.11
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	12/18/2023	6.81	3,724,435.41
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	10/25/2023	6.68	11,321,538.18
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	06/10/2020	3.48	2,319,978.40
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	12/10/2019	2.93	13,864,497.54
Dayton Power And Light Company (The)	Term Loan B	767,105.59	08/22/2022	5.55	4,260,339.31
Dell International L.L.C.	Term Loan A2	2,000,000.00	09/07/2021	3.82	7,643,472.22
Dell International L.L.C.	Term Loan B	4,000,000.00	09/07/2023	6.54	26,148,027.78
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	03/06/2021	4.23	8,651,431.48



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Diamond US Holding LLC	Term Loan B	2,866,082.45	12/17/2021	4.90	14,039,031.45
Dollar Tree, Inc	Term Loan	379,746.83	07/06/2022	5.41	2,052,539.53
Dynegy Inc	Term Loan B	3,000,000.00	06/27/2023	6.57	19,700,000.00
Dynegy Inc	Term Loan B2	561,403.51	04/23/2020	3.34	1,877,582.85
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	11/26/2020	3.87	13,674,055.72
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	06/28/2023	6.36	24,263,552.33
EMG Utica, LLC	Term Loan	1,921,842.30	03/27/2020	3.27	6,283,356.63
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	08/19/2022	5.52	10,491,296.11
EP Minerals, LLC	Term Loan (new)	726,588.10	08/20/2020	3.61	2,621,410.80
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	04/06/2020	3.05	5,757,179.15
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	04/05/2021	4.31	5,892,279.42
Eastern Power, LLC	Term Loan B	5,406,259.77	10/01/2021	4.79	25,887,125.76
Eldorado Resorts, Inc.	Term Loan B	528,436.87	07/23/2022	5.47	2,892,081.64
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	09/26/2022	5.64	33,610,950.12
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	12/02/2019	2.95	5,894,444.44
Entegris Inc	Term Loan	752,390.96	04/30/2021	4.38	3,293,800.42
Entercom Radio, LLC	Term Loan B	943,539.79	11/01/2023	6.68	6,306,095.47
Envision Healthcare Corporation	Term Loan B	2,000,000.00	12/01/2023	6.77	13,537,055.56
Essential Power, LLC	Term Loan B	921,225.89	08/08/2019	2.60	2,394,801.57
Exgen Renewables I, LLC	Term Loan	1,198,547.08	02/08/2021	4.05	4,856,064.87
Exopack Holdings S.A.	Term Loan	2,409,074.92	05/08/2019	2.34	5,645,820.90
FCA US LLC	New Term Loan B	4,047,032.27	12/31/2018	2.01	8,150,273.32
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	06/28/2019	2.51	5,145,042.70
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	11/19/2019	2.87	11,106,912.62
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	09/30/2020	3.79	2,555,391.26
Fieldwood Energy LLC	Term Loan	5,774,113.39	09/28/2018	1.75	10,120,737.64
Filtration Group Corporation	Term Loan B	5,660,526.16	11/23/2020	3.86	21,874,108.06
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	03/24/2021	4.28	32,466,804.70
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	07/08/2022	5.58	15,626,969.51
Flex Acquisition Company Inc	Term Loan	4,456,835.92	12/29/2023	6.86	30,567,394.86
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	05/30/2022	5.48	5,475,000.00
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	05/28/2021	4.36	12,883,033.07
GTT Communications Inc	Term Loan B	572,197.44	01/09/2024	6.87	3,930,694.42
GXS Group, Inc.	Term Loan B	6,248,911.57	01/19/2021	4.02	25,098,050.03
Gardner Denver, Inc.	Term Loan	4,866,892.03	07/30/2020	3.55	17,296,644.86
Gates Global LLC	Term Loan	1,722,149.36	07/05/2021	4.46	7,680,576.44
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	03/04/2019	2.18	3,466,187.76
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	06/10/2022	5.36	10,668,986.36



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Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	08/15/2022	5.53	12,734,722.17
Global Payments Inc.	Term Loan B (10/16)	628,376.63	04/21/2023	6.19	3,887,273.03
Gray Television, Inc.	Term Loan	1,133,351.60	06/14/2021	4.50	5,103,230.40
Greatbatch Ltd.	Term Loan B	1,737,147.23	10/27/2022	5.73	9,946,033.27
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	02/26/2021	4.12	20,349,195.26
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	08/18/2022	5.54	5,227,670.70
Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	06/26/2019	2.48	3,684,171.30
Harsco Corporation	Term Loan B	789,881.79	11/02/2023	6.69	5,287,150.56
Headwaters Incorporated	Term Loan B	643,518.00	03/24/2022	5.15	3,315,722.46
Henry Company LLC	Term Loan B	1,514,090.89	10/05/2023	6.62	10,023,768.68
Hertz Corporation (The)	Term Loan B-1	995,000.00	06/30/2023	6.37	6,336,284.95
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	10/26/2020	3.86	858,714.32
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	10/25/2023	6.67	20,173,398.76
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	11/21/2023	6.74	8,296,225.52
Horizon Global Corporation	Term Loan B	3,984,376.75	06/30/2021	4.26	16,972,239.06
Horizon Pharma, Inc.	Term Loan B	396,310.20	05/07/2021	4.32	1,710,387.89
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	05/31/2021	4.37	8,606,861.23
Hubbard Radio, LLC	Term Loan B	1,521,482.41	05/27/2022	5.47	8,317,437.17
Huntsman International LLC	2023 Term B Loan	533,448.11	04/01/2023	6.13	3,272,245.67
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	06/30/2021	4.46	10,969,675.59
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	08/11/2023	6.48	12,825,938.93
Immucor, Inc.	Term Loan B-2	6,665,036.50	08/19/2018	1.63	10,861,781.93
Infinity Acquisition, LLC	Term Loan	1,955,225.00	08/06/2021	4.55	8,889,988.05
Infor (US), Inc.	Term Loan B-5	1,945,297.69	06/03/2020	3.46	6,727,487.84
Information Resources, Inc.	New Term Loan	3,025,268.20	09/30/2020	3.72	11,189,874.36
Jazz Acquisition, Inc	Term Loan	368,013.38	06/18/2021	4.42	1,626,198.84
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	07/01/2022	5.42	12,739,577.14
Joerns Healthcare, LLC	Term Loan	3,261,548.03	05/11/2020	3.34	10,893,715.96
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	10/20/2023	6.66	13,319,472.22
KFC Holding Co.	Term Loan B	1,496,789.43	06/16/2023	6.33	9,476,940.17
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	08/01/2022	5.50	2,790,030.11
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	01/31/2017	0.07	8,312.51
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	08/01/2022	5.51	9,029,078.75
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	04/09/2021	4.23	23,020,170.49
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	11/04/2020	3.82	18,669,315.98
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	04/28/2020	3.31	1,066,300.71
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	04/28/2020	3.31	2,495,033.46
Kronos Incorporated	Initial Term Loan	2,982,265.03	11/01/2023	6.69	19,953,796.85



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LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	11/21/2022	5.79	30,429,361.29
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	05/07/2021	4.30	4,196,625.06
MTS Systems Corporation	Term Loan B	1,807,874.73	07/05/2023	6.38	11,537,182.78
Magic Newco, LLC	Term Loan	7,771,544.04	12/12/2018	1.94	15,091,456.36
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	03/19/2021	4.17	14,318,839.26
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	03/19/2021	4.17	8,160,541.92
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	03/03/2023	6.24	6,318,843.38
Mannington Mills, Inc.	Term Loan	953,049.47	10/01/2021	4.80	4,577,101.33
Marine Acquisition Corp.	Term Loan	2,334,456.32	02/01/2021	3.90	9,115,925.21
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	08/13/2021	4.56	9,105,796.82
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	01/29/2021	4.04	15,583,689.18
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	09/28/2023	6.60	8,581,333.52
Metal Services LLC	Term Loan	1,842,597.29	06/28/2019	2.48	4,573,729.73
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	06/30/2022	5.41	15,993,729.56
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	01/30/2023	5.98	7,292,252.42
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	07/08/2022	5.58	5,583,333.33
Micro Holding Corp.	Term Loan	1,693,384.37	07/08/2021	4.49	7,602,896.27
Micron Technology, Inc.	Term Loan	1,081,199.90	04/26/2022	5.24	5,668,617.71
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	12/31/2023	6.85	14,455,296.60
Milacron LLC	Term Loan B (1st Lien)	340,119.27	09/28/2020	3.78	1,286,784.57
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	05/07/2021	4.33	4,369,652.52
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	10/01/2020	3.72	3,389,939.37
Mitchell International, Inc.	Term Loan B	4,657,738.01	10/13/2020	3.76	17,510,710.93
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	03/27/2020	3.24	8,367,992.68
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	09/30/2020	3.70	8,423,029.43
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	09/30/2020	3.70	7,030,814.57
Murray Energy Corporation	Term Loan B2	5,130,849.76	04/16/2020	3.27	16,784,348.03
NBTY, Inc.	Term Loan B	1,613,492.72	05/05/2023	6.22	10,039,431.79
NN, Inc.	Term Loan B (9/16)	702,144.91	10/19/2022	5.70	3,999,729.24
NPC International, Inc.	Term Loan B	1,974,093.26	12/28/2018	1.99	3,922,582.04
NXP B.V.	Term Loan F	1,656,178.03	12/07/2020	3.90	6,465,377.99
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	07/01/2020	3.43	3,412,034.25
National Financial Partners Corporation	Term Loan B	2,354,724.29	01/08/2024	7.11	16,738,165.16
National Surgical Hospitals, Inc.	Term Loan	731,421.39	06/01/2022	5.34	3,902,987.15
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	10/01/2020	3.72	3,844,400.44
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	03/31/2023	6.13	2,332,347.56
Omnitracs, LLC	Second Lien Term Loan	762,692.55	05/25/2021	4.45	3,391,863.26
Omnitracs, LLC	Term Loan	4,918,350.39	11/25/2020	3.87	19,033,595.27



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Omnova Solutions Inc.	Term Loan B2	2,992,500.00	08/25/2023	6.51	19,476,415.53
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	06/03/2022	5.49	5,296,335.67
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	06/30/2021	4.45	17,499,201.21
PFS Holding Corporation	Term Loan	1,520,907.18	01/29/2021	4.04	6,149,378.51
PGT, Inc.	Term Loan	1,955,370.37	02/16/2022	5.12	10,020,169.80
PODS LLC	Term Loan B	1,519,287.93	02/02/2022	5.02	7,630,226.34
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	06/29/2022	5.18	9,479,277.49
Pelican Products, Inc.	Term Loan	111,885.85	04/10/2020	3.26	364,350.48
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	04/09/2021	4.32	4,195,295.53
Penn National Gaming, Inc.	New Term Loan B	866,316.21	10/30/2020	3.80	3,292,193.84
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	05/25/2023	6.27	3,656,261.68
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	01/13/2023	5.93	4,256,217.03
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	11/15/2018	1.87	5,426,779.73
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	03/31/2021	4.21	8,021,033.37
PolyOne Corporation	Term Loan B	1,347,089.75	11/11/2022	5.76	7,765,402.92
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	11/06/2020	3.89	7,783,333.33
Prestige Brands, Inc.	Term Loan B3	818,276.14	09/03/2021	4.73	3,868,627.75
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	05/02/2022	5.26	9,025,685.39
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	11/20/2023	6.74	12,399,311.82
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	06/30/2022	5.41	16,187,564.67
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	02/28/2020	3.14	11,409,161.96
RP Crown Parent, LLC	Term Loan B	2,000,000.00	10/12/2023	6.64	13,278,027.78
RPI Finance Trust	Term Loan B5	5,747,171.70	10/14/2022	5.69	32,715,225.33
RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	06/30/2023	5.53	29,859,894.95
Realogy Group LLC	Term Loan B (07/16)	474,783.66	07/20/2022	5.47	2,595,361.50
Renaissance Learning, Inc.	Term Loan	3,227,487.61	04/09/2021	4.23	13,651,023.83
Ryman Hospitality	Term Loan B	676,502.14	01/15/2021	4.01	2,710,166.86
SBA Senior Finance II LLC	Term Loan	3,900,000.00	03/24/2021	4.19	16,331,000.20
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	10/14/2021	4.73	17,277,490.95
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	03/14/2022	5.12	9,899,849.37
SRAM, LLC	First Lien Term Loan	1,990,315.50	04/10/2020	3.26	6,583,706.02
SRS Distribution Inc.	Term Loan	2,518,995.35	08/25/2022	5.32	13,395,448.90
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	02/12/2021	4.13	11,818,869.70
Sabre GBLB Inc.	Term Loan B-2	4,840,357.36	02/19/2019	2.15	10,420,213.76
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	10/20/2021	4.77	14,967,548.21
Samsonite International S.A.	Term Loan B	661,229.19	08/01/2023	6.45	4,265,968.40
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	05/14/2020	3.35	13,278,673.70
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	05/14/2020	3.34	5,850,235.99



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Seadrill Operating LP	Term Loan B	3,926,646.02	02/21/2021	4.10	16,116,031.37
Seahawk Holding Limited	Term Loan B	3,000,000.00	10/31/2022	5.73	17,184,812.50
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	03/03/2021	4.13	8,203,651.87
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	11/08/2023	6.71	20,128,041.67
Shaw Data Centre LP	Term Loan	1,965,775.16	03/30/2022	5.17	10,155,202.48
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	06/30/2022	5.56	2,780,555.56
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	01/03/2024	6.85	40,006,625.31
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	09/30/2022	5.70	22,369,146.48
Southcross Energy Partners, L.P.	Term Loan	791,537.81	08/04/2021	4.54	3,593,919.99
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	12/02/2021	4.98	18,737,268.68
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	07/16/2021	4.57	17,180,734.53
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	08/14/2020	3.60	20,876,297.18
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	09/19/2019	2.71	6,243,898.96
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	03/29/2019	2.26	6,069,651.75
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	04/23/2019	2.33	1,833,398.50
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	04/23/2019	2.30	11,254,980.86
Targa Resources Corp	Term Loan	372,093.02	02/25/2022	5.21	1,940,051.66
Team Health, Inc.	5/16 Term Loan	5,280,526.03	11/23/2022	5.80	30,607,247.28
Tecomet Inc.	Term Loan	3,924,912.29	12/05/2021	4.90	19,235,546.95
Tectum Holdings, Inc.	Term Loan	1,897,308.50	08/24/2023	6.51	12,354,100.90
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	06/01/2022	5.36	10,560,398.54
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	04/30/2020	3.31	345,799.48
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	10/30/2020	3.87	985,768.11
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	12/01/2023	6.77	13,537,055.56
The Talbots Inc.	Term Loan	3,930,275.57	03/19/2020	3.20	12,566,554.13
Total Merchant Services, Inc	Term Loan	1,960,000.00	12/04/2020	3.89	7,633,138.96
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	05/06/2021	4.30	7,964,297.39
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	09/02/2021	4.61	30,954,040.62
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	11/05/2021	4.79	1,889,605.60
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	07/10/2020	3.48	3,892,631.67
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	07/09/2021	4.57	867,176.49
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	03/19/2020	3.20	12,350,217.10
TruckPro, Inc.	Term Loan	1,425,556.36	08/06/2018	1.56	2,222,409.11
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	12/23/2021	4.42	21,420,061.23
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	08/30/2024	7.76	15,522,222.22
USI, Inc.	Term Loan B	2,046,629.50	12/27/2019	2.97	6,084,277.03
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	08/11/2023	6.63	2,961,563.98
USS Parent Holding Corp.	Term Loan	287,967.83	08/11/2023	6.48	1,865,323.34



Babson CLO Ltd 2013-II
Weighted Average Life
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Maturity Date</i>	<i>Average (Years)</i>	<i>Weighted Average Life</i>
Univision Communications Inc.	Term Loan C3	252,546.41	02/28/2020	3.15	794,384.23
Univision Communications Inc.	Term Loan C4	4,426,565.88	03/01/2020	3.15	13,949,188.06
Utex Industries, Inc.	Term Loan	886,584.34	05/21/2021	4.34	3,849,039.04
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	06/30/2023	6.58	3,666,641.85
VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	10/27/2022	5.73	34,072,844.27
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	04/01/2022	5.24	24,577,691.63
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	12/13/2023	6.80	5,865,688.26
W/S Packaging Group, Inc.	Term Loan B	746,607.74	08/09/2019	2.59	1,936,592.13
W3 Co.	New Term Loan A	3,869,346.75	03/13/2020	3.18	12,306,951.63
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	11/15/2023	6.73	14,244,766.05
Wastequip, LLC	Term Loan	1,943,599.57	08/09/2019	2.60	5,044,239.59
West Corporation	Replacement Term Loan B12	1,985,037.47	06/19/2023	6.40	12,705,689.55
Western Digital Corporation	Term Loan B-1	796,000.00	04/28/2023	6.20	4,938,344.62
Wilsonart LLC	Term Loan C	593,703.66	12/19/2023	6.96	4,129,900.25
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	07/01/2021	4.45	12,511,258.81
York Risk Services Holding Corp.	Term Loan B	3,865,753.92	10/01/2021	4.69	18,147,320.75
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	10/27/2021	4.88	2,673,660.42
Zekelman Industries, Inc	Term Loan	995,000.00	06/14/2021	4.41	4,385,263.95
Ziggo BV	Term Loan D	4,206,866.04	08/30/2024	7.76	32,649,954.77
inVentiv Health, Inc.	Term Loan B	1,617,588.74	11/09/2023	6.71	10,856,514.23
		642,916,866.88			2,929,067,482.63
Weighted Average Life			4.56		
Maximum Weighted Average Life			4.95		
Test Result			Passed		



Babson CLO Ltd 2013-II
Collateral Debt Obligation Rating Change Report
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Current Moody's Rating</i>	<i>Previous Moody's Rating</i>	<i>Up / Down</i>	<i>Current S&P Rating</i>	<i>Previous S&P Rating</i>	<i>Up / Down</i>
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	B2	B3	Up			
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46				BB	BB-	Up
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48				CCC-	CCC	Down
Bioscrip, Inc.	Term Loan B	1,179,577.48				CCC-	CCC	Down
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66				BB	BB-	Up
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	B3	Caa1	Up			
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	B3	Caa1	Up			
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81				BB+	BB	Up
GXS Group, Inc.	Term Loan B	6,248,911.57	Ba1	Ba2	Up			
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	Ba3	Ba2	Down			
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	B2	B3	Up			
PODS LLC	Term Loan B	1,519,287.93				B+	B	Up
Prestige Brands, Inc.	Term Loan B3	818,276.14	B3	B2	Down			
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	Caa1	B2	Down			
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	Caa1	B3	Down			
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	Caa1	B3	Down			
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72				BB-	B	Up
Zekelman Industries, Inc	Term Loan	995,000.00	B2	B3	Up			
		44,144,976.70						

Total Number of Moody's Ratings Upgrades	6
Total Number of Moody's Ratings Downgrades	5
Total Number of S&P Ratings Upgrades	5
Total Number of S&P Ratings Downgrades	2



Babson CLO Ltd 2013-II
Market Values
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CUSIP</i>	<i>Market Value Indenture</i>	<i>WSO Servicer Backup</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91	LX137112	99.2500	Mark-It Partners
ADMI Corp.	Initial Term Loan	2,281,584.04	LX144074	100.5940	Mark-It Partners
AMC Entertainment Inc.	Term Loan	3,880,402.02	LX129265	101.0000	Mark-It Partners
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	LX156037	100.6880	Mark-It Partners
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	LX156695	100.6880	Mark-It Partners
Academy, Ltd.	Term Loan	3,841,776.73	LX144914	91.2000	Mark-It Partners
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	LX143182	100.6880	Mark-It Partners
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48	LX144231	97.6000	Mark-It Partners
AdvancePierre Foods, Inc.	Term Loan	354,581.43	LX152943	101.4500	Mark-It Partners
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36	LX138508	100.4290	Mark-It Partners
Alere Inc.	Term Loan B	491,061.34	LX144969	99.9530	Mark-It Partners
Alison US LLC	Term Loan B-1	977,500.00	LX138127	99.4170	Mark-It Partners
Alison US LLC	Term Loan B-2	977,500.00	LX139129	99.4170	Mark-It Partners
Alpha Topco Limited	Term Loan B3	3,000,000.00	LX139582	100.9840	Mark-It Partners
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22	LX152821	100.9860	Mark-It Partners
American Airlines, Inc.	Replacement Term Loan B	7,299,557.06	LX155973	100.5180	Mark-It Partners
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	LX155174	100.9720	Mark-It Partners
Apex Tool Group, LLC	Term Loan	5,804,020.06	LX127865	97.4380	Mark-It Partners
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	LX134338	97.3750	Mark-It Partners
Aramark Corporation	Term Loan F	3,890,000.00	LX135507	100.8570	Mark-It Partners
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83	LX153228	100.8750	Mark-It Partners
Arch Coal, Inc.	Exit Term Loan (09/16)	460,007.50	LX155314	101.3440	Mark-It Partners
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	LX146680	97.7500	Mark-It Partners
Astoria Energy LLC	Term Loan	2,765,960.89	LX142444	99.6250	Mark-It Partners
Asurion, LLC	First Lien Term Loan	2,855,338.62	LX146918	101.2080	Mark-It Partners
Asurion, LLC	Replacement Term Loan B-2	471,939.56	LX157686	100.4300	Mark-It Partners
Asurion, LLC	Second Lien Term Loan	418,263.35	LX135662	101.8000	Mark-It Partners
Asurion, LLC	Term Loan B-5	1,995,000.00	LX156134	101.4380	Mark-It Partners
At Home Holding III Inc	Term Loan	2,129,536.34	LX144535	100.2500	Mark-It Partners
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	LX135021	100.2500	Mark-It Partners
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	LX153045	101.7500	Mark-It Partners
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	LX152698	100.5780	Mark-It Partners
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47	LX133581	100.7500	Mark-It Partners
BWAY Holding Company	Term loan	2,823,385.83	LX157667	100.0300	Mark-It Partners
Bass Pro Group, LLC	Term Loan	4,952,921.34	LX144858	100.0000	Mark-It Partners
Bats Global Markets, Inc.	Term Loan	991,672.64	LX153214	100.5000	Mark-It Partners
Beacon Roofing Supply Inc	Term Loan B	581,684.70	LX147037	100.7750	Mark-It Partners
Berry Plastics Corporation	Term Loan D	3,839,734.37	LX128321	100.6360	Mark-It Partners

**Babson CLO Ltd 2013-II**

Market Values

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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CUSIP</i>	<i>Market Value Indenture</i>	<i>WSO Servicer Backup</i>
Berry Plastics Corporation	Term Loan H	328,048.18	LX153063	100.5630	Mark-It Partners
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	LX131102	94.0000	Mark-It Partners
Bioscrip, Inc.	Term Loan B	1,179,577.48	LX130184	94.0000	Mark-It Partners
Boyd Gaming Corporation	Term Loan B	1,230,682.13	LX131658	100.8500	Mark-It Partners
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	LX154391	101.0940	Mark-It Partners
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	LX132979	84.3500	Mark-It Partners
Bronco Midstream Funding, LLC	Term Loan	2,444,399.04	LX131945	100.2500	Mark-It Partners
Builders FirstSource, Inc.	Term Loan B	790,239.16	LX154497	100.8250	Mark-It Partners
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	LX134898	100.2660	Mark-It Partners
CCM Merger, Inc.	Term Loan	714,699.88	LX139679	100.8750	Mark-It Partners
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	LX144539	96.8750	Mark-It Partners
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20	LX144540	96.7880	Mark-It Partners
CITGO Petroleum Corporation	Term Loan B (new)	3,948,097.17	LX139019	100.2710	Mark-It Partners
CPI International, Inc.	Term Loan	1,123,273.63	LX135967	99.7500	Mark-It Partners
CRCI Holdings, LLC	Term Loan (08/16)	1,180,133.17	LX154405	99.8330	Mark-It Partners
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	LX129617	100.0940	Mark-It Partners
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	LX129269	101.1670	Mark-It Partners
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	LX142645	101.5000	Mark-It Partners
Caraustar Industries Inc.	Term Loan	1,732,087.81	LX129122	101.5000	Mark-It Partners
CareCore National, LLC	Term Loan B	2,947,318.00	LX135345	98.3750	Mark-It Partners
Carr Management, Inc.	Term Loan	1,848,688.51	LX141903	99.0000	Mark-It Partners
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	LX137090	100.7220	Mark-It Partners
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	LX152766	97.6000	Mark-It Partners
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	LX129060	100.5130	Mark-It Partners
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	LX158178	100.5500	Mark-It Partners
Chemours Company, The	Term Loan B	2,199,418.52	LX144235	99.1250	Mark-It Partners
Cinemark USA, Inc	Term Loan	2,880,865.44	LX157658	100.3100	Mark-It Partners
Concentra Inc.	Term Loan B	2,381,812.53	LX144279	100.2500	Mark-It Partners
Confie Seguros Holding II Co.	Second Lien Term Loan	1,128,883.05	LX126494	99.0830	Mark-It Partners
Consolidated Communications, Inc.	Term Loan B	858,840.37	LX154992	100.8130	Mark-It Partners
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	LX137769	97.7500	Mark-It Partners
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	LX156894	100.9380	Mark-It Partners
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	LX155562	100.5500	Mark-It Partners
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44	LX126292	46.5000	Mark-It Partners
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47	LX126290	83.6000	Mark-It Partners
Dayton Power And Light Company (The)	Term Loan B	767,105.59	LX154380	101.2500	Mark-It Partners
Dell International L.L.C.	Term Loan A2	2,000,000.00	LX150045	99.8440	Mark-It Partners
Dell International L.L.C.	Term Loan B	4,000,000.00	LX150043	101.7720	Mark-It Partners

**Babson CLO Ltd 2013-II**

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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CUSIP</i>	<i>Market Value Indenture</i>	<i>WSO Servicer Backup</i>
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	LX135579	100.5000	Mark-It Partners
Diamond US Holding LLC	Term Loan B	2,866,082.45	LX142255	100.0830	Mark-It Partners
Dollar Tree, Inc	Term Loan	379,746.83	LX155145	100.7920	Mark-It Partners
Dynegy Inc	Term Loan B	3,000,000.00	LX153273	101.3410	Mark-It Partners
Dynegy Inc	Term Loan B2	561,403.51	LX129099	100.5180	Mark-It Partners
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	LX157886	100.4100	Mark-It Partners
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	LX153086	100.7500	Mark-It Partners
EMG Utica, LLC	Term Loan	1,921,842.30	LX128903	99.1250	Mark-It Partners
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	LX156515	100.5760	Mark-It Partners
EP Minerals, LLC	Term Loan (new)	726,588.10	LX139754	99.3750	Mark-It Partners
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	LX136216	100.0630	Mark-It Partners
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	LX136217	97.3330	Mark-It Partners
Eastern Power, LLC	Term Loan B	5,406,259.77	LX140953	100.8130	Mark-It Partners
Eldorado Resorts, Inc.	Term Loan B	528,436.87	LX146684	100.5310	Mark-It Partners
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	5,954,962.22	LX145129	100.4840	Mark-It Partners
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	LX143455	100.4640	Mark-It Partners
Entegris Inc	Term Loan	752,390.96	LX135430	100.6670	Mark-It Partners
Entercom Radio, LLC	Term Loan B	943,539.79	LX155847	101.1500	Mark-It Partners
Envision Healthcare Corporation	Term Loan B	2,000,000.00	LX156475	100.8750	Mark-It Partners
Essential Power, LLC	Term Loan B	921,225.89	LX125098	101.0000	Mark-It Partners
Exgen Renewables I, LLC	Term Loan	1,198,547.08	LX134980	100.5000	Mark-It Partners
Exopack Holdings S.A.	Term Loan	2,409,074.92	LX133334	100.4170	Mark-It Partners
FCA US LLC	New Term Loan B	4,047,032.27	LX135335	100.2980	Mark-It Partners
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	LX133573	100.4440	Mark-It Partners
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	LX126795	94.3330	Mark-It Partners
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	LX132457	77.0000	Mark-It Partners
Fieldwood Energy LLC	Term Loan	5,774,113.39	LX132456	94.6880	Mark-It Partners
Filtration Group Corporation	Term Loan B	5,660,526.16	LX133605	100.7190	Mark-It Partners
First Data Corporation	2021C New Dollar Term Loan	7,594,574.20	LX155529	101.1480	Mark-It Partners
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	LX157234	100.9900	Mark-It Partners
Flex Acquisition Company Inc	Term Loan	4,456,835.92	LX157924	99.4900	Mark-It Partners
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	LX137310	96.0000	Mark-It Partners
GENEX Services, Inc.	Term Loan (1st Lien)	2,954,708.21	LX137309	99.2500	Mark-It Partners
GTT Communications Inc	Term Loan B	572,197.44	LX157076	99.4900	Mark-It Partners
GXS Group, Inc.	Term Loan B	6,248,911.57	LX133772	100.6560	Mark-It Partners
Gardner Denver, Inc.	Term Loan	4,866,892.03	LX128915	98.9380	Mark-It Partners
Gates Global LLC	Term Loan	1,722,149.36	LX137851	100.0380	Mark-It Partners
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	LX126268	92.5000	Mark-It Partners

**Babson CLO Ltd 2013-II**

Market Values

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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CUSIP</i>	<i>Market Value Indenture</i>	<i>WSO Servicer Backup</i>
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	LX152782	101.7500	Mark-It Partners
Global Healthcare Exchange, LLC	Term Loan B	2,300,852.08	LX146885	100.6250	Mark-It Partners
Global Payments Inc.	Term Loan B (10/16)	628,376.63	LX155842	100.9500	Mark-It Partners
Gray Television, Inc.	Term Loan	1,133,351.60	LX137716	101.0000	Mark-It Partners
Greatbatch Ltd.	Term Loan B	1,737,147.23	LX147756	100.4750	Mark-It Partners
Grifols Worldwide Operations USA Inc	Term Loan	4,941,572.71	LX135831	100.5710	Mark-It Partners
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	LX145100	95.2000	Mark-It Partners
Hargray Communications Group, Inc.	Term Loan (09/16)	1,487,708.25	LX155397	101.0830	Mark-It Partners
Harsco Corporation	Term Loan B	789,881.79	LX155806	101.8750	Mark-It Partners
Headwaters Incorporated	Term Loan B	643,518.00	LX153366	100.5000	Mark-It Partners
Henry Company LLC	Term Loan B	1,514,090.89	LX154802	101.0000	Mark-It Partners
Hertz Corporation (The)	Term Loan B-1	995,000.00	LX153003	100.3280	Mark-It Partners
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	LX132801	100.8130	Mark-It Partners
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	LX154239	101.1930	Mark-It Partners
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	LX155800	101.1250	Mark-It Partners
Horizon Global Corporation	Term Loan B	3,984,376.75	LX144619	101.5000	Mark-It Partners
Horizon Pharma, Inc.	Term Loan B	396,310.20	LX144256	99.6500	Mark-It Partners
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	LX144372	94.7500	Mark-It Partners
Hubbard Radio, LLC	Term Loan B	1,521,482.41	LX144630	99.1250	Mark-It Partners
Huntsman International LLC	2023 Term B Loan	533,448.11	LX156697	101.0250	Mark-It Partners
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99	LX120047	100.6250	Mark-It Partners
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	LX147082	100.0000	Mark-It Partners
Immucor, Inc.	Term Loan B-2	6,665,036.50	LX128467	96.3960	Mark-It Partners
Infinity Acquisition, LLC	Term Loan	1,955,225.00	LX138814	96.3750	Mark-It Partners
Infor (US), Inc.	Term Loan B-5	1,945,297.69	LX134487	100.1500	Mark-It Partners
Information Resources, Inc.	New Term Loan	3,025,268.20	LX132782	100.9170	Mark-It Partners
Jazz Acquisition, Inc	Term Loan	368,013.38	LX138063	93.4690	Mark-It Partners
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	LX155556	101.4170	Mark-It Partners
Joerns Healthcare, LLC	Term Loan	3,261,548.03	LX136837	93.0000	Mark-It Partners
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	LX155531	100.2500	Mark-It Partners
KFC Holding Co.	Term Loan B	1,496,789.43	LX152813	101.5830	Mark-It Partners
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77	LX146975	100.2500	Mark-It Partners
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27	LX146809	100.2500	Mark-It Partners
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28	LX146807	100.2500	Mark-It Partners
Kindred Healthcare, Inc.	New Term Loan	5,442,225.06	LX136051	100.0000	Mark-It Partners
Kinetic Concepts, Inc.	Term Loan F1	4,892,698.94	LX153058	100.2500	Mark-It Partners
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	LX155812	100.7500	Mark-It Partners
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	LX155684	100.7500	Mark-It Partners

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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CUSIP</i>	<i>Market Value Indenture</i>	<i>WSO Servicer Backup</i>
Kronos Incorporated	Initial Term Loan	2,982,265.03	LX155548	101.1360	Mark-It Partners
LPL Holdings, Inc.	Term Loan B 2022	5,254,964.10	LX149036	100.8330	Mark-It Partners
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	LX136922	100.8750	Mark-It Partners
MTS Systems Corporation	Term Loan B	1,807,874.73	LX152344	101.3130	Mark-It Partners
Magic Newco, LLC	Term Loan	7,771,544.04	LX124101	100.5630	Mark-It Partners
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	LX135580	100.3500	Mark-It Partners
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	LX139221	100.4500	Mark-It Partners
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	LX150914	101.4690	Mark-It Partners
Mannington Mills, Inc.	Term Loan	953,049.47	LX140823	100.7500	Mark-It Partners
Marine Acquisition Corp.	Term Loan	2,334,456.32	LX134958	101.0000	Mark-It Partners
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96	LX139558	91.8210	Mark-It Partners
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	LX129953	100.5630	Mark-It Partners
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	LX154832	100.1250	Mark-It Partners
Metal Services LLC	Term Loan	1,842,597.29	LX134040	100.2500	Mark-It Partners
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	LX145053	97.6250	Mark-It Partners
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	LX155234	101.0420	Mark-It Partners
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	LX137921	99.7500	Mark-It Partners
Micro Holding Corp.	Term Loan	1,693,384.37	LX137918	100.4060	Mark-It Partners
Micron Technology, Inc.	Term Loan	1,081,199.90	LX152340	101.4580	Mark-It Partners
Midcontinent Communications	11/16 Term Loan B	2,111,426.73	LX156777	100.5000	Mark-It Partners
Milacron LLC	Term Loan B (1st Lien)	340,119.27	LX144033	100.7500	Mark-It Partners
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	LX145694	100.9580	Mark-It Partners
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	LX133013	100.9750	Mark-It Partners
Mitchell International, Inc.	Term Loan B	4,657,738.01	LX132841	100.5000	Mark-It Partners
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67	LX128964	98.7500	Mark-It Partners
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19	LX134531	100.0000	Mark-It Partners
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	LX134530	100.0000	Mark-It Partners
Murray Energy Corporation	Term Loan B2	5,130,849.76	LX143728	95.8750	Mark-It Partners
NBTY, Inc.	Term Loan B	1,613,492.72	LX152398	100.6000	Mark-It Partners
NN, Inc.	Term Loan B (9/16)	702,144.91	LX155280	100.7500	Mark-It Partners
NPC International, Inc.	Term Loan B	1,974,093.26	LX134282	100.1250	Mark-It Partners
NXP B.V.	Term Loan F	1,656,178.03	LX155082	100.4770	Mark-It Partners
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	LX139513	101.1560	Mark-It Partners
National Financial Partners Corporation	Term Loan B	2,354,724.29	LX157681	99.5000	Mark-It Partners
National Surgical Hospitals, Inc.	Term Loan	731,421.39	LX144394	100.0000	Mark-It Partners
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	LX132855	100.9750	Mark-It Partners
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	LX155254	101.3130	Mark-It Partners
Omnitracs, LLC	Second Lien Term Loan	762,692.55	LX133214	96.4380	Mark-It Partners



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>CUSIP</i>	<i>Market Value Indenture</i>	<i>WSO Servicer Backup</i>
Omnitracs, LLC	Term Loan	4,918,350.39	LX133212	100.5000	Mark-It Partners
Omnova Solutions Inc.	Term Loan B2	2,992,500.00	LX154154	101.2500	Mark-It Partners
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	LX153376	101.0000	Mark-It Partners
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04	LX137065	99.2030	Mark-It Partners
PFS Holding Corporation	Term Loan	1,520,907.18	LX134882	95.5630	Mark-It Partners
PGT, Inc.	Term Loan	1,955,370.37	LX150552	99.6880	Mark-It Partners
PODS LLC	Term Loan B	1,519,287.93	LX142966	100.7500	Mark-It Partners
Paragon Offshore Finance Company	Term Loan B	1,620,666.26	LX138205	36.7920	Mark-It Partners
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	LX145117	99.7500	Mark-It Partners
Peabody Energy Corporation	Term Loan B	877,637.13	LX132557	98.8750	Mark-It Partners
Pelican Products, Inc.	Term Loan	111,885.85	LX136200	99.6250	Mark-It Partners
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13	LX136201	96.6250	Mark-It Partners
Penn National Gaming, Inc.	New Term Loan B	866,316.21	LX133129	100.4380	Mark-It Partners
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	LX152660	100.8750	Mark-It Partners
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	LX154016	101.5160	Mark-It Partners
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	LX129664	83.0000	Mark-It Partners
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	LX156908	101.0000	Mark-It Partners
PolyOne Corporation	Term Loan B	1,347,089.75	LX153073	101.0310	Mark-It Partners
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	LX129414	99.5000	Mark-It Partners
Prestige Brands, Inc.	Term Loan B3	818,276.14	LX144376	100.6070	Mark-It Partners
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68	LX157682	101.2400	Mark-It Partners
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	LX156414	101.3130	Mark-It Partners
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47	LX152960	98.7500	Mark-It Partners
RCN Telecom Services, LLC	New Term Loan	3,635,132.59	LX114728	100.0420	Mark-It Partners
RP Crown Parent, LLC	Term Loan B	2,000,000.00	LX155106	100.9500	Mark-It Partners
RPI Finance Trust	Term Loan B5	5,747,171.70	LX155323	101.1560	Mark-It Partners
RadNet Management, Inc.	Term Loan B 6/16	5,397,737.34	LX153014	101.0000	Mark-It Partners
Realogy Group LLC	Term Loan B (07/16)	474,783.66	LX153741	101.0000	Mark-It Partners
Renaissance Learning, Inc.	Term Loan	3,227,487.61	LX136184	100.2920	Mark-It Partners
Ryman Hospitality	Term Loan B	676,502.14	LX137653	101.1250	Mark-It Partners
SBA Senior Finance II LLC	Term Loan	3,900,000.00	LX135455	100.5000	Mark-It Partners
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	LX144534	100.5180	Mark-It Partners
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23	LX143112	100.8180	Mark-It Partners
SRAM, LLC	First Lien Term Loan	1,990,315.50	LX119429	99.3750	Mark-It Partners
SRS Distribution Inc.	Term Loan	2,518,995.35	LX147148	101.3750	Mark-It Partners
STS Operating, Inc.	First Lien Term Loan	2,859,423.53	LX135213	96.0000	Mark-It Partners
Sabre GBL Inc.	Term Loan B-2	4,840,357.36	LX132770	100.4170	Mark-It Partners
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	LX141393	95.0000	Mark-It Partners



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Samsonite International S.A.	Term Loan B	661,229.19	LX152173	101.5000	Mark-It Partners
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	3,968,533.94	LX129657	98.8750	Mark-It Partners
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	LX143850	100.5000	Mark-It Partners
Seadrill Operating LP	Term Loan B	3,926,646.02	LX135384	71.6670	Mark-It Partners
Seahawk Holding Limited	Term Loan B	3,000,000.00	LX155015	101.5000	Mark-It Partners
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	LX151425	101.5000	Mark-It Partners
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	LX155523	100.9640	Mark-It Partners
Seventy Seven Operating LLC	Term Loan B	1,950,000.00	LX137857	99.1250	Mark-It Partners
Shaw Data Centre LP	Term Loan	1,965,775.16	LX143671	100.9380	Mark-It Partners
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	LX137741	93.0000	Mark-It Partners
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46	LX158094	99.8100	Mark-It Partners
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	LX147846	100.4380	Mark-It Partners
Southcross Energy Partners, L.P.	Term Loan	791,537.81	LX139218	79.8330	Mark-It Partners
Southcross Holdings Borrower LP	Southcross Holdings - Class A-II Units	0.00	97MSCF526	-	-
Southcross Holdings Borrower LP	Southcross Holdings - GP Equity Position	0.00	97MSCF4S0	-	-
Southcross Holdings Borrower LP	Term Loan B	0.00	LX152427	76.8750	Mark-It Partners
Southeast PowerGen, LLC	Term Loan B	3,766,092.22	LX141908	98.7500	Mark-It Partners
Spencer Spirit Holdings	Term Loan B1	3,755,998.89	LX145716	87.0000	Mark-It Partners
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60	LX143523	99.9580	Mark-It Partners
Steinway Musical Instruments, Inc.	Term Loan	2,304,362.54	LX132475	95.5000	Mark-It Partners
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	LX136139	96.5830	Mark-It Partners
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	LX123795	87.6000	Mark-It Partners
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	LX131300	87.3750	Mark-It Partners
Targa Resources Corp	Term Loan	372,093.02	LX143169	100.5000	Mark-It Partners
Team Health, Inc.	5/16 Term Loan	5,280,526.03	LX152849	100.0000	Mark-It Partners
Tecomet Inc.	Term Loan	3,924,912.29	LX140073	100.0000	Mark-It Partners
Tectum Holdings, Inc.	Term Loan	1,897,308.50	LX154076	101.2500	Mark-It Partners
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	LX143906	100.3750	Mark-It Partners
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	LX129106	99.2500	Mark-It Partners
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	LX129108	97.0000	Mark-It Partners
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	LX155535	100.8750	Mark-It Partners
The Talbots Inc.	Term Loan	3,930,275.57	LX135929	96.6250	Mark-It Partners
Total Merchant Services, Inc	Term Loan	1,960,000.00	LX142021	94.5000	Mark-It Partners
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80	LX136891	100.1250	Mark-It Partners
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	6,712,358.20	LX153220	100.9530	Mark-It Partners
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	LX144123	101.1560	Mark-It Partners
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53	LX130780	88.3330	Mark-It Partners
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	LX130781	71.0000	Mark-It Partners



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Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	LX122688	100.4220	Mark-It Partners
TruckPro, Inc.	Term Loan	1,425,556.36	LX131867	99.7600	Mark-It Partners
U.S. Farathane, LLC	Term Loan B-2	4,851,171.72	LX152817	100.0000	Mark-It Partners
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	LX154034	101.1630	Mark-It Partners
USI, Inc.	Term Loan B	2,046,629.50	LX134269	100.5710	Mark-It Partners
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35	LX153891	100.2500	Mark-It Partners
USS Parent Holding Corp.	Term Loan	287,967.83	LX153889	100.2500	Mark-It Partners
Univision Communications Inc.	Term Loan C3	252,546.41	LX129975	100.4860	Mark-It Partners
Univision Communications Inc.	Term Loan C4	4,426,565.88	LX134926	100.4750	Mark-It Partners
Utex Industries, Inc.	Term Loan	886,584.34	LX137137	92.8750	Mark-It Partners
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	LX158069	100.2100	Mark-It Partners
VFH Parent LLC	Term Loan (Virtu)	5,950,098.25	LX155576	100.6750	Mark-It Partners
Valeant Pharmaceuticals International, Inc.	Term Loan F1	4,686,447.91	LX143679	100.4030	Mark-It Partners
Vantage Drilling International	Vantage Drilling (Offshore Group) 1% / 12% Step-Up	0.00	676253AS6	-	Mark-It Partners
Vantage Drilling International	Vantage Drilling (Offshore Group) Units	0.00	G9325C113	-	Mark-It Partners
Virgin Media Investment Holdings Limited	Term Loan I	0.00	LX157822	99.7400	Mark-It Partners
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	LX157720	99.7400	Mark-It Partners
W/S Packaging Group, Inc.	Term Loan B	746,607.74	LX131454	90.0000	Mark-It Partners
W3 Co.	New Term Loan A	3,869,346.75	LX128601	83.0710	Mark-It Partners
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	LX156798	100.7500	Mark-It Partners
Wastequip, LLC	Term Loan	1,943,599.57	LX131601	99.9170	Mark-It Partners
West Corporation	Replacement Term Loan B12	1,985,037.47	LX157879	100.1800	Mark-It Partners
Western Digital Corporation	Term Loan B-1	796,000.00	LX154422	101.5180	Mark-It Partners
Wilsonart LLC	Term Loan C	593,703.66	LX157636	99.7400	Mark-It Partners
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80	LX138102	99.7500	Mark-It Partners
York Risk Services Holding Corp.	Term Loan B	3,865,753.92	LX140839	94.8750	Mark-It Partners
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	LX152897	101.0000	Mark-It Partners
Zekelman Industries, Inc	Term Loan	995,000.00	LX152890	100.6250	Mark-It Partners
Ziggo BV	Term Loan D	4,206,866.04	LX154367	100.7500	Mark-It Partners
inVentiv Health, Inc.	Term Loan B	1,617,588.74	LX154353	100.9580	Mark-It Partners

647,825,177.77

**Babson CLO Ltd 2013-II****Purchase Price Report**

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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Purchase Price</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	2,925,000.00	99.00
24 Hour Fitness Worldwide, Inc.	Term Loan	813,188.91	96.75
ADMI Corp.	Initial Term Loan	2,281,584.04	99.50
AMC Entertainment Inc.	Term Loan	3,880,402.02	100.13
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16	99.50
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15	99.50
Academy, Ltd.	Term Loan	1,860,410.93	99.50
Academy, Ltd.	Term Loan	989,364.04	95.50
Academy, Ltd.	Term Loan	176,193.59	97.75
Academy, Ltd.	Term Loan	248,000.44	97.75
Academy, Ltd.	Term Loan	567,807.73	98.00
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70	99.50
Acosta, Inc.	Term Loan B (1st Lien)	2,940,225.00	99.25
Acosta, Inc.	Term Loan B (1st Lien)	1,979,899.48	96.00
AdvancePierre Foods, Inc.	Term Loan	354,581.43	99.50
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,437,439.68	99.75
Advantage Sales & Marketing Inc.	First Lien Term Loan	47,914.68	99.75
Alere Inc.	Term Loan B	184,148.00	96.50
Alere Inc.	Term Loan B	306,913.34	96.75
Alison US LLC	Term Loan B-1	977,500.00	99.00
Alison US LLC	Term Loan B-2	977,500.00	99.00
Alpha Topco Limited	Term Loan B3	3,000,000.00	99.50
AmWINS Group, LLC	Term Loan B 5/16	1,196,803.82	100.88
AmWINS Group, LLC	Term Loan B 5/16	967,313.40	100.88
American Airlines, Inc.	Replacement Term Loan B	3,000,000.00	100.00
American Airlines, Inc.	Replacement Term Loan B	1,058,823.53	99.88
American Airlines, Inc.	Replacement Term Loan B	1,299,557.06	99.25
American Airlines, Inc.	Replacement Term Loan B	1,941,176.47	99.88
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86	100.13
Apex Tool Group, LLC	Term Loan	5,804,020.06	100.50
Aquilex HydroChem, Inc.	Term Loan B	3,670,915.12	99.75
Aramark Corporation	Term Loan F	3,890,000.00	99.50
Arbor Pharmaceuticals, Inc.	Term Loan	2,007,970.83	94.00
Arch Coal, Inc.	Exit Term Loan (09/16)	460,007.50	100.00
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	97.75
Astoria Energy LLC	Term Loan	1,810,776.80	98.00
Astoria Energy LLC	Term Loan	955,184.09	96.25
Asurion, LLC	First Lien Term Loan	1,866,759.94	99.50



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Purchase Price</i>
Asurion, LLC	First Lien Term Loan	988,578.68	98.13
Asurion, LLC	Replacement Term Loan B-2	93,477.24	100.00
Asurion, LLC	Replacement Term Loan B-2	378,462.32	100.25
Asurion, LLC	Second Lien Term Loan	418,263.35	98.50
Asurion, LLC	Term Loan B-5	1,995,000.00	99.50
At Home Holding III Inc	Term Loan	2,129,536.34	99.00
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49	99.50
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64	99.50
Avis Budget Car Rental, LLC	Extended Term Loan B	1,969,309.46	100.38
BJ's Wholesale Club, Inc.	Term Loan	1,423,671.09	100.63
BJ's Wholesale Club, Inc.	Term Loan	1,246,062.38	100.63
BWAY Holding Company	Term loan	1,866,692.16	99.00
BWAY Holding Company	Term loan	956,693.67	98.75
Bass Pro Group, LLC	Term Loan	2,978,046.95	99.75
Bass Pro Group, LLC	Term Loan	1,974,874.39	99.38
Bats Global Markets, Inc.	Term Loan	991,672.64	99.00
Beacon Roofing Supply Inc	Term Loan B	581,684.70	99.50
Berry Plastics Corporation	Term Loan D	3,839,734.37	100.13
Berry Plastics Corporation	Term Loan H	328,048.18	99.50
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48	99.63
Bioscrip, Inc.	Term Loan B	1,179,577.48	99.63
Boyd Gaming Corporation	Term Loan B	1,230,682.13	100.00
Boyd Gaming Corporation	Term Loan B2	2,749,920.23	99.88
Britax Childcare Holdings Limited	Term Loan	3,035,101.61	99.50
Bronco Midstream Funding, LLC	Term Loan	1,684,606.50	98.75
Bronco Midstream Funding, LLC	Term Loan	759,792.54	90.00
Builders FirstSource, Inc.	Term Loan B	790,239.16	99.00
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63	99.75
CCM Merger, Inc.	Term Loan	714,699.88	99.75
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71	99.50
CHS/Community Health Systems, Inc.	Term Loan H	2,424,827.50	99.50
CHS/Community Health Systems, Inc.	Term Loan H	952,313.60	96.50
CHS/Community Health Systems, Inc.	Term Loan H	959,528.10	96.50
CITGO Petroleum Corporation	Term Loan B (new)	1,015,597.17	100.38
CITGO Petroleum Corporation	Term Loan B (new)	2,932,500.00	100.50
CPI International, Inc.	Term Loan	1,123,273.63	99.75
CRCI Holdings, LLC	Term Loan (08/16)	498,750.00	100.00
CRCI Holdings, LLC	Term Loan (08/16)	681,383.17	99.00



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<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Purchase Price</i>
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56	98.75
Capital Automotive L.P.	Second Lien Term Loan	298,318.18	99.00
Caraustar Industries Inc.	Incremental Term Loan	712,228.78	99.00
Caraustar Industries Inc.	Term Loan	776,672.13	99.00
Caraustar Industries Inc.	Term Loan	955,415.68	99.50
CareCore National, LLC	Term Loan B	2,155,850.65	99.50
CareCore National, LLC	Term Loan B	341,493.98	100.75
CareCore National, LLC	Term Loan B	146,354.54	100.88
CareCore National, LLC	Term Loan B	303,618.83	100.88
Carr Management, Inc.	Term Loan	1,848,688.51	99.50
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92	99.50
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00	99.00
Charter Communications Operating, LLC.	Term Loan E	1,994,832.04	100.38
Charter Communications Operating, LLC.	Term Loan I (12/16)	1,708,900.39	99.75
Chemours Company, The	Term Loan B	1,240,466.55	99.50
Chemours Company, The	Term Loan B	958,951.97	100.25
Cinemark USA, Inc	Term Loan	2,880,865.44	100.00
Concentra Inc.	Term Loan B	391,913.56	99.75
Concentra Inc.	Term Loan B	1,989,898.97	99.00
Confie Seguros Holding II Co.	Second Lien Term Loan	278,380.17	99.75
Confie Seguros Holding II Co.	Second Lien Term Loan	850,502.88	99.00
Consolidated Communications, Inc.	Term Loan B	858,840.37	99.75
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00	98.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10	99.50
ConvaTec Inc.	Term Loan B (10/16)	1,694,555.66	99.50
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	511,177.35	100.25
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	155,909.09	100.50
Cunningham Lindsey U.S. Inc.	Term Loan B	947,508.12	100.13
Cunningham Lindsey U.S. Inc.	Term Loan B	3,790,032.35	100.25
Dayton Power And Light Company (The)	Term Loan B	767,105.59	99.50
Dell International L.L.C.	Term Loan A2	2,000,000.00	98.50
Dell International L.L.C.	Term Loan B	4,000,000.00	99.50
Delos Finance S.a.r.l.	Term Loan	2,047,676.09	99.50
Diamond US Holding LLC	Term Loan B	503,974.56	99.50
Diamond US Holding LLC	Term Loan B	2,362,107.89	99.00
Dollar Tree, Inc	Term Loan	379,746.83	99.50
Dynegy Inc	Term Loan B	3,000,000.00	99.00
Dynegy Inc	Term Loan B2	561,403.51	100.50



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E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68	99.75
EFS Cogen Holdings I LLC	Term Loan B	3,816,617.18	99.00
EMG Utica, LLC	Term Loan	1,921,842.30	99.25
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29	99.75
EP Minerals, LLC	Term Loan (new)	726,588.10	99.50
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11	99.75
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06	100.00
Eastern Power, LLC	Term Loan B	3,541,755.45	99.25
Eastern Power, LLC	Term Loan B	1,864,504.32	100.38
Eldorado Resorts, Inc.	Term Loan B	528,436.87	99.50
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	1,980,000.00	99.75
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	1,980,000.00	99.75
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	1,994,962.22	99.88
Energy Transfer Equity, L.P.	Term Loan	2,000,000.00	98.38
Entegris Inc	Term Loan	752,390.96	99.50
Entercom Radio, LLC	Term Loan B	943,539.79	99.75
Envision Healthcare Corporation	Term Loan B	2,000,000.00	99.00
Essential Power, LLC	Term Loan B	921,225.89	99.25
Exgen Renewables I, LLC	Term Loan	1,198,547.08	99.50
Exopack Holdings S.A.	Term Loan	184,361.50	99.50
Exopack Holdings S.A.	Term Loan	1,174,939.93	101.75
Exopack Holdings S.A.	Term Loan	1,049,773.49	99.51
FCA US LLC	New Term Loan B	2,878,214.28	99.50
FCA US LLC	New Term Loan B	1,168,817.99	99.50
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81	101.13
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59	99.00
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44	101.50
Fieldwood Energy LLC	Term Loan	2,443,777.84	100.75
Fieldwood Energy LLC	Term Loan	3,330,335.55	99.50
Filtration Group Corporation	Term Loan B	1,911,730.89	101.25
Filtration Group Corporation	Term Loan B	3,748,795.27	99.50
First Data Corporation	2021C New Dollar Term Loan	4,469,184.46	100.50
First Data Corporation	2021C New Dollar Term Loan	1,682,230.50	100.13
First Data Corporation	2021C New Dollar Term Loan	1,443,159.24	100.50
First Data Corporation	2022 C Dollar Term Loan	2,798,860.21	99.50
Flex Acquisition Company Inc	Term Loan	4,456,835.92	99.50
GENEX Services, Inc.	Second Lien Term Loan	1,000,000.00	99.00
GENEX Services, Inc.	Term Loan (1st Lien)	975,000.00	99.50

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GENEX Services, Inc.	Term Loan (1st Lien)	987,341.80	99.88
GENEX Services, Inc.	Term Loan (1st Lien)	992,366.41	100.00
GTT Communications Inc	Term Loan B	572,197.44	99.50
GXS Group, Inc.	Term Loan B	4,850,000.00	99.50
GXS Group, Inc.	Term Loan B	1,398,911.57	99.63
Gardner Denver, Inc.	Term Loan	3,840,755.70	99.88
Gardner Denver, Inc.	Term Loan	1,026,136.33	97.88
Gates Global LLC	Term Loan	40,611.32	92.38
Gates Global LLC	Term Loan	304,075.58	92.40
Gates Global LLC	Term Loan	404,420.53	92.38
Gates Global LLC	Term Loan	973,041.93	95.00
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68	99.63
Generation Brands Holdings, Inc.	First Lien Term Loan	1,990,000.00	99.00
Global Healthcare Exchange, LLC	Term Loan B	1,885,273.97	99.50
Global Healthcare Exchange, LLC	Term Loan B	415,578.11	99.75
Global Payments Inc.	Term Loan B (10/16)	628,376.63	99.50
Gray Television, Inc.	Term Loan	1,133,351.60	99.75
Greatbatch Ltd.	Term Loan B	1,737,147.23	99.00
Grifols Worldwide Operations USA Inc	Term Loan	2,961,928.95	99.63
Grifols Worldwide Operations USA Inc	Term Loan	1,979,643.76	99.75
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24	99.00
Hargray Communications Group, Inc.	Term Loan (09/16)	806,432.75	99.75
Hargray Communications Group, Inc.	Term Loan (09/16)	194,650.14	99.75
Hargray Communications Group, Inc.	Term Loan (09/16)	486,625.36	99.50
Harsco Corporation	Term Loan B	789,881.79	99.00
Headwaters Incorporated	Term Loan B	643,518.00	99.50
Henry Company LLC	Term Loan B	1,514,090.89	99.50
Hertz Corporation (The)	Term Loan B-1	995,000.00	99.75
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83	99.50
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92	99.50
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79	99.00
Horizon Global Corporation	Term Loan B	2,109,225.29	98.00
Horizon Global Corporation	Term Loan B	1,875,151.46	99.50
Horizon Pharma, Inc.	Term Loan B	396,310.20	99.50
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00	99.50
Hubbard Radio, LLC	Term Loan B	1,521,482.41	99.75
Huntsman International LLC	2023 Term B Loan	533,448.11	99.50
Husky Injection Molding Systems Ltd.	Term Loan	240,582.50	96.00



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Husky Injection Molding Systems Ltd.	Term Loan	1,720,119.30	96.00
Husky Injection Molding Systems Ltd.	Term Loan	501,148.19	99.75
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50	99.00
Immucor, Inc.	Term Loan B-2	6,665,036.50	100.88
Infinity Acquisition, LLC	Term Loan	1,955,225.00	99.50
Infor (US), Inc.	Term Loan B-5	1,945,297.69	94.63
Information Resources, Inc.	New Term Loan	1,095,882.20	99.50
Information Resources, Inc.	New Term Loan	1,929,386.00	101.38
Jazz Acquisition, Inc	Term Loan	368,013.38	99.75
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59	99.75
Joerns Healthcare, LLC	Term Loan	1,950,039.65	99.00
Joerns Healthcare, LLC	Term Loan	326,639.84	99.25
Joerns Healthcare, LLC	Term Loan	984,868.54	99.00
K&N Parent Inc	Term Loan (10/16)	2,000,000.00	99.00
KFC Holding Co.	Term Loan B	1,496,789.43	99.50
Kenan Advantage Group, Inc.	Canadian Term Loan	261,404.61	99.50
Kenan Advantage Group, Inc.	Canadian Term Loan	5,367.96	100.00
Kenan Advantage Group, Inc.	Canadian Term Loan	168,236.44	99.88
Kenan Advantage Group, Inc.	Canadian Term Loan	72,051.76	99.88
Kenan Advantage Group, Inc.	Term Loan B	819,540.61	99.50
Kenan Advantage Group, Inc.	Term Loan B	508,122.41	99.88
Kenan Advantage Group, Inc.	Term Loan B	217,617.06	99.88
Kenan Advantage Group, Inc.	Term Loan B	18,844.56	100.00
Kenan Advantage Group, Inc.	Term Loan B	73,928.64	100.00
Kindred Healthcare, Inc.	New Term Loan	829,351.42	99.75
Kindred Healthcare, Inc.	New Term Loan	663,481.15	99.75
Kindred Healthcare, Inc.	New Term Loan	2,962,044.38	100.00
Kindred Healthcare, Inc.	New Term Loan	987,348.11	99.50
Kinetic Concepts, Inc.	Term Loan F1	2,917,800.74	99.88
Kinetic Concepts, Inc.	Term Loan F1	1,974,898.20	100.00
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09	99.75
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31	99.75
Kronos Incorporated	Initial Term Loan	2,982,265.03	99.50
LPL Holdings, Inc.	Term Loan B 2022	2,282,482.91	99.00
LPL Holdings, Inc.	Term Loan B 2022	742,500.00	97.50
LPL Holdings, Inc.	Term Loan B 2022	990,000.00	95.50
LPL Holdings, Inc.	Term Loan B 2022	247,500.00	95.50
LPL Holdings, Inc.	Term Loan B 2022	992,481.19	99.75

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M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00	99.25
MTS Systems Corporation	Term Loan B	1,807,874.73	99.00
Magic Newco, LLC	Term Loan	4,352,450.91	101.00
Magic Newco, LLC	Term Loan	2,418,028.25	101.25
Magic Newco, LLC	Term Loan	1,001,064.88	100.00
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71	99.75
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00	99.50
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42	98.00
Mannington Mills, Inc.	Term Loan	953,049.47	95.25
Marine Acquisition Corp.	Term Loan	2,334,456.32	99.50
MediArena Acquisition B.V.	Term Loan (1st Lien)	664,965.99	92.00
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,329,931.97	91.75
Mediacom Broadband, LLC	Term Loan H	3,854,872.64	98.50
Mediware Information Systems, Inc.	Term Loan	1,299,771.62	99.00
Metal Services LLC	Term Loan	1,108,197.37	100.00
Metal Services LLC	Term Loan	734,399.92	99.51
Methanol Holdings (Delaware) LLC	Initial Term Loan	2,955,000.00	99.00
Michaels Stores, Inc.	Term Loan B1	1,219,437.80	99.50
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00	99.25
Micro Holding Corp.	Term Loan	1,125,753.04	99.00
Micro Holding Corp.	Term Loan	41,217.49	100.00
Micro Holding Corp.	Term Loan	73,787.58	100.00
Micro Holding Corp.	Term Loan	7,890.51	99.00
Micro Holding Corp.	Term Loan	444,735.75	99.04
Micron Technology, Inc.	Term Loan	1,081,199.90	99.00
Midcontinent Communications	11/16 Term Loan B	1,111,426.73	99.75
Midcontinent Communications	11/16 Term Loan B	1,000,000.00	100.50
Milacron LLC	Term Loan B (1st Lien)	340,119.27	100.00
Minerals Technologies Inc.	Term Loan B1	1,010,256.41	99.00
Mission Broadcasting, Inc.	Term Loan B2	910,636.92	100.00
Mitchell International, Inc.	Term Loan B	3,022,491.42	99.50
Mitchell International, Inc.	Term Loan B	956,746.57	100.75
Mitchell International, Inc.	Term Loan B	678,500.01	100.00
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	704,737.79	99.88
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	286,028.66	93.50
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	309,188.59	93.25
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	131,893.92	93.25
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	43,964.60	93.25



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MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	187,811.94	93.50
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	521,448.60	95.50
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	237,517.61	95.25
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	161,457.96	93.25
Multi Packaging Solutions, Inc.	Rollover Term Loan	1,894,777.77	99.75
Multi Packaging Solutions, Inc.	Rollover Term Loan	381,185.42	100.00
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54	99.75
Murray Energy Corporation	Term Loan B2	4,920,576.35	97.00
Murray Energy Corporation	Term Loan B2	210,273.41	100.00
NBTY, Inc.	Term Loan B	1,613,492.72	99.50
NN, Inc.	Term Loan B (9/16)	702,144.91	99.63
NPC International, Inc.	Term Loan B	1,974,093.26	98.75
NXP B.V.	Term Loan F	1,656,178.03	99.25
National Financial Partners Corporation	Term Loan (NFP)	994,914.80	100.00
National Financial Partners Corporation	Term Loan B	2,354,724.29	99.50
National Surgical Hospitals, Inc.	Term Loan	731,421.39	99.50
Nexstar Broadcasting, Inc.	Term Loan B-2	1,032,676.65	100.00
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47	100.00
Omnitracs, LLC	Second Lien Term Loan	762,692.55	99.75
Omnitracs, LLC	Term Loan	970,033.02	99.75
Omnitracs, LLC	Term Loan	1,940,066.05	100.25
Omnitracs, LLC	Term Loan	1,523,234.74	99.50
Omnitracs, LLC	Term Loan	485,016.57	100.50
Omnova Solutions Inc.	Term Loan B2	2,992,500.00	99.00
On Assignment, Inc.	Term Loan B-1 (08/16)	965,408.02	99.50
Ortho-Clinical Diagnostics, Inc	Term Loan	2,947,103.30	100.00
Ortho-Clinical Diagnostics, Inc	Term Loan	987,341.74	98.88
PFS Holding Corporation	Term Loan	729,375.00	90.25
PFS Holding Corporation	Term Loan	134,662.18	93.50
PFS Holding Corporation	Term Loan	656,870.00	93.25
PGT, Inc.	Term Loan	1,955,370.37	97.00
PODS LLC	Term Loan B	837,286.87	99.50
PODS LLC	Term Loan B	682,001.06	98.79
Paragon Offshore Finance Company	Term Loan B	1,117,310.19	99.50
Paragon Offshore Finance Company	Term Loan B	359,540.04	70.50
Paragon Offshore Finance Company	Term Loan B	143,816.03	70.50
Parfums de Coeur, Ltd	Term Loan B	1,829,704.14	99.00
Peabody Energy Corporation	Term Loan B	438,818.56	90.25



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Peabody Energy Corporation	Term Loan B	438,818.57	90.00
Pelican Products, Inc.	Term Loan	111,885.85	99.50
Pelican Products, Inc.	Term Loan (2nd Lien)	333,333.33	102.25
Pelican Products, Inc.	Term Loan (2nd Lien)	137,924.80	99.25
Pelican Products, Inc.	Term Loan (2nd Lien)	500,000.00	102.00
Penn National Gaming, Inc.	New Term Loan B	866,316.21	99.50
Pilot Travel Centers LLC	Term Loan B 05/16	583,330.96	99.50
Pinnacle Foods Finance LLC	Term Loan I	717,823.65	99.50
Pinnacle Operating Corporation	Term Loan B	2,902,010.03	100.50
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08	99.50
PolyOne Corporation	Term Loan B	1,347,089.75	99.50
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00	99.50
Prestige Brands, Inc.	Term Loan B3	818,276.14	99.50
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,242,036.40	99.00
Prime Security Services Borrower, LLC	Refi Term Loan B-1	474,077.28	100.00
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03	99.00
Prospect Medical Holdings Inc.	Term Loan B	995,000.00	98.50
Prospect Medical Holdings Inc.	Term Loan B	1,994,987.47	99.00
RCN Telecom Services, LLC	New Term Loan	1,804,898.41	100.88
RCN Telecom Services, LLC	New Term Loan	1,830,234.18	100.13
RP Crown Parent, LLC	Term Loan B	2,000,000.00	99.50
RPI Finance Trust	Term Loan B5	3,767,285.35	100.00
RPI Finance Trust	Term Loan B5	1,979,886.35	99.75
RadNet Management, Inc.	Term Loan B 6/16	3,422,737.34	100.00
RadNet Management, Inc.	Term Loan B 6/16	1,975,000.00	99.50
Realogy Group LLC	Term Loan B (07/16)	474,783.66	100.00
Renaissance Learning, Inc.	Term Loan	652,388.93	99.50
Renaissance Learning, Inc.	Term Loan	494,910.93	96.50
Renaissance Learning, Inc.	Term Loan	2,080,187.75	100.50
Ryman Hospitality	Term Loan B	676,502.14	99.75
SBA Senior Finance II LLC	Term Loan	1,950,000.00	99.75
SBA Senior Finance II LLC	Term Loan	1,950,000.00	99.75
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42	100.00
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	476,964.28	100.00
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,455,042.95	100.00
SRAM, LLC	First Lien Term Loan	1,990,315.50	99.63
SRS Distribution Inc.	Term Loan	1,958,613.89	99.00
SRS Distribution Inc.	Term Loan	560,381.46	99.75



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STS Operating, Inc.	First Lien Term Loan	1,906,282.35	99.50
STS Operating, Inc.	First Lien Term Loan	953,141.18	101.25
Sabre GBLB Inc.	Term Loan B-2	1,613,452.45	100.00
Sabre GBLB Inc.	Term Loan B-2	3,226,904.91	100.50
Samchully Midstream 3 LLC	Term Loan B	3,137,511.05	98.50
Samsonite International S.A.	Term Loan B	661,229.19	99.50
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	1,973,824.45	93.25
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	1,994,709.49	97.50
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	1,750,714.29	99.50
Seadrill Operating LP	Term Loan B	1,959,595.99	78.50
Seadrill Operating LP	Term Loan B	982,278.45	80.38
Seadrill Operating LP	Term Loan B	984,771.58	68.63
Seahawk Holding Limited	Term Loan B	3,000,000.00	98.50
Select Medical Corporation	Series F Tranche B Term Loan	1,985,000.00	98.00
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00	99.50
Seventy Seven Operating LLC	Term Loan B	1,950,000.00	99.50
Shaw Data Centre LP	Term Loan	973,331.83	99.00
Shaw Data Centre LP	Term Loan	992,443.33	99.63
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00	91.00
Sinclair Television Group, Inc.	Term Loan B2	1,000,000.00	99.75
Sinclair Television Group, Inc.	Term Loan B2	4,836,998.46	98.50
Sophia, L.P.	Closing Date Term Loan	3,921,794.87	99.50
Southcross Energy Partners, L.P.	Term Loan	791,537.81	99.50
Southeast PowerGen, LLC	Term Loan B	766,092.22	99.00
Southeast PowerGen, LLC	Term Loan B	3,000,000.00	99.25
Spencer Spirit Holdings	Term Loan B1	1,841,365.79	99.00
Spencer Spirit Holdings	Term Loan B1	1,914,633.10	99.50
Springer Science & Business Media S.A.	Term Loan B9	3,871,271.05	100.88
Springer Science & Business Media S.A.	Term Loan B9	1,935,635.55	100.50
Steinway Musical Instruments, Inc.	Term Loan	1,333,157.96	101.25
Steinway Musical Instruments, Inc.	Term Loan	971,204.58	100.38
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67	99.50
Syniverse Holdings, Inc.	New Term Loan B	788,057.73	100.00
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13	100.75
Targa Resources Corp	Term Loan	372,093.02	98.25
Team Health, Inc.	5/16 Term Loan	913,863.47	99.75
Team Health, Inc.	5/16 Term Loan	2,386,625.06	99.00
Team Health, Inc.	5/16 Term Loan	1,980,037.50	99.50



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Tecomet Inc.	Term Loan	1,960,000.00	97.00
Tecomet Inc.	Term Loan	1,964,912.29	99.50
Tectum Holdings, Inc.	Term Loan	1,897,308.50	99.00
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00	99.50
Telecommunications Management, LLC	First Lien Term Loan	104,476.64	100.00
Telecommunications Management, LLC	Second Lien Term Loan	254,574.26	99.75
Tessera Technologies, Inc.	Term Loan B	2,000,000.00	99.00
The Talbots Inc.	Term Loan	1,944,504.01	99.50
The Talbots Inc.	Term Loan	987,057.88	95.90
The Talbots Inc.	Term Loan	998,713.68	97.63
Total Merchant Services, Inc	Term Loan	1,960,000.00	99.00
TravelCLICK, Inc.	First Lien Term Loan	855,418.10	99.00
TravelCLICK, Inc.	First Lien Term Loan	995,029.70	100.38
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	1,917,816.64	98.75
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	1,917,816.62	100.50
Travelport Finance (Luxembourg) S.A.R.L.	Term Loan B	2,876,724.94	100.50
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97	99.75
Triple Point Technology, Inc.	1st Lien Term Loan	113,355.30	90.25
Triple Point Technology, Inc.	1st Lien Term Loan	1,004,384.23	92.00
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93	92.50
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47	101.63
TruckPro, Inc.	Term Loan	1,425,556.36	99.25
U.S. Farathane, LLC	Term Loan B-2	962,500.00	99.25
U.S. Farathane, LLC	Term Loan B-2	1,130,035.07	98.00
U.S. Farathane, LLC	Term Loan B-2	1,570,021.04	99.25
U.S. Farathane, LLC	Term Loan B-2	1,188,615.61	99.13
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00	99.00
USI, Inc.	Term Loan B	2,046,629.50	100.75
USS Parent Holding Corp.	Delayed Draw Term Loan	133,588.19	99.50
USS Parent Holding Corp.	Term Loan	287,967.83	99.50
Univision Communications Inc.	Term Loan C3	252,546.41	97.75
Univision Communications Inc.	Term Loan C4	2,870,388.84	100.75
Univision Communications Inc.	Term Loan C4	989,408.72	98.00
Univision Communications Inc.	Term Loan C4	566,768.32	97.75
Utex Industries, Inc.	Term Loan	886,584.34	99.50
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16	99.50
VFH Parent LLC	Term Loan (Virtu)	389,575.87	99.75
VFH Parent LLC	Term Loan (Virtu)	2,199,905.34	99.50



Babson CLO Ltd 2013-II
Purchase Price Report
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>	<i>Purchase Price</i>
VFH Parent LLC	Term Loan (Virtu)	2,721,554.80	100.88
VFH Parent LLC	Term Loan (Virtu)	639,062.24	100.88
Valeant Pharmaceuticals International, Inc.	Term Loan F1	1,871,764.47	99.50
Valeant Pharmaceuticals International, Inc.	Term Loan F1	2,814,683.44	99.63
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	99.75
W/S Packaging Group, Inc.	Term Loan B	746,607.74	96.00
W3 Co.	New Term Loan A	3,869,346.75	100.63
WG Partners Acquisition, LLC	Term Loan B	2,117,367.72	99.00
Wastequip, LLC	Term Loan	948,754.21	100.25
Wastequip, LLC	Term Loan	994,845.36	100.25
West Corporation	Replacement Term Loan B12	1,985,037.47	100.00
Western Digital Corporation	Term Loan B-1	796,000.00	99.75
Wilsonart LLC	Term Loan C	593,703.66	99.75
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	332,886.17	99.50
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	1,979,695.40	94.00
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	498,721.23	100.25
York Risk Services Holding Corp.	Term Loan B	736,809.09	96.25
York Risk Services Holding Corp.	Term Loan B	163,323.95	96.25
York Risk Services Holding Corp.	Term Loan B	985,874.08	95.88
York Risk Services Holding Corp.	Term Loan B	989,873.40	89.00
York Risk Services Holding Corp.	Term Loan B	989,873.40	89.00
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91	99.75
Zekelman Industries, Inc	Term Loan	995,000.00	99.00
Ziggo BV	Term Loan D	2,206,866.04	99.50
Ziggo BV	Term Loan D	2,000,000.00	100.00
inVentiv Health, Inc.	Term Loan B	1,617,588.74	99.50
		647,396,809.34	



Babson CLO Ltd 2013-II
Participations
As of: 1/5/2017
Next Payment: 1/18/2017



No asset records currently meet the summarization criteria.



Babson CLO Ltd 2013-II
Trading Plan
As of: 1/5/2017
Next Payment: 1/18/2017



No asset records currently meet the summarization criteria.

**Babson CLO Ltd 2013-II**

Cov- Lite Loans

As of: 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	3,738,188.91
ADMI Corp.	Initial Term Loan	2,281,584.04
AMC Entertainment Inc.	Term Loan	3,880,402.02
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	1,062,112.16
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	1,381,085.15
Academy, Ltd.	Term Loan	3,841,776.73
Acadia Healthcare Company, Inc.	Term Loan B	587,277.70
Acosta, Inc.	Term Loan B (1st Lien)	4,920,124.48
AdvancePierre Foods, Inc.	Term Loan	354,581.43
Advantage Sales & Marketing Inc.	First Lien Term Loan	1,485,354.36
Alere Inc.	Term Loan B	491,061.34
Alison US LLC	Term Loan B-1	977,500.00
Alison US LLC	Term Loan B-2	977,500.00
Alpha Topco Limited	Term Loan B3	3,000,000.00
AmWINS Group, LLC	Term Loan B 5/16	2,164,117.22
American Builders & Contractors Supply Co., Inc.	Term Loan	4,304,999.86
Apex Tool Group, LLC	Term Loan	5,804,020.06
Aramark Corporation	Term Loan F	3,890,000.00
Arbor Pharmaceuticals, Inc	Term Loan	2,007,970.83
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00
Asurion, LLC	First Lien Term Loan	2,855,338.62
Asurion, LLC	Replacement Term Loan B-2	471,939.56
Asurion, LLC	Second Lien Term Loan	418,263.35
Asurion, LLC	Term Loan B-5	1,995,000.00
At Home Holding III Inc	Term Loan	2,129,536.34
Atrium Innovations, Inc.	First Lien Term Loan	1,628,650.49
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	1,165,251.64
BJ's Wholesale Club, Inc.	Term Loan	2,669,733.47
BWAY Holding Company	Term loan	2,823,385.83
Beacon Roofing Supply Inc	Term Loan B	581,684.70
Berry Plastics Corporation	Term Loan D	3,839,734.37
Berry Plastics Corporation	Term Loan H	328,048.18
Bioscrip, Inc.	Delayed Draw Term Loan	707,746.48
Bioscrip, Inc.	Term Loan B	1,179,577.48
Boyd Gaming Corporation	Term Loan B	1,230,682.13
Boyd Gaming Corporation	Term Loan B2	2,749,920.23
Britax Childcare Holdings Limited	Term Loan	3,035,101.61
Builders FirstSource, Inc.	Term Loan B	790,239.16

**Babson CLO Ltd 2013-II**

Cov- Lite Loans

As of: 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
CBS Outdoor Americas Capital Corporation	Term Loan B	2,155,478.63
CHS/Community Health Systems, Inc.	Term Loan G	1,317,850.71
CHS/Community Health Systems, Inc.	Term Loan H	4,336,669.20
CPI International, Inc.	Term Loan	1,123,273.63
Calpine Construction Finance Company, L.P.	Term Loan B2	1,939,875.56
Caraustar Industries Inc.	Incremental Term Loan	712,228.78
Caraustar Industries Inc.	Term Loan	1,732,087.81
CareCore National, LLC	Term Loan B	2,947,318.00
Catalent Pharma Solutions, Inc.	Term Loan B (new)	247,745.92
Cengage Learning Acquisitions, Inc.	Term Loan	1,990,000.00
Chemours Company, The	Term Loan B	2,199,418.52
Cinemark USA, Inc	Term Loan	2,880,865.44
Concentra Inc.	Term Loan B	2,381,812.53
Consolidated Container Company LLC	Term Loan (2nd Lien)	1,000,000.00
Constellation Brands Canada Inc	Initial Tranche B-1 Term Loan	546,701.10
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	667,086.44
Cunningham Lindsey U.S. Inc.	Term Loan B	4,737,540.47
Dayton Power And Light Company (The)	Term Loan B	767,105.59
Dell International L.L.C.	Term Loan B	4,000,000.00
Diamond US Holding LLC	Term Loan B	2,866,082.45
Dollar Tree, Inc	Term Loan	379,746.83
Dynegy Inc	Term Loan B	3,000,000.00
Dynegy Inc	Term Loan B2	561,403.51
E.W. Scripps Company, The	Term Loan Tranche B	3,529,346.68
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	1,900,714.29
EZE Software Group LLC	Term Loan (1st Lien)	1,888,918.11
EZE Software Group LLC	Term Loan (2nd Lien)	1,367,647.06
Eldorado Resorts, Inc.	Term Loan B	528,436.87
Entegris Inc	Term Loan	752,390.96
Envision Healthcare Corporation	Term Loan B	2,000,000.00
Exopack Holdings S.A.	Term Loan	2,409,074.92
FMG Resources (August 2006) Pty Ltd	Term Loan B	2,048,910.81
FPC Holdings, Inc.	First Lien Term Loan	3,869,017.59
Fieldwood Energy LLC	Second Lien Term Loan	674,443.44
Fieldwood Energy LLC	Term Loan	5,774,113.39
Filtration Group Corporation	Term Loan B	5,660,526.16
Flex Acquisition Company Inc	Term Loan	4,456,835.92
GTT Communications Inc	Term Loan B	572,197.44

**Babson CLO Ltd 2013-II**

Cov- Lite Loans

As of: 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
Gardner Denver, Inc.	Term Loan	4,866,892.03
Gates Global LLC	Term Loan	1,722,149.36
General Nutrition Centers, Inc.	Term Loan B	1,589,553.68
Global Payments Inc.	Term Loan B (10/16)	628,376.63
Gray Television, Inc.	Term Loan	1,133,351.60
Greatbatch Ltd.	Term Loan B	1,737,147.23
Gruden Acquisition, Inc.	Term Loan (1st Lien)	943,303.24
Headwaters Incorporated	Term Loan B	643,518.00
Henry Company LLC	Term Loan B	1,514,090.89
Hertz Corporation (The)	Term Loan B-1	995,000.00
Hilton Worldwide Finance LLC	Term Loan B1	222,400.83
Hilton Worldwide Finance LLC	Term Loan B2	3,023,796.92
Hoffmaster Group, Inc.	Initial Term Loan	1,230,414.79
Horizon Global Corporation	Term Loan B	3,984,376.75
Horizon Pharma, Inc.	Term Loan B	396,310.20
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	1,970,000.00
Huntsman International LLC	2023 Term B Loan	533,448.11
Husky Injection Molding Systems Ltd.	Term Loan	2,461,849.99
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	1,980,037.50
Immunor, Inc.	Term Loan B-2	6,665,036.50
Infinity Acquisition, LLC	Term Loan	1,955,225.00
Infor (US), Inc.	Term Loan B-5	1,945,297.69
Information Resources, Inc.	New Term Loan	3,025,268.20
Jazz Acquisition, Inc	Term Loan	368,013.38
Jeld-Wen, Inc.	Incremental Term Loan B-2	2,351,650.59
K&N Parent Inc	Term Loan (10/16)	2,000,000.00
KFC Holding Co.	Term Loan B	1,496,789.43
Kenan Advantage Group, Inc.	Canadian Term Loan	507,060.77
Kenan Advantage Group, Inc.	Delayed Draw Term Loan 1	115,096.27
Kenan Advantage Group, Inc.	Term Loan B	1,638,053.28
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	322,509.09
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	754,671.31
Kronos Incorporated	Initial Term Loan	2,982,265.03
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	975,000.00
MTS Systems Corporation	Term Loan B	1,807,874.73
Mallinckrodt International Finance S.A.	First Lien Term Loan	3,430,694.71
Mallinckrodt International Finance S.A.	Term Loan B1	1,955,000.00
Manitowoc Foodservice, Inc.	Term Loan B	1,011,914.42

**Babson CLO Ltd 2013-II**

Cov- Lite Loans

As of: 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
Mannington Mills, Inc.	Term Loan	953,049.47
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,994,897.96
Micro Holding Corp.	2nd Lien Term Loan	1,000,000.00
Micro Holding Corp.	Term Loan	1,693,384.37
Micron Technology, Inc.	Term Loan	1,081,199.90
Milacron LLC	Term Loan B (1st Lien)	340,119.27
Minerals Technologies Inc.	Term Loan B1	1,010,256.41
Mitchell International, Inc.	Term Loan B	4,657,738.01
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	2,584,049.67
Multi Packaging Solutions, Inc.	Rollover Term Loan	2,275,963.19
Multi Packaging Solutions, Inc.	Term Loan A	1,899,660.54
NBTY, Inc.	Term Loan B	1,613,492.72
NN, Inc.	Term Loan B (9/16)	702,144.91
NXP B.V.	Term Loan F	1,656,178.03
National Financial Partners Corporation	Term Loan (NFP)	994,914.80
National Financial Partners Corporation	Term Loan B	2,354,724.29
National Surgical Hospitals, Inc.	Term Loan	731,421.39
ON Semiconductor Corporation	Term Loan B (9/16)	380,385.47
Omnitracs, LLC	Second Lien Term Loan	762,692.55
Omnitracs, LLC	Term Loan	4,918,350.39
Ortho-Clinical Diagnostics, Inc	Term Loan	3,934,445.04
PFS Holding Corporation	Term Loan	1,520,907.18
PGT, Inc.	Term Loan	1,955,370.37
PODS LLC	Term Loan B	1,519,287.93
Pelican Products, Inc.	Term Loan	111,885.85
Pelican Products, Inc.	Term Loan (2nd Lien)	971,258.13
Pinnacle Operating Corporation	Term Loan B	2,902,010.03
Planet Fitness Holdings, LLC	Term Loan B	1,906,171.08
PolyOne Corporation	Term Loan B	1,347,089.75
Power Buyer, LLC	Second Lien Term Loan	2,000,000.00
Prime Security Services Borrower, LLC	Refi Term Loan B-1	1,716,113.68
Proampac PG Borrower LLC	11/16 Cov-Lite Term Loan	1,839,651.03
Prospect Medical Holdings Inc.	Term Loan B	2,989,987.47
RP Crown Parent, LLC	Term Loan B	2,000,000.00
Realogy Group LLC	Term Loan B (07/16)	474,783.66
Renaissance Learning, Inc.	Term Loan	3,227,487.61
Ryman Hospitality	Term Loan B	676,502.14
SENSATA TECHNOLOGIES BV	Term Loan	3,656,520.42

**Babson CLO Ltd 2013-II**

Cov- Lite Loans

As of: 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	1,932,007.23
SRAM, LLC	First Lien Term Loan	1,990,315.50
SRS Distribution Inc.	Term Loan	2,518,995.35
STS Operating, Inc.	First Lien Term Loan	2,859,423.53
Sabre GBLB Inc.	Term Loan B-2	4,840,357.36
Seahawk Holding Limited	Term Loan B	3,000,000.00
Serta Simmons Holdings, LLC	Initial Term Loan	3,000,000.00
Shearer's Foods, LLC	Second Lien Term Loan	500,000.00
Sinclair Television Group, Inc.	Term Loan B2	5,836,998.46
Sophia, L.P.	Closing Date Term Loan	3,921,794.87
Southcross Energy Partners, L.P.	Term Loan	791,537.81
Spencer Spirit Holdings	Term Loan B1	3,755,998.89
Springer Science & Business Media S.A.	Term Loan B9	5,806,906.60
Sungard Availability Services Capital, Inc.	First Lien Term Loan	2,687,668.67
Syniverse Holdings, Inc.	New Term Loan B	788,057.73
Syniverse Magellan Finance, LLC	Term Loan	4,886,064.13
Targa Resources Corp	Term Loan	372,093.02
Tecomet Inc.	Term Loan	3,924,912.29
Tekni-Plex, Inc.	Term Loan (US)	1,970,000.00
Tessera Technologies, Inc.	Term Loan B	2,000,000.00
The Talbots Inc.	Term Loan	3,930,275.57
TravelCLICK, Inc.	First Lien Term Loan	1,850,447.80
Trinseo Materials Operating S.C.A	Term Loan B	394,661.97
Triple Point Technology, Inc.	1st Lien Term Loan	1,117,739.53
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	189,661.93
Tronox Pigments (Netherlands) B.V.	New Term Loan	3,863,178.47
UPC Broadband Holding B.V.	Term Loan AN	2,000,000.00
USI, Inc.	Term Loan B	2,046,629.50
USS Parent Holding Corp.	Delayed Draw Term Loan	446,860.35
USS Parent Holding Corp.	Term Loan	287,967.83
Univision Communications Inc.	Term Loan C3	252,546.41
Univision Communications Inc.	Term Loan C4	4,426,565.88
Utex Industries, Inc.	Term Loan	886,584.34
VF Holdings Corp	6/16 First Lien Term Loan B-1	557,664.16
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55
W3 Co.	New Term Loan A	3,869,346.75
Western Digital Corporation	Term Loan B-1	796,000.00
Wilsonart LLC	Term Loan C	593,703.66

**Babson CLO Ltd 2013-II**

Cov- Lite Loans

As of: 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Balance</i>
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	2,811,302.80
York Risk Services Holding Corp.	Term Loan B	3,865,753.92
Zebra Technologies Corporation	5/16 Term Loan B	548,130.91
Zekelman Industries, Inc	Term Loan	995,000.00
inVentiv Health, Inc.	Term Loan B	1,617,588.74
		392,503,280.06



Babson CLO Ltd 2013-II
Swapped Non-Discount Obligations
From 12/8/2016 to 1/5/2017
Next Payment: 1/18/2017



No asset records currently meet the summarization criteria.



Babson CLO Ltd 2013-II
BCM 2013-II ETB, Inc. - Blocker Subsidiary Report
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Par Amount</i>
Southcross Holdings Borrower LP	Southcross Holdings - Class A-II Units	185.00
Southcross Holdings Borrower LP	Southcross Holdings - GP Equity Position	185.00
		370.00

Footnote:
Not considered a Collateral Obligation per (vii)



Babson CLO Ltd 2013-II
Middle Market Loan
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Par Amount</i>	<i>Principal Balance</i>
Southcross Holdings Borrower LP	Term Loan B	169,409.33	0.00
		169,409.33	0.00

Footnote:
Not considered a Collateral Obligations per (xii)



Babson CLO Ltd 2013-II

Asset Sales

From 12/8/2016 to 1/5/2017

Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Par Amount</i>	<i>Original Purchase Price</i>	<i>Sale Price</i>	<i>Cost</i>	<i>Accrued Interest Amount</i>	<i>Trade Date</i>	<i>Settlement Date</i>	<i>Reason For Sale</i>
Cumulus Media Holdings Inc.	Term Loan	1,348,140.92	99.000	64.000	862,810.19	0.00	12/08/2016	01/09/2017	Credit Risk
Cumulus Media Holdings Inc.	Term Loan	539,256.37	99.000	63.500	342,427.79	0.00	12/08/2016	12/16/2016	Credit Risk
McGraw-Hill Global Education Holdings, LLC	Term Loan	621,337.25	99.500	100.000	621,337.25	0.00	12/08/2016	12/23/2016	Credit Risk
McGraw-Hill Global Education Holdings, LLC	Term Loan	371,868.01	99.500	100.000	371,868.01	0.00	12/08/2016	01/13/2017	Credit Risk
Men's Wearhouse Inc., The	Term Loan	982,351.93	92.000	100.375	986,035.75	0.00	12/08/2016	12/13/2016	Credit Improved
Men's Wearhouse Inc., The	Term Loan	589,411.15	92.000	100.125	590,147.91	0.00	12/08/2016	12/13/2016	Credit Improved
Sedgwick Claims Management Services, Inc.	Second Lien Term Loan	1,500,000.00	99.500	100.500	1,507,500.00	0.00	12/08/2016	12/23/2016	Credit Improved
Cumulus Media Holdings Inc.	Term Loan	1,348,140.92	99.000	64.000	862,810.19	0.00	12/09/2016	12/19/2016	Credit Risk
Men's Wearhouse Inc., The	Term Loan	2,181,876.38	92.000	100.000	2,181,876.38	0.00	12/09/2016	12/19/2016	Credit Improved
McGraw-Hill Global Education Holdings, LLC	Term Loan	27,960.24	99.500	100.125	27,995.19	0.00	12/12/2016	12/23/2016	Credit Risk
McGraw-Hill Global Education Holdings, LLC	Term Loan	466,003.94	99.500	100.000	466,003.94	0.00	12/12/2016		Credit Risk
McGraw-Hill Global Education Holdings, LLC	Term Loan	64,558.42	99.500	100.250	64,719.82	0.00	12/13/2016	12/23/2016	Credit Risk
Cumulus Media Holdings Inc.	Term Loan	1,596,688.34	99.000	64.000	1,021,880.54	0.00	12/14/2016	01/06/2017	Credit Risk
Sedgwick Claims Management Services, Inc.	Second Lien Term Loan	1,500,000.00	99.500	100.500	1,507,500.00	0.00	12/14/2016	12/23/2016	Credit Improved
McGraw-Hill Global Education Holdings, LLC	Term Loan	48,297.46	99.500	100.250	48,418.20	0.00	12/15/2016	01/13/2017	Credit Risk
McGraw-Hill Global Education Holdings, LLC	Term Loan	32,199.05	99.500	100.250	32,279.55	0.00	12/16/2016	01/13/2017	Credit Risk
McGraw-Hill Global Education Holdings, LLC	Term Loan	50,842.67	99.500	100.250	50,969.78	0.00	12/19/2016	01/13/2017	Credit Risk
Reynolds Group Holdings Inc.	Term Loan (07/16)	561,434.63	101.000	101.500	569,856.15	0.00	12/19/2016	01/04/2017	Discretionary
EIG Investors Corp.	New Term Loan	6,673,376.68	101.000	100.000	6,673,376.68	0.00	01/05/2017		Credit Risk
		20,503,744.36			18,789,813.32	0.00			



Babson CLO Ltd 2013-II
Discretionary Sales Report
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Issuer Name</i>	<i>Facility Name</i>	<i>Par Amount</i>	<i>Trade Price</i>	<i>Cost</i>	<i>Accrued Interest Amount</i>	<i>Trade Date</i>	<i>Settle Date</i>	<i>Reason For Trade</i>	<i>Asset Identifier</i>
Reynolds Group Holdings Inc.	Term Loan (07/16)	561,434.63	101.5000	569,856.15	0.00	12/19/2016	01/04/2017	Discretionary	LX153887
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	11/09/2016	11/15/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	11/09/2016	11/15/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	11/08/2016	11/14/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	11/02/2016	11/07/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	11/01/2016	11/04/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	10/28/2016	11/02/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	10/27/2016	11/01/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	10/26/2016	10/31/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	10/31/2016	10/31/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	10/25/2016	10/28/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal Class A C/S	0.00	0.0000	-	-	10/24/2016	10/27/2016	Discretionary	039380407
Arch Coal, Inc.	Arch Coal C/S	0.00	0.0000	-	0.00	10/21/2016	10/21/2016	Discretionary	039380506
BJ's Wholesale Club, Inc.	Term Loan	2,992,148.09	100.3750	3,003,368.65	0.00	09/30/2016	10/20/2016	Discretionary	LX133581
Trader Corporation	Term Loan	1,195,161.98	100.0000	1,195,161.98	0.00	08/23/2016	10/19/2016	Discretionary	LX153714
USI, Inc.	Term Loan B	1,067,046.83	100.1250	1,068,380.64	0.00	10/03/2016	10/18/2016	Discretionary	LX134269
Brock Holdings III, Inc.	First Lien Term Loan	682,151.69	99.0000	675,330.17	0.00	10/13/2016	10/18/2016	Discretionary	LX118451
Reynolds Group Holdings Inc.	Term Loan (07/16)	1,000,000.00	100.2500	1,002,500.00	0.00	10/03/2016	10/13/2016	Discretionary	LX153887
Berry Plastics Corporation	Term Loan H	1,000,000.00	100.3750	1,003,750.00	0.00	10/03/2016	10/13/2016	Discretionary	LX153063
Unifrax I LLC	New Term Loan	1,567,539.24	100.0000	1,567,539.24	0.00	09/12/2016	09/22/2016	Discretionary	LX128279
Envision Healthcare Corporation	Term Loan B2	1,469,062.06	100.1250	1,470,898.39	0.00	08/24/2016	09/08/2016	Discretionary	LX148863
Petco Animal Supplies, Inc.	Term Loan B2	1,388,252.29	100.8750	1,400,399.50	0.00	08/23/2016	08/26/2016	Discretionary	LX150737
Reynolds Group Holdings Inc.	Term Loan (07/16)	4,000,000.00	100.2500	4,010,000.00	0.00	08/11/2016	08/22/2016	Discretionary	LX153887
Exopack Holdings S.A.	Term Loan	1,994,884.91	100.0000	1,994,884.91	0.00	06/03/2016	07/11/2016	Discretionary	LX133334
ADMI Corp.	Initial Term Loan	676,834.32	100.2500	678,526.41	0.00	06/21/2016	07/08/2016	Discretionary	LX144074
AmWINS Group, LLC	Term Loan B 5/16	1,000,000.00	100.6250	1,006,250.00	0.00	06/07/2016	06/23/2016	Discretionary	LX152821
Builders FirstSource, Inc.	Term Loan B	1,000,000.00	100.3750	1,003,750.00	0.00	06/07/2016	06/17/2016	Discretionary	LX144116



Babson CLO Ltd 2013-II
Discretionary Sales Report
As of : 1/5/2017
Next Payment: 1/18/2017



<i>Issuer Name</i>	<i>Facility Name</i>	<i>Par Amount</i>	<i>Trade Price</i>	<i>Cost</i>	<i>Accrued Interest Amount</i>	<i>Trade Date</i>	<i>Settle Date</i>	<i>Reason For Trade</i>	<i>Asset Identifier</i>
Amsurg Corp	Term Loan	1,264,155.60	100.3750	1,268,896.18	0.00	05/13/2016	06/09/2016	Discretionary	LX137810
		22,858,671.64		22,919,492.21	0.00				
Total Discretionary Sales					22,858,671.64				
Collateral Principal Amount					673,329,710.67				
Percent of CPA					3.39				
Maximum Allowed					25.00				
Test Result					Passed				



Babson CLO Ltd 2013-II
Principal Activity Report
From 12/8/2016 to 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	9,585.10
ADMI Corp.	Initial Term Loan	5,790.82
Academy, Ltd.	Term Loan	10,325.08
Acadia Healthcare Company, Inc.	Term Loan B	1,498.16
Advantage Sales & Marketing Inc.	First Lien Term Loan	3,798.86
Alere Inc.	Term Loan B	1,246.35
Alison US LLC	Term Loan B-1	2,500.00
Alison US LLC	Term Loan B-2	2,500.00
AmWINS Group, LLC	Term Loan B 5/16	5,619.28
Apex Tool Group, LLC	Term Loan	15,075.38
Aramark Corporation	Term Loan F	10,000.00
Arbor Pharmaceuticals, Inc	Term Loan	12,628.75
Ascena Retail Group, Inc.	Term Loan B	1,955,000.00
Astoria Energy LLC	Term Loan	8,680.80
Asurion, LLC	First Lien Term Loan	7,330.78
Asurion, LLC	Replacement Term Loan B-2	93,477.24
Asurion, LLC	Term Loan B-5	5,000.00
Atrium Innovations, Inc.	First Lien Term Loan	4,186.76
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	2,920.43
Avis Budget Car Rental, LLC	Extended Term Loan B	5,115.09
BJ's Wholesale Club, Inc.	Term Loan	7,024.27
BWAY Holding Company	Term loan	114.13
BWAY Holding Company	Term loan	6,962.03
Bass Pro Group, LLC	Term Loan	12,602.85
Bats Global Markets, Inc.	Term Loan	2,628.41
Bats Global Markets, Inc.	Term Loan	54,435.51
Beacon Roofing Supply Inc	Term Loan B	1,472.62
Berry Plastics Corporation	Term Loan D	9,973.34
Bioscrip, Inc.	Delayed Draw Term Loan	10,563.38
Bioscrip, Inc.	Term Loan B	17,605.63
Britax Childcare Holdings Limited	Term Loan	8,293.16
Builders FirstSource, Inc.	Term Loan B	1,985.53
CBS Outdoor Americas Capital Corporation	Term Loan B	32,658.77
CCM Merger, Inc.	Term Loan	23,238.49
CHS/Community Health Systems, Inc.	Term Loan G	3,450.87
CHS/Community Health Systems, Inc.	Term Loan G	41,791.96
CHS/Community Health Systems, Inc.	Term Loan H	11,355.74
CHS/Community Health Systems, Inc.	Term Loan H	137,493.27
CITGO Petroleum Corporation	Term Loan B (new)	10,097.44
CPI International, Inc.	Term Loan	41,010.66



Babson CLO Ltd 2013-II
Principal Activity Report
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
CRCI Holdings, LLC	Term Loan (08/16)	2,957.73
Calpine Construction Finance Company, L.P.	Term Loan B2	5,010.37
Caraustar Industries Inc.	Incremental Term Loan	8,369.07
Caraustar Industries Inc.	Incremental Term Loan	1,815.43
Caraustar Industries Inc.	Term Loan	20,355.62
Caraustar Industries Inc.	Term Loan	4,641.73
CareCore National, LLC	Term Loan B	7,679.65
Catalent Pharma Solutions, Inc.	Term Loan B (new)	36,547.04
Catalent Pharma Solutions, Inc.	Term Loan B (new)	735.73
Cengage Learning Acquisitions, Inc.	Term Loan	5,000.00
Charter Communications Operating, LLC.	Term Loan E	5,187.34
Charter Communications Operating, LLC.	Term Loan I (12/16)	4,304.53
Chemours Company, The	Term Loan B	1,002,500.00
Chemours Company, The	Term Loan B	41,150.65
Chemours Company, The	Term Loan B	53,098.30
Concentra Inc.	Term Loan B	6,045.22
Consolidated Communications, Inc.	Term Loan B	2,152.48
Cumulus Media Holdings Inc.	Term Loan	342,427.79
Cumulus Media Holdings Inc.	Term Loan	862,810.19
Cumulus Media Holdings Inc.	Term Loan	862,810.19
Cumulus Media Holdings Inc.	Term Loan	1,021,880.54
Cunningham Lindsey U.S. Inc.	Term Loan B	12,594.46
Diamond US Holding LLC	Term Loan B	7,311.43
Dynegy Inc	Term Loan B2	1,378,446.13
E.W. Scripps Company, The	Term Loan Tranche B	8,845.48
EFS Cogen Holdings I LLC	Term Loan B	64,115.58
EIG Investors Corp.	New Term Loan	23,691.46
EIG Investors Corp.	New Term Loan	35,537.19
EIG Investors Corp.	New Term Loan	6,673,376.68
EMG Utica, LLC	Term Loan	4,877.77
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	11,882.36
Eldorado Resorts, Inc.	Term Loan B	1,341.21
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	15,037.78
Entegris Inc	Term Loan	80,435.21
Entercom Radio, LLC	Term Loan B	30,436.77
Essential Power, LLC	Term Loan B	11,826.18
Exopack Holdings S.A.	Term Loan	6,208.96
FMG Resources (August 2006) Pty Ltd	Term Loan B	1,036,767.01
FPC Holdings, Inc.	First Lien Term Loan	10,075.57
Filtration Group Corporation	Term Loan B	14,615.92



Babson CLO Ltd 2013-II
Principal Activity Report
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
Flex Acquisition Company Inc	Term Loan	4,434,551.74
GENEX Services, Inc.	Term Loan (1st Lien)	7,576.17
GTT Communications Inc	Term Loan B	569,336.45
GXS Group, Inc.	Term Loan B	16,105.44
Gardner Denver, Inc.	Term Loan	12,575.95
Gates Global LLC	Term Loan	4,469.26
General Nutrition Centers, Inc.	Term Loan B	1,542.70
Generation Brands Holdings, Inc.	First Lien Term Loan	5,000.00
Global Healthcare Exchange, LLC	Term Loan B	5,781.04
Global Payments Inc.	Term Loan B (10/16)	1,574.88
Greatbatch Ltd.	Term Loan B	4,386.74
Grifols Worldwide Operations USA Inc	Term Loan	12,703.27
Gruden Acquisition, Inc.	Term Loan (1st Lien)	2,382.08
Hargray Communications Group, Inc.	Term Loan (09/16)	3,831.90
Headwaters Incorporated	Term Loan B	12,805.42
Hertz Corporation (The)	Term Loan B-1	2,500.00
Hilex Poly Co. LLC	Term Loan	29,271.51
Hilex Poly Co. LLC	Term Loan	3,884,899.44
Hilton Worldwide Finance LLC	Term Loan B1	74,133.62
Hilton Worldwide Finance LLC	Term Loan B2	7,597.48
Horizon Global Corporation	Term Loan B	29,557.69
Horizon Pharma, Inc.	Term Loan B	1,005.86
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	5,000.00
Hubbard Radio, LLC	Term Loan B	67,506.05
Huntsman International LLC	2023 Term B Loan	1,336.96
Husky Injection Molding Systems Ltd.	Term Loan	6,521.96
Husky Injection Molding Systems Ltd.	Term Loan	88,238.08
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	4,962.50
Immunor, Inc.	Term Loan B-2	17,356.87
Infinity Acquisition, LLC	Term Loan	4,962.50
Infor (US), Inc.	Term Loan B-5	5,193.85
Information Resources, Inc.	New Term Loan	3,181.99
Jazz Acquisition, Inc	Term Loan	914.32
Joerns Healthcare, LLC	Term Loan	8,351.71
KFC Holding Co.	Term Loan B	3,760.78
Kenan Advantage Group, Inc.	Canadian Term Loan	1,283.46
Kenan Advantage Group, Inc.	Term Loan B	4,143.84
Kindred Healthcare, Inc.	New Term Loan	13,942.66
Kinetic Concepts, Inc.	Term Loan F1	12,324.18
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	808.29



Babson CLO Ltd 2013-II
Principal Activity Report
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	1,891.41
LPL Holdings, Inc.	Term Loan B 2022	13,270.11
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	2,500.00
MTS Systems Corporation	Term Loan B	4,531.01
Mallinckrodt International Finance S.A.	First Lien Term Loan	8,819.27
Mallinckrodt International Finance S.A.	Term Loan B1	5,000.00
Manitowoc Foodservice, Inc.	Term Loan B	55,195.33
Mannington Mills, Inc.	Term Loan	39,355.58
Marine Acquisition Corp.	Term Loan	16,691.72
McGraw-Hill Global Education Holdings, LLC	Term Loan	372,802.35
McGraw-Hill Global Education Holdings, LLC	Term Loan	621,337.25
McGraw-Hill Global Education Holdings, LLC	Term Loan	27,995.19
McGraw-Hill Global Education Holdings, LLC	Term Loan	466,003.94
McGraw-Hill Global Education Holdings, LLC	Term Loan	64,719.82
McGraw-Hill Global Education Holdings, LLC	Term Loan	48,539.86
McGraw-Hill Global Education Holdings, LLC	Term Loan	32,360.65
McGraw-Hill Global Education Holdings, LLC	Term Loan	51,097.85
McGraw-Hill Global Education Holdings, LLC	Term Loan	81.10
McGraw-Hill Global Education Holdings, LLC	Term Loan	121.65
McGraw-Hill Global Education Holdings, LLC	Term Loan	128.07
McGraw-Hill Global Education Holdings, LLC	Term Loan	934.34
McGraw-Hill Global Education Holdings, LLC	Term Loan	1,167.93
McGraw-Hill Global Education Holdings, LLC	Term Loan	2,432.27
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,700.68
MediArena Acquisition B.V.	Term Loan (1st Lien)	3,120.75
Mediacom Broadband, LLC	Term Loan H	9,986.72
Mediware Information Systems, Inc.	Term Loan	3,257.57
Men's Wearhouse Inc., The	Term Loan	590,147.91
Men's Wearhouse Inc., The	Term Loan	986,035.75
Men's Wearhouse Inc., The	Term Loan	2,181,876.38
Metal Services LLC	Term Loan	4,683.58
Methanol Holdings (Delaware) LLC	Initial Term Loan	7,500.00
Micro Holding Corp.	Term Loan	3,440.63
Micron Technology, Inc.	Term Loan	2,716.58
Minerals Technologies Inc.	Term Loan B1	44,871.79
Minerals Technologies Inc.	Term Loan B1	6,410.26
Mission Broadcasting, Inc.	Term Loan B2	2,353.07
Mitchell International, Inc.	Term Loan B	11,673.53
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	6,860.69
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	27,965.33



Babson CLO Ltd 2013-II
Principal Activity Report
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
Multi Packaging Solutions, Inc.	Rollover Term Loan	45,256.47
Multi Packaging Solutions, Inc.	Term Loan A	37,757.49
Murray Energy Corporation	Term Loan B2	13,516.74
NBTY, Inc.	Term Loan B	4,054.00
NN, Inc.	Term Loan B (9/16)	1,856.89
NPC International, Inc.	Term Loan B	4,342.47
NXP B.V.	Term Loan F	4,150.82
National Financial Partners Corporation	Term Loan (NFP)	2,542.60
National Financial Partners Corporation	Term Loan B	2,342,950.67
National Surgical Hospitals, Inc.	Term Loan	1,856.40
Nexstar Broadcasting, Inc.	Term Loan B-2	2,668.42
ON Semiconductor Corporation	Term Loan B (9/16)	953.35
Omnitracs, LLC	Term Loan	12,657.11
Ortho-Clinical Diagnostics, Inc	Term Loan	10,088.32
PFS Holding Corporation	Term Loan	3,909.79
PODS LLC	Term Loan B	3,878.46
Parfums de Coeur, Ltd	Term Loan B	12,500.00
Parfums de Coeur, Ltd	Term Loan B	95,295.86
Penn National Gaming, Inc.	New Term Loan B	2,232.77
Pinnacle Foods Finance LLC	Term Loan I	1,812.69
Pinnacle Operating Corporation	Term Loan B	7,537.69
Planet Fitness Holdings, LLC	Term Loan B	4,777.37
PolyOne Corporation	Term Loan B	3,401.72
Prospect Medical Holdings Inc.	Term Loan B	1,980,000.00
Prospect Medical Holdings Inc.	Term Loan B	2,500.00
Prospect Medical Holdings Inc.	Term Loan B	4,962.40
RCN Telecom Services, LLC	New Term Loan	9,600.63
RPI Finance Trust	Term Loan B5	14,403.94
RadNet Management, Inc.	Term Loan B 6/16	68,325.79
Realogy Group LLC	Term Loan B (07/16)	1,192.92
Renaissance Learning, Inc.	Term Loan	2,095,962.96
Renaissance Learning, Inc.	Term Loan	2,949.36
Renaissance Learning, Inc.	Term Loan	5,374.27
Reynolds Group Holdings Inc.	Term Loan (07/16)	571,284.37
Reynolds Group Holdings Inc.	Term Loan (07/16)	201.84
Reynolds Group Holdings Inc.	Term Loan (07/16)	330.62
Reynolds Group Holdings Inc.	Term Loan (07/16)	334.93
Reynolds Group Holdings Inc.	Term Loan (07/16)	523.57
Reynolds Group Holdings Inc.	Term Loan (07/16)	548.60
Reynolds Group Holdings Inc.	Term Loan (07/16)	895.76



Babson CLO Ltd 2013-II
Principal Activity Report
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
Reynolds Group Holdings Inc.	Term Loan (07/16)	21.11
Ryman Hospitality	Term Loan B	1,734.62
SBA Senior Finance II LLC	Term Loan	10,000.00
SENSATA TECHNOLOGIES BV	Term Loan	146,118.97
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	62,929.48
SRAM, LLC	First Lien Term Loan	1,992,500.00
SRAM, LLC	First Lien Term Loan	3,461.23
SRAM, LLC	First Lien Term Loan	6,186.95
Samchully Midstream 3 LLC	Term Loan B	10,019.15
Samsonite International S.A.	Term Loan B	1,657.22
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	5,158.25
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	5,235.11
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	5,000.00
Seadrill Operating LP	Term Loan B	10,120.22
Sedgwick Claims Management Services, Inc.	Second Lien Term Loan	1,507,500.00
Sedgwick Claims Management Services, Inc.	Second Lien Term Loan	1,507,500.00
Select Medical Corporation	Series F Tranche B Term Loan	5,000.00
Seventy Seven Operating LLC	Term Loan B	5,000.00
Sinclair Television Group, Inc.	New Term Loan B	12,538.58
Sinclair Television Group, Inc.	Term Loan B2	997,500.00
Sophia, L.P.	Closing Date Term Loan	10,000.00
Southcross Energy Partners, L.P.	Term Loan	2,029.58
Springer Science & Business Media S.A.	Term Loan B9	14,775.84
Team Health, Inc.	5/16 Term Loan	13,301.07
Tecomet Inc.	Term Loan	10,012.53
Tectum Holdings, Inc.	Term Loan	4,755.16
Tekni-Plex, Inc.	Term Loan (US)	5,000.00
Telecommunications Management, LLC	First Lien Term Loan	270.18
The Talbots Inc.	Term Loan	5,062.09
Total Merchant Services, Inc	Term Loan	5,000.00
TravelCLICK, Inc.	First Lien Term Loan	4,621.62
Trinseo Materials Operating S.C.A	Term Loan B	1,001.68
Triple Point Technology, Inc.	1st Lien Term Loan	3,735.04
Tronox Pigments (Netherlands) B.V.	New Term Loan	10,008.23
TruckPro, Inc.	Term Loan	15,005.86
U.S. Farathane, LLC	Term Loan B-2	63,002.23
USI, Inc.	Term Loan B	5,414.40
USI, Inc.	Term Loan B	48,742.43
USS Parent Holding Corp.	Delayed Draw Term Loan	335.65
USS Parent Holding Corp.	Term Loan	721.72



Babson CLO Ltd 2013-II
Principal Activity Report
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<i>Issuer</i>	<i>Issue</i>	<i>Principal Amount</i>
Univision Communications Inc.	Term Loan C3	681.13
Univision Communications Inc.	Term Loan C4	11,846.23
Utex Industries, Inc.	Term Loan	2,273.29
VF Holdings Corp	Term Loan B	1,397.65
VFH Parent LLC	Term Loan (Virtu)	14,912.53
Valeant Pharmaceuticals International, Inc.	Term Loan F1	27,825.17
Valeant Pharmaceuticals International, Inc.	Term Loan F1	8,487.42
Virgin Media Investment Holdings Limited	Term Loan F	2,693,284.94
Virgin Media Investment Holdings Limited	Term Loan I	4,599,216.81
Vistra Operations Company LLC	Term Loan B (12/16)	860,493.92
W/S Packaging Group, Inc.	Term Loan B	2,017.58
W3 Co.	New Term Loan A	10,050.25
WG Partners Acquisition, LLC	Term Loan B	5,306.69
Wastequip, LLC	Term Loan	5,035.23
West Corporation	Replacement Term Loan B12	4,975.03
Western Digital Corporation	Term Loan B-1	2,000.00
Western Refining, Inc.	Term Loan B	4,523.60
Western Refining, Inc.	Term Loan B	4,534.91
Wilsonart LLC	Term Loan C	592,219.40
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	501,250.00
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	1,281.97
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	5,929.70
York Risk Services Holding Corp.	Term Loan B	9,886.84
Zebra Technologies Corporation	5/16 Term Loan B	8,289.94
Zebra Technologies Corporation	5/16 Term Loan B	6,631.95
Zebra Technologies Corporation	5/16 Term Loan B	8,289.94
Zekelman Industries, Inc	Term Loan	2,500.00



Babson CLO Ltd 2013-II
Asset Purchases
From 12/8/2016 to 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Par Amount</i>	<i>Purchase Price</i>	<i>Cost</i>	<i>Accrued Interest Amount</i>	<i>Trade Date</i>	<i>Settlement Date</i>
Asurion, LLC	Replacement Term Loan B-2	93,477.24	100.000	93,477.24	0.00	12/09/2016	01/04/2017
National Financial Partners Corporation	Term Loan B	2,354,724.29	99.500	2,342,950.67	0.00	12/09/2016	01/13/2017
GTT Communications Inc	Term Loan B	572,197.44	99.500	569,336.45	0.00	12/13/2016	01/13/2017
Vistra Operations Company LLC	Term Loan B (12/16)	862,650.55	99.750	860,493.92	0.00	12/13/2016	12/20/2016
Wilsonart LLC	Term Loan C	593,703.66	99.750	592,219.40	0.00	12/14/2016	01/04/2017
Ascena Retail Group, Inc.	Term Loan B	2,000,000.00	97.750	1,955,000.00	0.00	12/15/2016	
Prospect Medical Holdings Inc.	Term Loan B	1,994,987.47	99.000	1,975,037.60	0.00	12/15/2016	01/11/2017
SRAM, LLC	First Lien Term Loan	1,990,315.50	99.625	1,982,851.82	0.00	12/15/2016	01/06/2017
Virgin Media Investment Holdings Limited	Term Loan I	4,610,743.67	99.750	4,599,216.81	0.00	12/15/2016	01/03/2017
Chemours Company, The	Term Loan B	958,951.97	100.250	961,349.35	0.00	12/16/2016	
Flex Acquisition Company Inc	Term Loan	4,456,835.92	99.500	4,434,551.74	0.00	12/16/2016	01/09/2017
Renaissance Learning, Inc.	Term Loan	2,080,187.75	100.500	2,090,588.69	0.00	12/16/2016	
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	498,721.23	100.250	499,968.03	0.00	12/16/2016	01/10/2017
Sinclair Television Group, Inc.	Term Loan B2	1,000,000.00	99.750	997,500.00	0.00	12/19/2016	01/11/2017
		24,067,496.69		23,954,541.72	0.00		



Babson CLO Ltd 2013-II
Interest Activity Report
From 12/8/2016 to 1/5/2017
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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
24 Hour Fitness Worldwide, Inc.	Term Loan	44,999.31
ADMI Corp.	Initial Term Loan	5,379.43
AMC Entertainment Inc.	Term Loan	10,623.67
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B-1	5,458.08
ASP Chromaflo Intermediate Holdings, Inc.	Term Loan B2	7,097.24
Academy, Ltd.	Term Loan	2,278.75
Academy, Ltd.	Term Loan	7,767.67
Acadia Healthcare Company, Inc.	Term Loan B	1,839.92
AdvancePierre Foods, Inc.	Term Loan	906.15
Advantage Sales & Marketing Inc.	First Lien Term Loan	26.91
Alere Inc.	Term Loan B	973.50
Alison US LLC	Term Loan B-1	13,005.42
Alison US LLC	Term Loan B-2	13,005.42
Alpha Topco Limited	Term Loan B3	36,020.83
AmWINS Group, LLC	Term Loan B 5/16	4,592.10
AmWINS Group, LLC	Term Loan B 5/16	12,122.54
American Airlines, Inc.	Replacement Term Loan B	19,769.63
American Builders & Contractors Supply Co., Inc.	Term Loan	12,556.25
Apex Tool Group, LLC	Term Loan	21,821.61
Aquilex HydroChem, Inc.	Term Loan B	2.99
Aramark Corporation	Term Loan F	32,904.06
Arbor Pharmaceuticals, Inc.	Term Loan	28,961.93
Arch Coal, Inc.	Exit Term Loan (09/16)	14,566.90
Astoria Energy LLC	Term Loan	35,068.39
Asurion, LLC	First Lien Term Loan	36,180.96
Asurion, LLC	New Term Loan B	3,942.32
Asurion, LLC	Replacement Term Loan B-2	687.57
Asurion, LLC	Second Lien Term Loan	8,986.85
Asurion, LLC	Term Loan B-5	7,916.67
Atrium Innovations, Inc.	First Lien Term Loan	17,541.66
Avantor Performance Materials Holdings, Inc.	First Lien Term Loan	5,840.86
Avis Budget Car Rental, LLC	Extended Term Loan B	16,669.63
BJ's Wholesale Club, Inc.	Term Loan	37,928.49
BWAY Holding Company	Term Loan	77.29
BWAY Holding Company	Term Loan	526.63
BWAY Holding Company	Term Loan	7,294.47
BWAY Holding Company	Term loan	26.10
Bass Pro Group, LLC	Term Loan	32.21
Bats Global Markets, Inc.	Term Loan	3,588.09
Beacon Roofing Supply Inc	Term Loan B	5,284.62



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
Berry Plastics Corporation	Term Loan D	48.48
Berry Plastics Corporation	Term Loan H	2,355.87
Bioscrip, Inc.	Delayed Draw Term Loan	11,802.23
Bioscrip, Inc.	Term Loan B	19,670.38
Boyd Gaming Corporation	Term Loan B	12,443.56
Boyd Gaming Corporation	Term Loan B2	24,959.44
Britax Childcare Holdings Limited	Term Loan	6,532.00
Britax Childcare Holdings Limited	Term Loan	8,605.37
Britax Childcare Holdings Limited	Term Loan	9,693.21
Britax Childcare Holdings Limited	Term Loan	9,788.04
Builders FirstSource, Inc.	Term Loan B	9,512.20
CBS Outdoor Americas Capital Corporation	Term Loan B	5,470.34
CCM Merger, Inc.	Term Loan	2,459.79
CHS/Community Health Systems, Inc.	Term Loan G	215.68
CHS/Community Health Systems, Inc.	Term Loan H	551.12
CITGO Petroleum Corporation	Term Loan B (new)	45,024.46
CPI International, Inc.	Term Loan	106.51
CPI International, Inc.	Term Loan	3,978.26
CRCI Holdings, LLC	Term Loan (08/16)	6,408.41
Calpine Construction Finance Company, L.P.	Term Loan B2	16,420.24
Capital Automotive L.P.	Second Lien Term Loan	1,491.59
Caraustar Industries Inc.	Incremental Term Loan	156.22
Caraustar Industries Inc.	Incremental Term Loan	14,439.56
Caraustar Industries Inc.	Term Loan	379.97
Caraustar Industries Inc.	Term Loan	35,120.53
CareCore National, LLC	Term Loan B	13,543.74
Carr Management, Inc.	Term Loan	2,639.51
Carr Management, Inc.	Term Loan	21,894.12
Catalent Pharma Solutions, Inc.	Term Loan B (new)	302.84
Catalent Pharma Solutions, Inc.	Term Loan B (new)	543.55
Cengage Learning Acquisitions, Inc.	Term Loan	16.77
Charter Communications Operating, LLC.	Term Loan I	3,830.92
Chemours Company, The	Term Loan B	4,042.39
Cinemark USA, Inc	Term Loan B (6/16)	7,898.37
Cinemark USA, Inc	Term Loan B (6/16)	413.24
Concentra Inc.	Term Loan B	43.03
Confie Seguros Holding II Co.	Second Lien Term Loan	9,642.54
Confie Seguros Holding II Co.	Second Lien Term Loan	10,995.81
Consolidated Communications, Inc.	Term Loan B	2,964.21
Cumulus Media Holdings Inc.	Term Loan	56,528.39



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
Cunningham Lindsey U.S. Inc.	Second Lien Term Loan	15,597.78
Cunningham Lindsey U.S. Inc.	Term Loan B	24,797.96
Cunningham Lindsey U.S. Inc.	Term Loan B	35,238.47
DTZ U.S. Borrower, LLC	Term Loan B	4.48
DTZ U.S. Borrower, LLC	Term Loan B	230.90
Dayton Power And Light Company (The)	Term Loan B	2,557.02
Dell International L.L.C.	Term Loan A2	3,654.44
Dell International L.L.C.	Term Loan B	13,333.33
Delos Finance S.a.r.l.	Term Loan	18,570.14
Diamond US Holding LLC	Term Loan B	433.70
Diamond US Holding LLC	Term Loan B	34,066.98
Dollar Tree, Inc	Term Loan	969.15
Dynegy Inc	Term Loan B	12,500.00
Dynegy Inc	Term Loan B2	10,721.25
Dynegy Inc	Term Loan B2	5,676.41
E.W. Scripps Company, The	Term Loan B	4,471.88
E.W. Scripps Company, The	Term Loan Tranche B	5,296.48
EFS Cogen Holdings I LLC	Term Loan B	51,338.86
EIG Investors Corp.	New Term Loan	106.61
EIG Investors Corp.	New Term Loan	204.69
EMG Utica, LLC	Term Loan	22.53
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	18.99
EMI Music Publishing Group North America Holdings, Inc.	Term Loan B	5,539.50
EZE Software Group LLC	Term Loan (1st Lien)	19,099.06
EZE Software Group LLC	Term Loan (2nd Lien)	25,064.03
Eastern Power, LLC	Term Loan B	68,329.12
Endo Luxembourg Finance Company I S.a.r.l.	2015 Incremental Term Loan B	18,656.25
Entegris Inc	Term Loan	2,429.08
Entercom Radio, LLC	Term Loan B	49.27
Entercom Radio, LLC	Term Loan B	83.70
Envision Healthcare Corporation	Term Loan B	5,000.00
Essential Power, LLC	Term Loan B	7,386.66
Exopack Holdings S.A.	Term Loan	27,473.85
FCA US LLC	New Term Loan B	22,652.14
FMG Resources (August 2006) Pty Ltd	Term Loan B	3,023.90
FMG Resources (August 2006) Pty Ltd	Term Loan B	7,043.13
FPC Holdings, Inc.	First Lien Term Loan	51,478.80
Fieldwood Energy LLC	Second Lien Term Loan	14,278.06
Fieldwood Energy LLC	Term Loan	56,558.24
Filtration Group Corporation	Term Loan B	51.76



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
First Data Corporation	2021C New Dollar Term Loan	24,952.24
First Data Corporation	2022 C Dollar Term Loan	6,394.00
GENEX Services, Inc.	Second Lien Term Loan	7,291.67
GENEX Services, Inc.	Term Loan (1st Lien)	12,959.99
GXS Group, Inc.	Term Loan B	16,967.75
Gardner Denver, Inc.	Term Loan	569.64
Gardner Denver, Inc.	Term Loan	50,692.49
Gates Global LLC	Term Loan	27,462.35
General Nutrition Centers, Inc.	Term Loan B	4,309.22
Generation Brands Holdings, Inc.	First Lien Term Loan	30,257.50
Genesys Telecommunications Laboratories, Inc.	Dollar Term Loan	58,989.95
Global Healthcare Exchange, LLC	Term Loan B	30,610.94
Global Payments Inc.	Term Loan B (10/16)	1,630.32
Gray Television, Inc.	Term Loan	4,214.65
Greatbatch Ltd.	Term Loan B	23,367.50
Grifols Worldwide Operations USA Inc	Term Loan	3,331.41
Grifols Worldwide Operations USA Inc	Term Loan	3,365.67
Grifols Worldwide Operations USA Inc	Term Loan	3,548.97
Grifols Worldwide Operations USA Inc	Term Loan	3,571.82
Gruden Acquisition, Inc.	Term Loan (1st Lien)	13,745.27
Hargray Communications Group, Inc.	Term Loan (09/16)	11,808.03
Harsco Corporation	Term Loan B	3,949.41
Headwaters Incorporated	Term Loan B	6,636.16
Henry Company LLC	Term Loan B	17,117.64
Hertz Corporation (The)	Term Loan B-1	7.29
Hilex Poly Co. LLC	Term Loan	56,726.21
Hilton Worldwide Finance LLC	Term Loan B1	461.28
Hilton Worldwide Finance LLC	Term Loan B2	3,232.24
Hilton Worldwide Finance LLC	Term Loan B2	5,316.65
Hilton Worldwide Finance LLC	Term Loan B2	22.78
Hoffmaster Group, Inc.	Initial Term Loan	6,015.36
Horizon Global Corporation	Term Loan B	1,480.44
Horizon Global Corporation	Term Loan B	23,414.62
Horizon Pharma, Inc.	Term Loan B	7.68
Houghton Mifflin Harcourt Publishers, Inc.	Term Loan B	6,583.33
Hubbard Radio, LLC	Term Loan B	5,627.67
Huntsman International LLC	2023 Term B Loan	1,671.20
Huntsman International LLC	2023 Term B Loan	2.09
Husky Injection Molding Systems Ltd.	Term Loan	1,000.03
Husky Injection Molding Systems Ltd.	Term Loan	22,989.54



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
ION Trading Technologies S.a.R.L	Term Loan B-1(new)	10,779.65
ImmuCor, Inc.	Term Loan B-2	84,458.03
Infinity Acquisition, LLC	Term Loan	51.71
Infinity Acquisition, LLC	Term Loan	21,006.69
Infor (US), Inc.	Term Loan B-5	18,489.03
Information Resources, Inc.	New Term Loan	279.71
Information Resources, Inc.	New Term Loan	1,837.94
Information Resources, Inc.	New Term Loan	15,099.11
Jazz Acquisition, Inc	Term Loan	4,196.55
Jeld-Wen, Inc.	Incremental Term Loan B-2	13,652.64
Joerns Healthcare, LLC	Term Loan	52.20
KFC Holding Co.	Term Loan B	4,269.96
Kenan Advantage Group, Inc.	Canadian Term Loan	1,694.48
Kenan Advantage Group, Inc.	Term Loan B	5,473.99
Kinetic Concepts, Inc.	Term Loan F1	61,994.04
Klockner-Pentaplast of America, Inc.	Replacement German Term Loan	2,710.03
Klockner-Pentaplast of America, Inc.	Replacement US Term Loan	6,341.47
LPL Holdings, Inc.	Term Loan B 2022	42,401.97
M/A-COM Technology Solutions Holdings, Inc.	Term Loan	25.07
MTS Systems Corporation	Term Loan B	7,799.64
Magic Newco, LLC	Term Loan	32,381.43
Mallinckrodt International Finance S.A.	First Lien Term Loan	29,018.97
Mallinckrodt International Finance S.A.	Term Loan B1	17,775.01
Manitowoc Foodservice, Inc.	Term Loan B	5,965.44
Mannington Mills, Inc.	Term Loan	11,915.75
Marine Acquisition Corp.	Term Loan	10,286.27
McGraw-Hill Global Education Holdings, LLC	Term Loan	7,316.43
MediArena Acquisition B.V.	Term Loan (1st Lien)	2.87
MediArena Acquisition B.V.	Term Loan (1st Lien)	1,620.85
Mediacom Broadband, LLC	Term Loan H	27.05
Mediware Information Systems, Inc.	Term Loan	13,527.98
Metal Services LLC	Term Loan	39,690.88
Methanol Holdings (Delaware) LLC	Initial Term Loan	10,492.19
Micro Holding Corp.	2nd Lien Term Loan	21,486.11
Micro Holding Corp.	Term Loan	20,373.68
Micron Technology, Inc.	Term Loan	3,938.23
Milacron LLC	Term Loan B (1st Lien)	3,653.92
Minerals Technologies Inc.	Term Loan B1	3,317.31
Minerals Technologies Inc.	Term Loan B1	6.04
Mission Broadcasting, Inc.	Term Loan B2	2,853.09



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
Mitchell International, Inc.	Term Loan B	87.55
MoneyGram Payment Systems Worldwide, Inc	Tranche B Term Loan	28,134.73
Multi Packaging Solutions, Inc.	Rollover Term Loan	8,220.99
Multi Packaging Solutions, Inc.	Term Loan A	6,861.69
Murray Energy Corporation	Term Loan B2	4,385.08
Murray Energy Corporation	Term Loan B2	102,896.40
NBTY, Inc.	Term Loan B	20,443.99
NN, Inc.	Term Loan B (9/16)	2,933.34
NPC International, Inc.	Term Loan B	9,191.98
NXP B.V.	Term Loan F	15,548.00
National Financial Partners Corporation	Term Loan (NFP)	11,346.08
National Surgical Hospitals, Inc.	Term Loan	8,341.03
Nexstar Broadcasting, Inc.	Term Loan B-2	3,235.45
ON Semiconductor Corporation	Term Loan B (9/16)	950.64
Omnitracs, LLC	Second Lien Term Loan	7,990.71
Omnitracs, LLC	Second Lien Term Loan	8,878.57
Omnitracs, LLC	Term Loan	28,861.89
Omnitracs, LLC	Term Loan	30,344.45
Omnova Solutions Inc.	Term Loan B2	13,092.19
On Assignment, Inc.	Term Loan B-1 (08/16)	2,815.77
Ortho-Clinical Diagnostics, Inc	Term Loan	2,897.10
Ortho-Clinical Diagnostics, Inc	Term Loan	4,366.52
Ortho-Clinical Diagnostics, Inc	Term Loan	15,993.18
Ortho-Clinical Diagnostics, Inc	Term Loan	24,105.00
PFS Holding Corporation	Term Loan	5,718.06
PGT, Inc.	Term Loan	1,250.00
PGT, Inc.	Term Loan	12,048.02
Paragon Offshore Finance Company	Term Loan B	7,140.23
Parfums de Coeur, Ltd	Term Loan B	41.76
Parfums de Coeur, Ltd	Term Loan B	29,351.63
Peabody Energy Corporation	Term Loan B	9,428.50
Pelican Products, Inc.	Term Loan	1,484.82
Pelican Products, Inc.	Term Loan (2nd Lien)	22,709.90
Penn National Gaming, Inc.	New Term Loan B	2,352.32
Pilot Travel Centers LLC	Term Loan B 05/16	1,631.19
Pinnacle Foods Finance LLC	Term Loan I	2,199.47
Pinnacle Operating Corporation	Term Loan B	11,516.96
Planet Fitness Holdings, LLC	Term Loan B	11,279.90
PolyOne Corporation	Term Loan B	14.88
Power Buyer, LLC	Second Lien Term Loan	41,708.33



<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
Prestige Brands, Inc.	Term Loan B3	2,386.64
Prime Security Services Borrower, LLC	First Lien Term Loan	20,152.42
RCN Telecom Services, LLC	New Term Loan	12,908.43
RP Crown Parent, LLC	Term Loan B	19,250.00
RPI Finance Trust	Term Loan B5	23,383.01
RadNet Management, Inc.	Term Loan B 6/16	1,068.76
Realogy Group LLC	Term Loan B (07/16)	1,586.59
Renaissance Learning, Inc.	Term Loan	13,084.08
Reynolds Group Holdings Inc.	Term Loan (07/16)	474.48
Reynolds Group Holdings Inc.	Term Loan (07/16)	741.73
Reynolds Group Holdings Inc.	Term Loan (07/16)	777.19
Ryman Hospitality	Term Loan B	6,154.81
SBA Senior Finance II LLC	Term Loan	33,011.26
SENSATA TECHNOLOGIES BV	Term Loan	9,189.71
SENSATA TECHNOLOGIES BV	Term Loan	208.48
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	673.12
SIG Combibloc PurchaseCo S.a r.l.	Term Loan	5,976.67
Sabre GLBL Inc.	Term Loan B-2	55,059.07
Samchully Midstream 3 LLC	Term Loan B	46,188.68
Samsonite International S.A.	Term Loan B	2,209.62
SeaWorld Parks & Entertainment, Inc.	New Term Loan B	15,446.55
SeaWorld Parks & Entertainment, Inc.	Term Loan B3	18,141.40
Seadrill Operating LP	Term Loan B	39,805.08
Sedgwick Claims Management Services, Inc.	First Lien Term Loan	7,515.63
Sedgwick Claims Management Services, Inc.	Second Lien Term Loan	47,250.00
Select Medical Corporation	Series F Tranche B Term Loan	108.57
Shearer's Foods, LLC	Second Lien Term Loan	9,795.14
Sinclair Television Group, Inc.	New Term Loan B	12,123.84
Sinclair Television Group, Inc.	New Term Loan B	1,623.08
Sophia, L.P.	Closing Date Term Loan	47,208.84
Southcross Energy Partners, L.P.	Term Loan	10,531.30
Southcross Holdings Borrower LP	Term Loan B	44.67
Southcross Holdings Borrower LP	Term Loan B	1,440.34
Southeast PowerGen, LLC	Term Loan B	17,339.30
Spencer Spirit Holdings	Term Loan B1	648.49
Spencer Spirit Holdings	Term Loan B1	49,744.50
Springer Science & Business Media S.A.	Term Loan B9	1,673.40
Springer Science & Business Media S.A.	Term Loan B9	2,156.27
Springer Science & Business Media S.A.	Term Loan B9	3,347.35
Springer Science & Business Media S.A.	Term Loan B9	6,632.69



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
Springer Science & Business Media S.A.	Term Loan B9	18,151.63
Springer Science & Business Media S.A.	Term Loan B9	37,939.29
Sungard Availability Services Capital, Inc.	First Lien Term Loan	13,438.34
Syniverse Magellan Finance, LLC	Term Loan	49,403.54
Targa Resources Corp	Term Loan	1,782.95
Team Health, Inc.	5/16 Term Loan	51,354.50
Tecomet Inc.	Term Loan	39.98
Tectum Holdings, Inc.	Term Loan	6,055.78
Tekni-Plex, Inc.	Term Loan (US)	37.50
Telecommunications Management, LLC	First Lien Term Loan	1.89
Tessera Technologies, Inc.	Term Loan B	5,555.56
The Talbots Inc.	Term Loan	54,712.13
Total Merchant Services, Inc	Term Loan	32,286.04
Trader Corporation	Term Loan	1,161.96
TravelCLICK, Inc.	First Lien Term Loan	8,502.40
Trinseo Materials Operating S.C.A	Term Loan B	4,250.64
Triple Point Technology, Inc.	1st Lien Term Loan	14,882.90
Triple Point Technology, Inc.	Triple Point Technology T/L (2nd Lien)	4,434.66
Tronox Pigments (Netherlands) B.V.	New Term Loan	19,735.20
Tronox Pigments (Netherlands) B.V.	New Term Loan	24,322.30
TruckPro, Inc.	Term Loan	7,202.81
U.S. Farathane, LLC	Term Loan B-2	71,426.15
USI, Inc.	Term Loan B	24,836.34
USS Parent Holding Corp.	Delayed Draw Term Loan	1.51
USS Parent Holding Corp.	Delayed Draw Term Loan	0.27
USS Parent Holding Corp.	Term Loan	1,323.16
USS Parent Holding Corp.	Term Loan	2.28
Univision Communications Inc.	Term Loan C3	1.67
Univision Communications Inc.	Term Loan C3	841.82
Univision Communications Inc.	Term Loan C4	28.96
Univision Communications Inc.	Term Loan C4	14,755.22
Utex Industries, Inc.	Term Loan	3,703.57
VF Holdings Corp	Term Loan B	201.18
VF Holdings Corp	Term Loan B	6,102.39
VFH Parent LLC	Term Loan (Virtu)	47,563.03
Valeant Pharmaceuticals International, Inc.	Term Loan F1	46.77
Valeant Pharmaceuticals International, Inc.	Term Loan F1	23,665.10
Virgin Media Investment Holdings Limited	Term Loan F	7,855.41
Virgin Media Investment Holdings Limited	Term Loan F	3,665.86
W/S Packaging Group, Inc.	Term Loan B	11,306.44



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<i>Issuer</i>	<i>Issue</i>	<i>Interest Amount</i>
W/S Packaging Group, Inc.	Term Loan B	59.65
W3 Co.	New Term Loan A	247.21
WG Partners Acquisition, LLC	Term Loan B	11,203.00
Wastequip, LLC	Term Loan	8,931.24
West Corporation	Replacement Term Loan B12	1,976.19
West Corporation	Term Loan B12	3,938.57
Western Digital Corporation	Term Loan B-1	3,491.25
Western Refining, Inc.	Term Loan B	11,514.69
Winebow Holdings Inc/The Vintner Group Inc	First Lien Term Loan	9,177.44
York Risk Services Holding Corp.	Term Loan B	4,539.96
York Risk Services Holding Corp.	Term Loan B	41,994.64
Zebra Technologies Corporation	5/16 Term Loan B	2.38
Zebra Technologies Corporation	5/16 Term Loan B	10.79
Zebra Technologies Corporation	5/16 Term Loan B	19.05
Zekelman Industries, Inc	Term Loan	16,292.50
Ziggo BV	Term Loan D	6,506.89



Babson CLO Ltd 2013-II
Equity Securities Report
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Par Amount</i>	<i>Principal Balance</i>
Vantage Drilling International	Vantage Drilling (Offshore Group) Units	3,907.00	0.00
		3,907.00	0.00

Footnote:
Not considered a Collateral Obligation per (xiv)



Babson CLO Ltd 2013-II
Bond Obligations
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Issuer</i>	<i>Issue</i>	<i>Par Amount</i>	<i>Principal Balance</i>
Vantage Drilling International	Vantage Drilling (Offshore Group) 1% / 12% Step-Up	674,345.18	0.00
		674,345.18	0.00

Footnote:
Not considered a Collateral Obligation per (iv)



Babson CLO Ltd 2013-II
S&P Monitor
As of: 1/5/2017
Next Payment: 1/18/2017



<i>Class Name</i>	<i>Break-Even Default Rate</i>	<i>Scenario Default Rate</i>	<i>Current Result</i>	<i>Prior Result</i>	<i>Required Threshold</i>	<i>Pass/Fail</i>
Class A-1 CDO Monitor	67.63	57.39	10.24	9.91	0	Pass
Class A-2 CDO Monitor	62.91	50.18	12.74	12.52	0	Pass
Class B-1 CDO Monitor	54.70	44.37	10.33	10.24	0	Pass
Class B-2 CDO Monitor	54.70	44.37	10.33	10.24	0	Pass
Class C CDO Monitor	47.49	39.13	8.36	8.42	0	Pass
Class D CDO Monitor	39.97	32.86	7.1	7.43	0	Pass
Class E CDO Monitor	34.78	27.39	7.4	7.79	0	Pass



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 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 Note 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 of the Indenture.



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PRINCIPAL OFFICE OF CO-ISSUERS

Babson CLO Ltd. 2013-II
c/o MaplesFS Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

Babson CLO 2013-II, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

TRUSTEE AND COLLATERAL ADMINISTRATOR

U.S. Bank National Association
214 N. Tryon Street, 26th Floor
Charlotte, North Carolina 28202

COLLATERAL MANAGER

Barings LLC
550 South Tryon Street, Suite 3300
Charlotte, North Carolina 28202

IRISH LISTING AGENT

Maples and Calder
75 St. Stephen's Green
Dublin 2, Ireland

LEGAL ADVISORS

*To the Co-Issuers and
the Refinancing Initial Purchaser
as to United States law*

Paul Hastings LLP
200 Park Avenue
New York, New York 10166

*To the Issuer
as to Cayman Islands law*

Maples and Calder
PO Box 309, Ugland House
South Church Street
George Town
Grand Cayman
KY1-1104
Cayman Islands

*To the Collateral Manager
as to United States law*

Mayer Brown LLP
214 North Tryon Street
Charlotte, North Carolina 28202

*To the Trustee
as to United States law*

Alston & Bird LLP
101 South Tryon Street
Charlotte, North Carolina 28280