If you are not the intended recipient of this message, please delete and destroy all copies of this disclaimer and the attached preliminary Offering Circular (as defined below) along with any email to which either may be attached.

DISCLAIMER

Attached please find an electronic copy of the Offering Circular dated November 28, 2016 (the "Offering Circular") relating to the offering by Carlyle US CLO 2016-4, Ltd. and Carlyle US CLO 2016-4, LLC (each, a "Co-Issuer" and together, the "Co-Issuers") 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 view this email and/or access the Offering Circular or make an investment decision with respect to the securities described therein, you must either (a) not be a "U.S. person" within the meaning of Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), or (b) be a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act (or, solely in the case of the Subordinated Notes, an "accredited investor" within the meaning set forth in Rule 501(a) under the Securities Act) that is also either a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act") or a "knowledgeable employee" within the meaning of rule 3c-5 of 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 or the Placement Agent on behalf of the Co-Issuers and (b) any person retained to advise the person receiving this electronic transmission with respect to the offering contemplated by the Offering Circular (each, an "Authorized Recipient") is unauthorized. Any photocopying, disclosure or alteration of the contents of the Offering Circular, and any forwarding of a copy of the Offering Circular or any portion thereof by email 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.

The Co-Issuers may each be considered to be a "connected issuer" (within the meaning of such term in National Instrument 33-105 Underwriting Conflicts of the Canadian Securities Administrators) of Citigroup Global Markets Inc. (the "Dealer"), as the Dealer will be the Initial Purchaser and the Placement Agent. The decision to offer the Notes was made solely by the Co-Issuers, and the terms upon which the Notes are offered were determined by negotiation between the Co-Issuers and the Dealer.

OFFERING CIRCULAR **STRICTLY CONFIDENTIAL**
Dated November 28, 2016

CARLYLE US CLO 2016-4, LTD.
CARLYLE US CLO 2016-4, LLC

U.S.$ 302,500,000 Class A-1 Senior Secured Floating Rate Notes due 2027
U.S.$ 72,500,000 Class A-2 Senior Secured Floating Rate Notes due 2027
U.S.$25,000,000 Class B-1 Senior Secured Deferrable Floating Rate Notes due 2027
U.S.$13,000,000 Class B-2 Senior Secured Deferrable Fixed Rate Notes due 2027
U.S.$27,000,000 Class C Mezzanine Secured Deferrable Floating Rate Notes due 2027
U.S.$20,000,000 Class D Mezzanine Secured Deferrable Floating Rate Notes due 2027
U.S.$48,450,000 Subordinated Notes due 2027

The Issuer's investment portfolio will consist primarily of bank loans and Participation Interests. The portfolio will be managed by Carlyle GMS CLO Management L.L.C. The Notes will be sold at negotiated prices determined at the time of sale. See "Plan of Distribution" beginning on page 145. This offering circular (the "Offering Circular") uses defined terms. See "Glossary of Certain Defined Terms" beginning on page 159.

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 "Aa1(sf)" by Moody's, (iii) the Class B-1 Notes and the Class B-2 Notes are rated at least "A2(sf)" by Moody's, (iv) the Class C Notes are rated at least "Baa3(sf)" by Moody's, and (v) the Class D Notes are rated at least "Ba3(sf)" by Moody's. The Subordinated Notes will not be rated. See "Ratings of the Rated Notes" beginning on page 90.

Application has been made to The Irish Stock Exchange plc (the "Irish Stock Exchange") for the Notes to be admitted to the Official List (the "Official List") and to trading on the Global Exchange Market of the Irish Stock Exchange (the "Global Exchange Market"). There can be no assurance that such listing will be granted or maintained.

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER OF THE CO-ISSUERS HAS BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT. THE NOTES ARE BEING OFFERED ONLY (I) TO NON-U.S. PERSONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S AND (II) TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS THAT ARE (A) (I) QUALIFIED INSTITUTIONAL BUYERS OR (II) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, ACCREDITED INVESTORS AND ALSO (B) (I) QUALIFIED PURCHASERS, (II) SOLELY IN THE CASE OF THE SUBORDINATED NOTES, KNOWLEDGEABLE EMPLOYEES OR (III) ENTITIES OWNED EXCLUSIVELY BY QUALIFIED PURCHASERS OR (SOLELY IN THE CASE OF THE SUBORDINATED NOTES) BY KNOWLEDGEABLE EMPLOYEES.

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 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 148.

Investment by entities subject to ERISA and similar laws is subject to restrictions. See "Certain ERISA and Related Considerations" beginning on page 142.

Citigroup Global Markets Inc. ("Citigroup") expects to offer certain of the Notes in individually negotiated transactions at varying prices and to deliver such Notes to purchasers on or about the Closing Date; provided that certain of the Notes will be sold by the Co-Issuers directly to the purchasers thereof in individually negotiated transactions and Citigroup will not act as initial purchaser or placement agent with respect to such sales. It is a condition of the issuance of the Notes that all of the Notes are issued concurrently.

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 Notes, in physical form or, in the case of Uncertificated Subordinated Notes, on the books and records of the Issuer), on or about December 1, 2016.

Initial Purchaser of the Rated Notes and Placement Agent of certain of the Subordinated Notes

Citigroup

November 28, 2016

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IMPORTANT INFORMATION REGARDING THIS OFFERING CIRCULAR AND THE NOTES

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

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

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

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

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

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

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

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

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

The information contained in this Offering Circular has been provided by the Co-Issuers and other sources identified herein. The Co-Issuers accept responsibility for the information contained in this Offering Circular other than the Collateral Manager Information. The "Collateral Manager Information" consists of the information contained under the headings "Summary of Terms—Collateral Manager", "Risk Factors—Relating to the Collateral Manager", "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. The Collateral Manager accepts responsibility for the Collateral Manager Information. To the best of the knowledge and belief of the Co-Issuers, having taken all reasonable care to ensure that such is the case the information contained in this Offering Circular (other than the Collateral Manager Information) is in accordance with the facts and does not omit anything likely to affect the import of such information. To the best of the knowledge and belief of the Collateral Manager, having taken all reasonable care to ensure that such is the case the Collateral Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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

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

None of the Co-Issuers, Citigroup, the Collateral Manager, the Administrator, the Collateral Administrator, the Trustee, the Retention Holder 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, 34-61858, 33-9244 and 34-64968 of the United States Securities and Exchange Commission reflect a policy determination to expand the required disclosure in connection with certain collateralized debt obligation fund transactions as opposed to a determination that the specific disclosure requirements proposed in such Releases are required to satisfy the disclosure and anti-fraud requirements of Federal securities laws.

You must comply with all laws that apply to you in any place where you buy, offer or sell any Notes or possess this Offering Circular. You must also obtain any consents or approvals that you need in order to purchase any Notes. None of the Co-Issuers, Citigroup, the Collateral Manager, the Administrator, the Collateral Administrator, the Trustee, the Retention Holder 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 certain of the Subordinated Notes) the Issuer, as applicable, has confirmed the allocation of such Notes to be made to you; prior to that time any "indications of interest" expressed by you, and any "soft circles" generated by Citigroup or the

Issuer, as applicable, will not create binding contractual obligations for you or Citigroup or the Issuer, as applicable, and may be withdrawn at any time.

You may commit to purchase one or more Classes of Notes that have characteristics that may change, and you are advised that all or a portion of the Notes may not be issued with the characteristics described in this Offering Circular. The obligation of Citigroup or the Co-Issuers to sell and/or Citigroup to place, as applicable, such Notes to you is conditioned on the Notes having the characteristics described in this Offering Circular. If Citigroup or the Co-Issuers determine that condition is not satisfied in any material respect, you will be notified, and none of the Issuer, the Co-Issuer 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, 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.

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

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

NOTICE TO CAYMAN ISLANDS RESIDENTS

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Notes, and no such invitation is hereby made.

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 will be issued or sold in reliance on paragraph (14) of Code Section 10-5-11 of the Georgia Securities Act of 2008, and may not be sold or transferred except in a transaction which 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 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"), the Initial Purchaser and the Placement Agent have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "relevant implementation date") it has not made and will not make an offer of Notes to the public, 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;

(b) to fewer than 150 natural or legal persons (other than qualified investors) subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

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 (and amendments thereto to the extent implemented in each relevant member state) and any relevant implementing measure in each relevant member state.

FORWARD-LOOKING STATEMENTS

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

may not materialize or may vary significantly from actual results. Variations between assumptions and results may be material.

Without limiting the generality of the foregoing, you should not regard the inclusion of forward-looking statements in this Offering Circular as a representation by the Co-Issuers, the Collateral Manager, Citigroup, the Trustee, the Collateral Administrator or any of their respective affiliates or any other person of the results that will actually be achieved by the Issuer or the Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including any revisions to reflect changes in any circumstances arising after the 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; (ii) references to the term "holder" will mean the person in whose name a security is registered; except where the context otherwise requires, holder will include the beneficial owner of such security; and (iii) references to "U.S." and "United States" will be to the United States of America, its territories and its possessions.

SUMMARIES OF DOCUMENTS

This Offering Circular summarizes certain provisions of the Notes, the Indenture, the Collateral Management Agreement and other transactions and documents. The summaries do not purport to be complete and (whether or not so stated in this Offering Circular) are subject to, are qualified in their entirety by reference to, and incorporate by reference, the provisions of the actual documents (including definitions of terms). After the Closing Date, copies of the above documents will be available to holders on request from the Trustee. However, no documents incorporated by reference are part of this Offering Circular for purposes of the admission of the Notes to trading on the Global Exchange Market of the Irish Stock Exchange. Prior to the Closing Date, you should direct any requests and inquiries regarding this Offering Circular, the initial portfolio of Collateral Obligations or the terms and conditions of this offering to Citigroup.

U.S. RISK RETENTION

Section 941 of the Dodd-Frank Act amended the Exchange Act to require the "securitizer" of asset-backed securities to retain at least 5% of the credit risk of the assets collateralizing the asset-backed securities. A final rule has been adopted and will be effective with respect to CLOs beginning on December 24, 2016.

Although it is expected that the Retention Holder will purchase and retain the Retention 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," there can be no assurance that the Collateral Manager will take any further steps that may be necessary to permit the Collateral Manager to comply with the U.S. Risk Retention Requirements, which may impair or limit the ability of the Issuer to effect a Refinancing, a Re-Pricing or an additional issuance of notes after the U.S. Risk Retention Requirements Effective Date.

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

SUMMARY OF TERMS

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

Principal Terms of the Notes

Designation	Class A-1 Notes	Class A-2 Notes	Class B-1 Notes	Class B-2 Notes	Class C Notes	Class D Notes	Subordinated Notes[3]
Type	Senior Secured Floating Rate	Senior Secured Floating Rate	Senior Secured Deferrable Floating Rate	Senior Secured Deferrable Fixed Rate	Mezzanine Secured Deferrable Floating Rate	Mezzanine Secured Deferrable Floating Rate	Subordinated
Issuer(s)	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Co-Issuers	Issuer	Issuer
Initial Principal Amount (U.S.$)	$302,500,000	$72,500,000	$25,000,000	$13,000,000	$27,000,000	$20,000,000	$48,450,000
Expected Moody's Initial Rating	"Aaa(sf)"	"Aa1(sf)"	"A2(sf)"	"A2(sf)"	"Baa3(sf)"	"Ba3(sf)"	N/A
Expected S&P Initial Rating	"AAA(sf)"	N/A	N/A	N/A	N/A	N/A	N/A
Index Maturity[1]	3 month	3 month	3 month	3 month	3 month	3 month	N/A
Interest Rate[2]	LIBOR + 1.43%	LIBOR + 1.80%	LIBOR + 2.50%	4.1234%	LIBOR + 3.90%	LIBOR + 6.90%	N/A
Re-Pricing Eligible Notes	No	Yes	Yes	Yes	Yes	Yes	N/A
Interest Deferrable	No	No	Yes	Yes	Yes	Yes	N/A
Stated Maturity (Payment Date in)	October 2027	October 2027	October 2027	October 2027	October 2027	October 2027	October 2027
Minimum Denominations (U.S.$) (Integral Multiples)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)	$250,000 ($1)
Priority Class(es)	None	A-1	A-1, A-2	A-1, A-2	A-1, A-2, B	A-1, A-2, B, C	A-1, A-2, B, C, D
Pari Passu Class(es)	None	None	B-2	B-1	None	None	None
Junior Class(es)	A-2, B, C, D, Subordinated	B, C, D, Subordinated	C, D, Subordinated	C, D, Subordinated	D, Subordinated	Subordinated	None
Listed Notes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

(1) LIBOR will be determined as described in "Description of the Notes—Interest on the Rated 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.

(2) The Interest Rate for the Re-Pricing Eligible Notes is subject to change as set forth under "Description of the Notes—Optional Re-Pricing".

(3) The Subordinated Notes will not bear a stated rate of interest but will be entitled to receive distributions on each Payment Date solely to the extent of excess interest payable on the Subordinated Notes, if any, on such Payment Date as determined on the related Determination Date and payable in accordance with the Priority of Payments.

The Class A Notes, the Class B Notes and the Class C Notes are referred to as the "Co-Issued Notes", and the Class D Notes and the Subordinated Notes are referred to as the "Issuer-Only Notes". The Co-Issued Notes and the Class D Notes are referred to as the "Rated Notes". The Rated Notes and the Subordinated Notes are referred to as the "Notes".

Issuer:	Carlyle US CLO 2016-4, Ltd., a Cayman Islands exempted company incorporated with limited liability.
Co-Issuer:	Carlyle US CLO 2016-4, LLC, a Delaware limited liability company.
Collateral Manager:	Carlyle GMS CLO Management L.L.C., a Delaware limited liability company (the "Collateral Manager").
Trustee:	State Street Bank and Trust Company, a Massachusetts trust company (the "Bank"), in its capacity as Trustee.
Collateral Administrator:	The Bank, in its capacity as Collateral Administrator.
Initial Purchaser and Placement Agent:	Citigroup Global Markets Inc.
Administrator:	Walkers Fiduciary Limited.
Eligible Purchasers:	The Notes are being offered hereby to: (i) non-U.S. persons in offshore transactions in reliance on Regulation S; and (ii) in the United States to persons that are (x) either (A) Qualified Institutional Buyers or (B) in the case of the Subordinated Notes only, Accredited Investors and also (y) (A) Qualified Purchasers, (B) in the case of the Subordinated Notes only, Knowledgeable Employees, or (C) entities owned exclusively by Qualified Purchasers or, in the case of Subordinated Notes only, by Knowledgeable Employees. See "Description of the Notes—Form, Denomination and Registration of the Notes" and "Transfer Restrictions."
Payments on the Notes:	
Payment Dates	The 20th day of January, April, July and October of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in April 2017 and any Redemption Date (other than a Redemption Date relating to a Refinancing or Re-Pricing Date) and the Stated Maturity.
Interest Payments	Interest on the Rated 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 one or more Priority Classes is outstanding, to the extent interest is not paid on the Class B Notes, the Class C Notes or the Class D Notes (collectively, the "Deferred Interest 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 Rated Notes and will bear interest at the Interest Rate applicable to such Class of Rated Notes, until the earliest of (i) the Payment Date on which funds are available to pay such Deferred Interest in accordance with the Priority of Payments, (ii) the Redemption Date with respect to the applicable Class of Rated Notes and (iii) the Stated Maturity of the applicable Class of Rated 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 Rated Notes) to pay Deferred Interest on the applicable Class of Rated Notes, such Deferred Interest will not be due and payable on such Payment Date and any failure to pay such Deferred Interest on such Payment Date will not be an Event of Default under the Indenture. See "Description of the Notes—Interest on the Rated 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".

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 July 2021, (ii) any date on which the maturity of any Class of Rated 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 for a period of 20 consecutive Business Days in accordance with the Indenture or the Collateral Management Agreement, provided, in the case of this clause (iii), the Collateral Manager notifies the Issuer, the Trustee (who shall notify the holders of Notes) and the Collateral Administrator, Moody's and S&P thereof at least five Business Days prior to such date.

Optional Redemption:

Non-Call Period ..... During the period from the Closing Date to but excluding the Payment Date in October 2018, (such period, the "Non-Call Period"), the 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 and consented to by the Collateral Manager, the Co-Issuers or the Issuer, as applicable, will, on any Business Day occurring after the Non-Call Period, redeem the Rated Notes in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds and/or all other available funds. If directed in writing by a Majority of the Subordinated Notes and consented to by the Collateral Manager, the Co-Issuers or the Issuer, as applicable, will redeem the Rated Notes in part by Class from Refinancing Proceeds (so long as the Rated Notes of any Class to be redeemed represent the entire Class of such Rated Notes) (a "Partial Redemption"). As described in "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 may agree with one

or more investors to provide its consent to a redemption of the Notes in whole as long as certain conditions are satisfied.

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

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

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

Redemption by Refinancing.....In addition to (or in lieu of) funding a redemption through the sale of Collateral Obligations and/or Eligible Investments in the manner provided above, a redemption of all Classes of the Rated Notes may, at the written direction of a Majority of the Subordinated Notes after the Non-Call Period and with the consent of the Collateral Manager, be funded with Refinancing Proceeds and all other available funds or, in the case of a Partial Redemption, with Refinancing Proceeds, including by obtaining a loan from one or more financial or other institutions or by an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, to the extent and subject to the restrictions described herein. No such redemption shall be effective unless the Refinancing Proceeds and other available funds are applied to repay the aggregate Redemption Prices of the Class or Classes being redeemed. The terms of any Refinancing must be acceptable to the Collateral Manager and a Majority of the Subordinated Notes and prior to effecting any Refinancing, the Issuer shall satisfy certain other conditions. In connection with a Refinancing in whole but not in part, if directed in writing by a Majority of the Subordinated Notes and consented to by the Collateral Manager, the Collateral Manager will designate some or all of the Principal Proceeds, in an amount not to exceed the Excess Par Amount, as Interest Proceeds. See "Description of the Notes—Optional Redemption and Tax Redemption".

Additional Issuance.....At any time during the Reinvestment Period, the Co-Issuers, at the written direction of a Majority of the Subordinated Notes, may issue and sell additional Notes of any one or more Classes and/or additional notes of one or more new classes that are fully subordinated to the existing Rated Notes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance as 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) of (x) a Majority of any Class of Rated Notes that, as a result of the occurrence of a Tax Event, has not received 100% of the aggregate amount of principal and interest that would otherwise be due and payable to such Class on any Payment Date (each such Class, an "Affected Class") or (y) a Majority of the Subordinated Notes, in either case following (I) the occurrence and continuation of a Tax Event with respect to payments under one or more Collateral Obligations forming part of the Assets which results in a payment by, or charge or tax burden to, the Issuer that results or will result in the withholding of 5.0% or more of scheduled distributions for any Collection Period; or (II) the occurrence and continuation of a Tax Event resulting in a tax burden on the Issuer in an aggregate amount in any Collection Period in excess of U.S.$1,000,000.
Redemption Prices.....	The Redemption Price of each Class of Rated Notes to be redeemed, in an Optional Redemption or a Tax Redemption will be (a) 100% of the Aggregate Outstanding Amount of such Class, plus (b) accrued and unpaid interest thereon (including, if applicable, interest on any accrued and unpaid Deferred Interest with respect to such Class) to the Redemption Date; provided that holders of 100% of the Aggregate Outstanding Amount of any Class of Rated Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes, in which case such lesser amount will be the Redemption Price of such Class. The Redemption Price for each Subordinated Note will be its proportional share (based on the Aggregate Outstanding Amount of the Subordinated Notes) of the amount of the proceeds of the Assets remaining after giving effect to the Optional Redemption or Tax Redemption, as applicable, of the Rated Notes in whole or after all of the Rated 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, Designated Investor Amounts and Administrative Expenses) has been created.
Optional Re-Pricing:	On any Business Day after the Non-Call Period, at the direction of a Majority of the Subordinated Notes and with the consent of the Collateral Manager, the Issuer may reduce the interest rate applicable to any Class of Re-Pricing Eligible Notes (a "Re-Pricing" and such Class, a "Re-Priced Class"). At least 14 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 a broker-dealer selected by a Majority of the Subordinated Notes and acting on behalf of the Issuer, will deliver a 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 interest rate to be applied with respect to such Class, which may be a floating rate or a fixed rate (the "Re-Pricing Rate") and (ii) request each holder of the Re-Priced Class to approve the proposed Re-Pricing. In the event that any holders of the Re-Priced Class do not deliver written consent to the proposed Re-Pricing on or before the date which is 5 Business

	Days prior to the proposed Re-Pricing Date, the Issuer, or such broker-dealer acting on behalf of the Issuer, will have the right to either (x) cause any such holders ("Non-Consenting Holders") to sell their Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees designated by, or on behalf of, the Issuer at the applicable Redemption Price or (y) redeem such Notes at the applicable Redemption Price. Any required sale by Non-Consenting Holders will be subject to a right of first offer in favor of the consenting holders of the Re-Priced Class (exercisable by the consenting holders on a pro rata basis based on the aggregate outstanding amount of the Notes of the Re-Priced Class that such holders indicate an interest in purchasing).
Effective Date Redemption:	If with respect to any Payment Date following the Effective Date, Effective Date Ratings Confirmation has not been obtained, the Co-Issuers or the Issuer, as applicable, will purchase additional Collateral Obligations or redeem the Rated Notes in accordance with the Priority of Payments, in each case, in an amount required to obtain Effective Date Ratings Confirmation in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date". See also "—Priority of Payments".
Special Redemption:	
Redemption during the Reinvestment Period	The Rated Notes will be subject to redemption, in part by the Co-Issuers or the Issuer, as applicable, in accordance with the Priority of Principal Proceeds on any Payment Date occurring during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion 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. 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".
Special Redemption Amount	The amount payable in connection with a Special Redemption in respect of each Class of Rated Notes subject to such Special Redemption will be equal to the amount in the Collection Account representing Principal Proceeds which the Collateral Manager has determined cannot be reinvested in additional Collateral Obligations.
Clean-Up Call Redemption:	At the written direction of the Collateral Manager to the Issuer, the Trustee and the holders of the Subordinated Notes, with copies to the Rating Agencies, not later than 20 days prior to the proposed Redemption Date, the Rated 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 15% of the Target

Initial Par Amount so long as a Majority of Subordinated Notes do not object to such redemption.

Any Clean-Up Call Redemption is subject to the sale of the Assets (other than the Eligible Investments in the Collection Account) for the Clean-Up Call Redemption Price. There are certain other restrictions on the ability of the Co-Issuers to effect a Clean-Up Call Redemption. See "Description of the Notes—Clean-Up Call Redemption".

Holder Reporting Obligations:

Holder Reporting Obligations .....Each purchaser, beneficial owner and subsequent transferee of Notes or interest therein, by acceptance of such Notes or such an interest in such Notes, agrees or is deemed to agree (A) except as prohibited by applicable law, to obtain and provide the Issuer and the Trustee (including their agents and representatives) with information or documentation, and to update or correct such information or documentation, as may be necessary or helpful (in the sole determination of the Issuer or the Trustee or their agents or representatives, as applicable) to achieve Tax Account Reporting Rules Compliance (the obligations undertaken pursuant to this clause (A), the "Holder Reporting Obligations"), (B) that the Issuer and/or the Trustee may (1) provide such information and documentation and any other information concerning its investment in the Notes to the U.S. Internal Revenue Service, the Cayman Islands Tax Information Authority, and/or any other relevant tax authority, and (2) take such other steps as they deem necessary or helpful to achieve Tax Account Reporting Rules Compliance, including withholding on "passthru payments" (as defined in the Code), and (C) that if it fails for any reason to provide any such information or documentation described in clause (A), or such information or documentation is not accurate or complete, or the Issuer otherwise reasonably determines that such purchaser's or subsequent transferee's direct or indirect acquisition, holding or transfer of an interest in such Note would cause the Issuer to be unable to achieve Tax Account Reporting Rules Compliance, the Issuer shall have the right, in addition to withholding on passthru payments made to such holder of Notes or any agent or intermediary through which Notes are held, to compel it to (x) sell its interest in such Note, (y) sell such interest on its behalf in accordance with Section 2.11(b) of the Indenture, and/or (z) assign to such Note a separate CUSIP or CUSIPs and in the case of this subclause (z) to deposit payments on such Notes into a Tax Reserve Account, which amounts shall, at the direction of the Issuer, be either (i) released to the holder of such Notes at such time that the Issuer determines that the holder of such Notes complies with its Holder Reporting Obligations and is not otherwise a Non-Permitted Tax Holder, or (ii) released to pay costs related to such noncompliance (including Taxes imposed by FATCA); provided that any amounts remaining in a Tax Reserve Account will be released to the applicable holder on the earlier of (a) the date of final payment for the Class held by such holder or (b) the Business Day after such holder has certified to the Issuer and the Trustee that it no longer holds an interest in any Notes. Any amounts deposited into the Tax Reserve Account in respect of

Notes held by a Non-Permitted Tax Holder will be treated for all purposes under the Indenture as if such amounts had been paid in cash directly to the holder or beneficial owner of such Notes. Moreover, each such purchaser, beneficial owner and transferee of Notes or interests therein will agree, or be deemed to agree, to indemnify the Issuer, the Trustee and all other beneficial owners of applicable Notes for all damages, costs and expenses that result from the failure of such person to comply with its Holder Reporting Obligations. This indemnification will continue even after the person ceases to have an ownership interest in the Notes.

Transfer Requirement..... If any purchaser, beneficial owner or subsequent transferee of Notes fails to comply with the Holder 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 Holders".

Priority of Payments:

General..... On each Payment Date, the Trustee will disburse amounts in the Payment Account in accordance with the priorities described below under "—Priority of Interest Proceeds," "—Priority of Principal Proceeds" and "—Special Priority of Payments" (together, the "Priority of Payments").

Priority of Interest Proceeds..... On each Payment Date, unless an Enforcement Event has occurred and is continuing, Interest Proceeds on deposit in the Collection Account, to the extent received on or before the related Determination Date (or if such Determination Date is not a Business Day, the next succeeding Business Day) and that are transferred into the Payment Account as described under "Security for the Rated Notes—The Collection Account and Payment Account", and in the case of the first or second Payment Dates, proceeds on deposit in the Interest Reserve Account that are transferred to the Payment Account and designated as Interest Proceeds, shall be applied in the following order of priority (the "Priority of Interest Proceeds"):

(A) (1) first, to the payment of taxes and governmental fees owing by the Issuer and the Co-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 Special Petition Expenses shall be payable without regard to the Administrative Expense Cap;

(B) to the extent not deferred by the Collateral Manager as described under the heading "The Collateral Management Agreement—Compensation", to the payment of the Base Management Fee due and payable to the Collateral Manager (including any accrued and unpaid interest thereon) and any unpaid Deferred Base Management Fee which the Collateral Manager elects to have paid on such Payment Date as described under the heading "The Collateral Management Agreement—Compensation";

provided that amounts paid as any Deferred Base Management Fee pursuant to this clause (B) may not exceed the Deferred Base Management Fee Cap; *provided further* that any accrued and unpaid interest on the Base Management Fee shall be paid solely to the extent that, after giving effect on a pro forma basis to such payment, sufficient Interest Proceeds remain to pay in full all amounts due under clauses (C) through (N) 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 Deferred Interest, but including interest on Deferred Interest) on the Class B-1 Notes and the Class B-2 Notes, allocated in proportion to the amount of accrued and unpaid interest thereon;

(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 Deferred Interest on the Class B-1 Notes and the Class B-2 Notes, allocated in proportion to the amount of Deferred Interest thereon;

(I) to the payment of accrued and unpaid interest (excluding Deferred Interest but including interest on 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 Deferred Interest on the Class C Notes;

(L) to the payment of accrued and unpaid interest (excluding Deferred Interest but including interest on 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 Deferred Interest on the Class D Notes;

(O) if, with respect to any Payment Date following the Effective Date, Effective Date Ratings Confirmation has not been obtained, amounts available for distribution pursuant to this clause (O) shall be used, as determined by the Collateral Manager, for either (x) the purchase of additional Collateral Obligations or (y) application in accordance with the Note Payment Sequence on such Payment Date, in each case, in an amount required to obtain Effective Date Ratings Confirmation;

(P) on a sequential basis, *first*, to the payment of any Deferred Base Management Fee not paid pursuant to clause (B) above due to the limitations contained therein; *second*, to the payment *pro rata* of (x) to the extent not deferred by the Collateral Manager as described under the heading "The Collateral Management Agreement—Compensation", the Subordinated Management Fee due and payable to the Collateral Manager (including any accrued and unpaid interest thereon) and (y) the applicable Designated Investor Amount to each Designated Investor; and *third*, to the payment of any unpaid Deferred Subordinated Management Fee which the Collateral Manager elects to have paid on such Payment Date as described under the heading "The Collateral Management Agreement—Compensation";

(Q) during the Reinvestment Period, if the Interest Diversion Test is not satisfied on the related Determination Date, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of Substitute Obligations) and/or to apply toward the purchase of additional Collateral Obligations, in an amount equal to the lesser of (i) 50% of available Interest Proceeds and

(ii) the amount necessary to restore compliance with such Interest Diversion Test;

(R) to the payment (in the same manner and order of priority as stated in the definition thereof) of any Administrative Expenses not paid pursuant to clause (A)(2) above due to the limitation contained therein;

(S) If, and to the extent, directed by the Collateral Manager, with the consent of a Majority of the Subordinated Notes, the Supplemental Reserve Amount for such Payment Date to the Collection Account;

(T) to the *pro rata* payment to each Contributor that has requested repayment with respect to such Payment Date, the lesser of (x) available Interest Proceeds and (y) the amount specified for repayment by such Contributor (such amount specified for repayment not to exceed the amount of such Contributor's Contribution that has not been repaid);

(U) (i) to the holders of the Subordinated Notes until the Incentive Management Fee Threshold has been met, and (ii) thereafter, 20% of available Interest Proceeds to the Collateral Manager and, if applicable, any terminated collateral manager (allocated as set forth in the Collateral Management Agreement) in payment of the Incentive Management Fee (it being understood that no further payment to the holders of the Subordinated Notes will be made pursuant to subclause (i) of this clause (U) after the Incentive Management Fee Threshold has been met); and

(V) any remaining Interest Proceeds shall be paid to the holders of the Subordinated Notes.

Priority of Principal Proceeds.....On each Payment Date, unless an Enforcement Event has occurred and is continuing, (A) Principal Proceeds on deposit in the Collection Account that are received on or before the related Determination Date and that are transferred to the Payment Account as described under "Security for the Rated Notes—The Collection Account and Payment Account" (which will not include (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase and (iii) after the Reinvestment Period, Unscheduled Principal Payments and Sale Proceeds of Credit Risk Obligations that will be used to reinvest in Substitute Obligations that the Issuer has already committed to purchase) and (B) in the case of the first or second Payment Dates, proceeds on deposit in the Interest Reserve Account that are transferred to the Payment Account as Principal Proceeds shall be applied in the following order of priority (the "Priority of Principal Proceeds"):

(A) to pay the amounts referred to in clauses (A) through (D) of the Priority of Interest Proceeds (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 the Priority of Interest Proceeds but only to the extent not paid in full thereunder and to the extent necessary to cause the Class A Coverage Tests 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 the Priority 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 the Priority of Interest Proceeds but only to the extent not paid in full thereunder and to the extent necessary to cause the Class B Coverage Tests 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 the Priority 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 the Priority 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 the Priority of Interest Proceeds but only to the extent not paid in full thereunder and to the extent necessary to cause Class C Coverage Tests 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 the Priority 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 the Priority 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 the Priority of Interest Proceeds but only to the extent not paid in full thereunder and to the extent necessary to cause the Class D Coverage Tests 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 the Priority of Interest Proceeds to the extent not paid in full thereunder, only to the extent that the Class D Notes are the Controlling Class;

(L) with respect to any Payment Date following the Effective Date, if after the application of Interest Proceeds as provided in clause (O) under the Priority of Interest Proceeds, Effective Date Ratings Confirmation has not been obtained, amounts available for distribution pursuant to this clause (L) shall be used, as determined by the Collateral Manager, for either (x) the purchase of additional Collateral Obligations or (y) application in accordance with the Note Payment Sequence on such Payment Date, in each case, in an amount required to obtain such Effective Date Ratings Confirmation;

(M) (1) if such Payment Date is a Redemption Date (other than a Special Redemption Date, a Partial Redemption Date or a Re-Pricing Redemption Date), to make payments in accordance with the Note Payment Sequence and (2) if such Payment Date is a Redemption Date in respect of a Special Redemption, to make payments in the amount, if any, of the Principal Proceeds that the Collateral Manager has determined cannot be practicably reinvested in additional Collateral Obligations, in accordance with the Note Payment Sequence;

(N) (1) during the Reinvestment Period, to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of additional Collateral Obligations) and/or to apply toward the purchase of additional Collateral Obligations and (2) after the Reinvestment Period, as designated by the Collateral Manager, any Eligible Reinvestment Amounts to the Collection Account as Principal Proceeds to invest in Eligible Investments (pending the purchase of Substitute Obligations) and/or to apply toward the purchase of Substitute Obligations;

(O) to make payments in accordance with the Note Payment Sequence;

(P) to pay the amounts referred to in clause (P) of the Priority of Interest Proceeds only to the extent not already paid;

(Q) to pay the amounts referred to in clause (R) of the Priority of Interest Proceeds only to the extent not already paid;

(R) to the *pro rata* payment to each Contributor that has requested repayment with respect to such Payment Date, the lesser of (x) available Principal Proceeds and (y) the amount specified for repayment by such Contributor to the extent not repaid under the Priority of Interest

Proceeds on such Payment Date (such amount specified for repayment not to exceed the amount of such Contributor's Contribution that has not been repaid);

(S) (i) to the holders of the Subordinated Notes until the Incentive Management Fee Threshold has been met and (ii) thereafter, 20% of available Principal Proceeds to the Collateral Manager and, if applicable, any terminated collateral manager (allocated as set forth in the Collateral Management Agreement) in payment of the Incentive Management Fee (it being understood that no further payment to the holders of the Subordinated Notes will be made pursuant to subclause (i) of this clause (S) after the Incentive Fee Threshold has been met); and

(T) any remaining Principal Proceeds shall be paid 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 the following order of priority (the "Special Priority of Payments"):

(A) (1) first, to the payment of taxes and governmental fees owing by the Issuer or the Co-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 "Description of the Notes—The Indenture", the Administrative Expense Cap shall be disregarded); provided that Special Petition Expenses shall be paid without regard to the Administrative Expense Cap;

(B) to the extent not deferred by the Collateral Manager as described under the heading "The Collateral Management Agreement—Compensation", to the payment of the Base Management Fee due and payable to the Collateral Manager (including any accrued and unpaid interest thereon) and any unpaid Deferred Base Management Fee which the Collateral Manager elects to have paid on such Payment Date as described under the heading "The Collateral Management Agreement—Compensation"; *provided* that amounts paid as any Deferred Base Management Fee pursuant to this clause (B) may not exceed the Deferred Base Management Fee Cap; *provided further* that any accrued and unpaid interest on the Base Management Fee shall be paid solely to the extent that, after giving effect on a pro forma basis to such payment, sufficient Interest Proceeds remain to pay in full all amounts due under clauses (C) through (O) below;

(C) to the payment of accrued and unpaid interest on the Class A-1 Notes;

(D) to the payment of principal of the Class A-1 Notes;

(E) to the payment of accrued and unpaid interest on the Class A-2 Notes;

(F) to the payment of principal of the Class A-2 Notes;

(G) to the payment of accrued and unpaid interest (excluding Deferred Interest, but including interest on Deferred Interest) on the Class B-1 Notes and the Class B-2 Notes, allocated in proportion to the amount of accrued and unpaid interest thereon;

(H) to the payment of any Deferred Interest on the Class B-1 Notes and the Class B-2 Notes, allocated in proportion to the amount of Deferred Interest thereon;

(I) to the payment of principal of the Class B Notes (*pro rata*);

(J) to the payment of accrued and unpaid interest (excluding Deferred Interest, but including interest on Deferred Interest) on the Class C Notes;

(K) to the payment of any 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 Deferred Interest, but including interest on Deferred Interest) on the Class D Notes;

(N) to the payment of any Deferred Interest on the Class D Notes;

(O) to the payment of principal of the Class D Notes;

(P) on a sequential basis, *first*, to the payment *pro rata* of (x) to the extent not deferred by the Collateral Manager as described under the heading "The Collateral Management Agreement—Compensation", the Subordinated Management Fee due and payable to the Collateral Manager (including any accrued and unpaid interest thereon) and (y) the applicable Designated Investor Amount to each Designated Investor; and *second*, to the payment of any unpaid Deferred Subordinated Management Fee which the Collateral Manager elects to have paid on such Payment Date as described under the heading "The Collateral Management Agreement—Compensation";

(Q) to the payment of first, (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, and second, any Deferred Base Management Fee not paid

pursuant to clause (B) above due to the limitations contained therein;

(R) to the *pro rata* payment to each Contributor that has requested repayment with respect to such Payment Date, the lesser of (x) available Interest Proceeds and Principal Proceeds and (y) the amount specified for repayment by such Contributor (such amount specified for repayment not to exceed the amount of such Contributor's Contribution that has not been repaid);

(S) (i) to the holders of the Subordinated Notes until the Incentive Management Fee Threshold has been met and (ii) thereafter, 20% of available Interest Proceeds and Principal Proceeds to the Collateral Manager and, if applicable, any terminated collateral manager (allocated as set forth in the Collateral Management Agreement) in payment of the Incentive Management Fee (it being understood that no further payment to the holders of the Subordinated Notes will be made pursuant to subclause (i) of this clause (S) after the Incentive Fee Threshold has been met); and

(T) any remaining Interest Proceeds and Principal Proceeds shall be paid to the holders of the Subordinated Notes.

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 the Class A-1 Notes have been paid in full;

(ii) to the payment of principal of the Class A-2 Notes, until the Class A-2 Notes have been paid in full;

(iii) to the payment of principal of the Class B Notes (*pro rata*) (including any Deferred Interest in respect of the Class B Notes), until the Class B Notes have been paid in full;

(iv) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class B-1 Notes and the Class B-2 Notes, allocated in proportion to the amount of accrued and unpaid interest thereon, until such amount has been paid in full;

(v) to the payment of principal of the Class C Notes (including any Deferred Interest in respect of the Class C Notes), until the Class C Notes have been paid in full;

(vi) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class C Notes, until such amount has been paid in full;

(vii) to the payment of principal of the Class D Notes (including any Deferred Interest in respect of the Class D Notes), until the Class D Notes have been paid in full; and

(viii) to the payment of accrued and unpaid interest (including any interest on defaulted interest) on the Class D Notes, until such amount has been paid in full.

Management Fees: The Collateral Manager will be entitled on each Payment Date to receive the following amounts, in each case calculated and subject to the limitations described under "The Collateral Management Agreement":

(i) a Base Management Fee in an amount equal to 0.15% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed during the related Interest Accrual Period) of the Fee Basis Amount;

(ii) a Subordinated Management Fee in an amount equal to 0.25% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed during the related Interest Accrual Period) of the Fee Basis Amount; and

(iii) an Incentive Management Fee in an amount equal to 20.0% of any remaining Interest Proceeds and Principal Proceeds after the Incentive Management Fee Threshold is met in accordance with the Priority of Payments as described herein, or as otherwise provided in the Special Priority of Payments.

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 Rated Notes:

General ..... The Rated Notes will be secured by the Assets, which include the various accounts pledged under the Indenture. In purchasing and selling Collateral Obligations, the Issuer will generally be required to meet certain requirements imposed by the Concentration Limitations described under "—Concentration Limitations", the Collateral Quality Test described under "—Collateral Quality Test", the Coverage Tests described under "—Coverage Tests" and various other criteria described under "Security for the Rated 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 "Security for the Rated

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 Rated Notes—Collateral Obligations".

The Subordinated Notes will not be secured by a pledge of the Assets.

Collateral Obligations ..... 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, Second Lien Loan or Unsecured Loan (including, but not limited to, interests in bank loans acquired by way of a purchase or assignment) or Participation Interest therein 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 an Interest Only Security;

(v) provides (in the case of a Delayed Drawdown Collateral Obligation or Revolving Collateral 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) entitles the Issuer to receive payments due under the terms of such asset and proceeds from disposing of such asset 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) amendment, waiver, consent and extension fees and (y) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and (C) any taxes imposed pursuant to FATCA;

(viii) has a Moody's Rating higher than or equal to "Caa3" and, for so long as Class A-1 Notes are outstanding, an S&P Rating higher than or equal to "CCC-";

(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", "p", "pi", "sf" or "t" subscript assigned by S&P or an "sf" subscript assigned by Moody's;

(xii) is not an obligation that is a Related Obligation, a Zero Coupon Bond, a Middle Market Loan or a Structured Finance Obligation;

(xiii) will not require the Issuer, the Co-Issuer or the pool of Assets to be registered as an investment company under the Investment Company Act;

(xiv) is not an Equity Security or attached with a warrant to purchase Equity Securities and is not by its terms convertible into or exchangeable for an Equity Security;

(xv) is not the subject of an Offer for a price less than its purchase price plus all accrued and unpaid interest;

(xvi) does not mature after the Stated Maturity;

(xvii) 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) any other then-customary index;

(xviii) is Registered;

(xix) is not a Synthetic Security;

(xx) does not pay interest less frequently than semi-annually;

(xxi) does not include or support a letter of credit;

(xxii) is not an interest in a grantor trust;

(xxiii) is purchased at a price at least equal to 60.0% of its par amount;

(xxiv) is issued by an obligor Domiciled in the United States, Canada, a Group I Country, a Group II Country, a Group III Country or a Tax Jurisdiction;

(xxv) 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;

(xxvi) is not (a) a Bridge Loan, (b) a Step-Down Obligation, (c) a Step-Up Obligation, or (d) if committed to be acquired prior to the satisfaction of the Controlling Class Condition, a Non-Recourse Obligation;

(xxvii) is not a Bond, a Senior Secured Bond, Senior Secured Floating Rate Note, Senior Unsecured Bond, Letter of Credit Reimbursement Obligation or letter of credit; and

(xxviii) (a) is not a Deferrable Security or (b) if a Partial Deferring Security, is not currently in default with respect to the portion of the interest due thereon to be paid in cash on each payment date with respect thereto.

Purchase of Collateral Obligations; Effective Date: The Issuer will use commercially reasonable efforts to purchase, on or before the Effective Date Cut-Off, 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 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 or the relevant Trading Plan), calculated in each case as required by the Indenture:

(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;

(viii) the Weighted Average Life Test.

See "Security for the Rated Notes—The Collateral Quality Test."

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

Senior Secured Loans, Cash Eligible Investment; Other Loans.....(i) (a) not less than the percentage corresponding to the selected Cov-Lite Matrix Row of the Collateral Principal Amount may consist of Collateral Obligations that are Senior Secured Loans; and (b) not more than the percentage corresponding to the selected Cov-Lite Matrix

		Row of the Collateral Principal Amount may consist, in the aggregate, of Second Lien Loans and Unsecured Loans;
Bonds	(ii)	not more than 0.0% of the Collateral Principal Amount may consist of Senior Secured Bonds, Senior Unsecured Bonds and Senior Secured Floating Rate Notes;
Single Obligor	(iii)	not more than 2.0% of the Collateral Principal Amount may consist of Collateral Obligations issued by a single obligor and its Affiliates, except that Collateral Obligations (other than DIP Collateral Obligations) issued by up to five obligors and their respective Affiliates may each constitute up to 2.5% of the Collateral Principal Amount;
Rating of "Caa1" and below	(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;
Rating of "CCC+" and below	(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;
Interest Paid Less Frequently than Quarterly	(vi)	not more than 5.0% of the Collateral Principal Amount may consist of Collateral Obligations that pay interest less frequently than quarterly;
Fixed Rate Obligations	(vii)	not more than 5.0% of the Collateral Principal Amount may consist of Fixed Rate Obligations;
Current Pay Obligations	(viii)	not more than 2.5% of the Collateral Principal Amount may consist of Current Pay Obligations;
DIP Collateral Obligations	(ix)	not more than 5.0% of the Collateral Principal Amount may consist of DIP Collateral Obligations;
Delayed Drawdown/Revolving Collateral Obligations	(x)	not more than 7.5% 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;
Deferrable Securities	(xi)	not more than 0.0% of the Collateral Principal Amount may consist of Deferrable Securities and not more than 2.5% of the Collateral Principal Amount may consist of Partial Deferring Securities;
Participation Interests	(xii)	not more than 10.0% of the Collateral Principal Amount may consist of Participation Interests;
Third Party Credit Exposure	(xiii)	in the case of Collateral Obligations that are Participation Interests, the Third Party Credit Exposure may not exceed 10.0% of the Collateral Principal Amount and the Third Party Credit Exposure Limits may not be exceeded;
Moody's Counterparty Criteria	(xiv)	the Moody's Counterparty Criteria are met;
Moody's Rating derived from an S&P Rating	(xv)	not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations with a Moody's

Rating or a Moody's Default Probability Rating derived from an S&P Rating as provided in clauses (b)(i) or (ii) of the definition of the term Moody's Derived Rating;

S&P Rating derived from an Moody's Rating.....(xvi) for so long as any Class A-1 Notes are outstanding, not more than 10.0% of the Collateral Principal Amount may have an S&P Rating derived from a Moody's Rating as set forth in clause (c) of the definition of the term S&P Rating;

Domicile of Obligor.....(xvii) (a) all of the Collateral Obligations must be issued by Non-Emerging Market Obligors; 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:

% Limit	**Country or Countries**
20.0%	All countries (in the aggregate) other than the United States;
15.0%	Canada;
10.0%	all countries (in the aggregate) other than the United States and Canada;
10.0%	any individual Group I Country other than Australia or New Zealand;
7.5%	all Group II Countries in the aggregate;
5.0%	any individual Group II Country;
7.5%	all Group III Countries in the aggregate;
10.0%	all Group II Countries and Group III Countries in the aggregate;
5.0%	all Tax Jurisdictions in the aggregate;
3.0%	any individual country other than the United States, the United Kingdom, Canada, the Netherlands, any Group II Country or any Group III Country; and
0.0%	Greece, Ireland, Italy, Portugal and Spain in the aggregate;

S&P Industry Classification .....(xviii) not more than 10.0% of the Collateral Principal Amount may consist of Collateral Obligations that are issued by obligors that belong to any single S&P Industry Classification, except that (x) Collateral Obligations in one additional S&P industry classification group may constitute up to 12.0% of the Collateral Principal Amount and (y) Collateral Obligations in one additional S&P industry classification group may constitute up to 15.0% of the Collateral Principal Amount;

Letter of Credit Reimbursement Obligations .....(xix) not more than 0.0% of the Collateral Principal Amount may consist of the LC Commitment Amount under Letter of Credit Reimbursement Obligations;

Cov-Lite Loans	(xx)	(a) prior to the satisfaction of the Controlling Class Condition, not more than the percentage corresponding to the selected Cov-Lite Matrix Row of the Collateral Principal Amount may consist of Cov-Lite Loans or (b) from and after the satisfaction of the Controlling Class Condition, 80.0% or such other percentage as requested by the Collateral Manager and approved in writing by a Majority of the Controlling Class (without the need for a supplemental indenture);
Collateral Obligation Size	(xxi)	not more than 5.0% of the Collateral Principal Amount may consist of loans made pursuant to Underlying Instruments governing the issuance of indebtedness having an aggregate principal amount (whether drawn or undrawn) of less than U.S.$250,000,000 and not more than 0.0% of the Collateral Principal Amount may consist of Middle Market Loans; and
Discount Obligations	(xxii)	not more than 25.0% of the Collateral Principal Amount may consist of Discount Obligations.

Cov-Lite Matrix: In connection with determining compliance with clauses (i) and (xx) of the definition of "Concentration Limits", the Collateral Manager will select a row combination of the Cov-Lite Matrix with notice to the Trustee in accordance with the Indenture (such row, the "Cov-Lite Matrix Row"). On or prior to the Effective Date, the Collateral Manager will determine which Cov-Lite Matrix Row will apply on and after the Effective Date for purposes of determining compliance with the clauses (i) and (xx) of the definition of "Concentration Limits", and if such Cov-Lite Matrix Row differs from the Cov-Lite Matrix Row chosen to apply as of the Closing Date, the Collateral Manager will so notify the Trustee. Thereafter, at any time on written notice of two Business Days to the Trustee, the Collateral Manager may elect a different Cov-Lite Matrix Row; provided that if (a) the Collateral Obligations are currently in compliance with clauses (i) and (xx) of the definition of "Concentration Limits" (in the case of a proposed change in the Cov-Lite Matrix Row), the Collateral Obligations comply with such applicable tests after giving effect to such proposed election, or (b) the Collateral Obligations are not currently in compliance with clauses (i) and (xx) of the definition of "Concentration Limits" (in the case of a proposed change in the Cov-Lite Matrix Row) or would not be in compliance with such applicable tests after the application of any other Cov-Lite Matrix Row, the Collateral Obligations need not comply with such applicable tests after the proposed change so long as the degree of compliance of the Collateral Obligations with each of clauses (i) and (xx) of the definition of "Concentration Limits" not in compliance would be maintained or improved if the Cov-Lite Matrix Row to which the Collateral Manager desires to change is used. If the Collateral Manager does not notify the Trustee that it will alter the Cov-Lite Matrix row chosen on the Effective Date in the manner set forth above, the Cov-Lite Matrix Row chosen on the Closing Date will continue to apply.

"Cov-Lite Matrix" means the following matrix:

Cov-Lite Matrix Row	Senior Secured Loans %	Second Lien Loans; Unsecured Loans %	Applicable Cov-Lite Concentration Limits depending on Adjusted Weighted Average Moody's Rating Factor			
			Less than or equal to 3100	Greater than 3100 but less than or equal to 3300	Greater than 3300 but less than or equal to 3500	Greater than 3500
1.	92.500%	7.500%	70.00%	60.00%	50.00%	40.00%
2.	93.375%	6.625%	72.50%	60.00%	50.00%	40.00%
3.	94.250%	5.750%	75.00%	60.00%	50.00%	40.00%
4.	95.125%	4.875%	77.50%	60.00%	50.00%	40.00%
5.	96.000%	4.000%	80.00%	60.00%	50.00%	40.00%

Coverage Tests:

The Coverage Tests will be used primarily to determine whether principal and interest may be paid on the Rated Notes and distributions may be made on the Subordinated Notes or whether funds which would otherwise be used to pay interest on the Rated Notes other than the Class A Notes to make distributions on the Subordinated Notes must instead be used to pay principal on one or more Classes of Rated Notes in accordance with the 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 Rated Notes.

The "Overcollateralization Ratio Test" and "Interest Coverage Test" applicable to the indicated Class or Classes of Rated 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 Rated Notes is no longer outstanding.

Class	Required Interest Coverage Ratio
A	120.0%
B	115.0%
C	110.0%
D	105.0%
Class	Required Overcollateralization Ratio
A	123.3%
B	113.1%
C	107.6%
D	104.7%

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 immediately preceding the second Payment Date. If the Coverage Tests are not satisfied on

any such Measurement Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the repayment of principal of the Rated Notes in accordance with the Priority of Payments to the extent necessary to achieve compliance with such Coverage Tests.

Interest Diversion Test: The "Interest Diversion Test" is a test that will be satisfied as of any Measurement Date after the Effective Date on which Class D Notes remain outstanding, if the Overcollateralization Ratio with respect to the Class D Notes as of such Measurement Date is at least equal to 105.2%.

During the Reinvestment Period, if the Interest Diversion Test is not satisfied on a Determination Date, the lesser of (i) 50% of the Interest Proceeds remaining on the related Payment Date after application of Interest Proceeds under clauses (A) through (P) of the Priority of Interest Proceeds and (ii) the amount necessary to cause the Interest Diversion Test to be satisfied as of such Determination Date on a pro forma basis after giving effect to any payments made hereto will be deposited into the Collection Account as Principal Proceeds and used during the Reinvestment Period to purchase additional Collateral Obligations. See "—Priority of Payments—Priority of Interest Proceeds."

Measurement of the degree of compliance with the Interest Diversion Test will be required as of each Measurement Date during the Reinvestment Period occurring on or after the Effective Date.

Contributions: At any time, during or after the Reinvestment Period, subject to the prior written consent of a Majority of the Subordinated Notes and the Collateral Manager, a Contributor may make a Contribution. Each Contribution may be applied only, as designated by the Contributor, to a Permitted Use.

Other Information:

Listing, Trading and Form of Notes .....Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. There can be no assurance that any such listing will be granted or maintained.

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".

Except as provided below, (a) Co-Issued Notes sold to persons who are Qualified Institutional Buyers will be represented by Global Notes to be deposited with a custodian for and registered in the name of a nominee of DTC, (b) Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act will be represented by Regulation S Global Notes to be deposited with a custodian for and registered in the name of a nominee of DTC, for the accounts of Euroclear or Clearstream and (c) Issuer-Only Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S or to U.S. persons who are Qualified Institutional Buyers will be issued in the form of

	Regulation S Global Notes or Rule 144A Global Notes, respectively; provided that (i) Subordinated Notes sold to such persons may be issued in the form of Certificated Notes or Uncertificated Subordinated Notes upon request of such person and (ii) all Subordinated Notes sold to Accredited Investors will be issued as Certificated Notes or, if requested by the beneficial owner thereof, will be issued as Uncertificated Subordinated Notes. Issuer-Only Notes may be acquired by Benefit Plan Investors or Controlling Persons after the Closing Date only in the form of Certificated Notes, or, in the case of Subordinated Notes, if requested by the beneficial owner thereof, Uncertificated Subordinated Notes.
Governing Law	The Notes, the Indenture and any matters arising out of or relating in any way whatsoever to any of the Notes and the Indenture (whether in contract, tort or otherwise), will be governed by the law of the State of New York.
Tax Matters.....	See "Certain U.S. Federal Income Tax Considerations" and "Cayman Islands Tax Considerations".
ERISA Considerations	See "Certain ERISA and Related Considerations".

RISK FACTORS

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

General Economic Risks

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

The ability of the Co-Issuers to make payments on the Notes will be affected by conditions in the market for, and performance of, the corporate loan market as well as global economic conditions. In addition, 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 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 Rated Notes, as well as the ability to make any distributions in respect of the Subordinated Notes.

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

Legislation and regulations adopted by the U.S. federal government following the financial crisis continue to create uncertainty in the credit and other financial markets. These actions include, but are not limited to, the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which imposed a new regulatory framework over the U.S. financial services industry and the consumer credit markets in general, and the adoption of its related regulations. Significant questions remain regarding the proper interpretation of many of these regulations, including the Volcker Rule and U.S. Risk Retention Requirements as they relate to collateralized loan obligation vehicles ("CLOs") and other asset-backed securities. In addition, there is also uncertainty regarding the nature and timing of additional regulations that are required under the Dodd-Frank Act but have yet to be promulgated. Given the broad scope and sweeping nature of these changes, significant unresolved questions regarding the proper application of the regulations that have been adopted and the fact that final implementing rules and regulations have not yet in certain cases been enacted or come into effect, the potential impact of these actions on the Issuer, any of the Notes or any holders of Notes is not yet 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 Notes. In particular, if existing transactions are not exempted from any such new rules or regulations, the costs of compliance with such rules and regulations could have a material adverse effect on the Issuer and the holders of Notes. If the Issuer were unable to comply with such rules and regulations (because of excessive cost, unavailability of information or otherwise), an Event of Default could result. Liquidation of the Assets as a result of an Event of Default could have a material adverse effect on the holders of Notes, particularly the Subordinated Notes. Similarly, changes in the EU risk retention regulatory framework may also affect the ability of the Issuer to make payments on 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, and the effect of such actions, if any, cannot be known or predicted.

Withdrawal of the United Kingdom from the European Union.

On June 23, 2016, in a public referendum, the United Kingdom voted to leave the European Union (the "EU"). As a result, it is expected that negotiations will take place to determine the terms of the United Kingdom's departure from, and of its new relationship with, the EU. 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 Notes.

Collateral Obligation performance may decline.

Downturns in 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 decreased 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 decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancings approach) may 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 leveraged finance and fixed income markets may affect the holders of the Notes.

During periods of limited liquidity and higher price volatility in 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 will cause its net asset value to decline and may exacerbate losses suffered by the Issuer when Collateral Obligations are sold. Furthermore, significant additional liquidity-related 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 loans 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 loans may trade at a discount from comparable, more liquid investments. In addition, adverse developments in the primary market for leveraged loans may reduce opportunities for the Issuer to purchase recent issuances of Collateral Obligations. More particularly, the ability of private equity sponsors and leveraged loan arrangers to effectuate new leveraged buy-outs and the ability of the Issuer to purchase such assets may be partially or significantly limited. If there were to be another liquidity crisis on the global credit markets, it may adversely affect the flexibility of the Collateral Manager in relation to the management of 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 not under any 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 for an indefinite period of time or until their Stated Maturity. The Notes will not be registered under the Securities Act or any state securities laws, and the Co-Issuers have no plans, and are under no obligation, to register the Notes under the Securities Act. As a result, the Notes are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "Transfer Restrictions". As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Notes may further limit their liquidity. In addition, holders of Notes will agree (or be deemed to agree) not to cause the filing of a petition in bankruptcy or a winding-up against the Issuer, the Co-Issuer or any Blocker Subsidiary prior to the date that is one year (or, if longer, the applicable preference period then in effect) plus one day after the payment in full of all Notes. If, notwithstanding such restriction, a holder were to cause the filing of a petition in bankruptcy or a similar proceeding, such holder's claims under its Notes, and the claims of any subsequent transferee of such holder's Notes, will automatically be subordinated to the claims of holders of all other Notes (including all Junior Classes of Notes). This subordination provision and its application to subsequent transferees of

the Notes of any holder that has violated the non-petition provision may also adversely affect the liquidity of the Notes.

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

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 (the "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 have been imposed in respect of other types of entities, including insurance and reinsurance undertakings, investment firms and UCITS (Undertakings for the Collective Investment in Transferable Securities). The Issuer 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 Notes. This, in turn, may adversely affect the liquidity of the Notes in the secondary market and could adversely affect the ability to transfer Notes or the price received upon any sale of the 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, certain obligations (including reporting and audit obligations) would apply to the Collateral Manager. The expenses related to such obligations would be reimbursable by the Issuer and would be borne first by the Subordinated Notes.

No representation is made as to the proper characterization of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to purchase the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. Certain regulatory or legislative provisions applicable to certain investors may have the effect of limiting or restricting their ability to hold or acquire the Notes, which in turn may adversely affect the ability of investors in the Notes who are not subject to those provisions to resell their Notes in the secondary market or on the price realized for the Notes. All investors whose investment activities are subject to local investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes will constitute legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges or reserve requirements.

U.S. Risk Retention Requirements may negatively impact the Issuer's performance.

Section 941 of the Dodd-Frank Act amended the Exchange Act to require the "securitizer" of asset-backed securities to retain at least 5% of the credit risk to the assets collateralizing the asset-backed securities. A final rule has been adopted and will be effective with respect to CLOs beginning on December 24, 2016. When it becomes effective, the portions of the regulation relating to CLOs will require that the manager (or a majority-owned affiliate of the manager) of a CLO retain the required 5% of credit risk. While the impact of the rule on the loan securitization market and the leveraged loan market generally are uncertain, it is possible that a negative impact on secondary market liquidity for the Notes may be experienced prior to the U.S. Risk Retention Requirements Effective Date, due to effects of the rule on market expectations and the relative appeal of alternative investments not impacted by the rule or other factors. In addition, it is possible that the 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 Collateral Obligations or to invest in Collateral Obligations when it believes it is in the interest of the Issuer to do so, which in turn could negatively impact the return on the Collateral and reduce the market value or liquidity of the 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 Notes in an Optional Redemption or Partial Redemption.

In addition, the rule may impose retention requirements on the Collateral Manager in the event of a Refinancing, Re-Pricing or additional issuance of notes effected on or after the U.S. Risk Retention Requirements Effective Date, which may impair or limit the ability of the Issuer to effect a Refinancing, Re-Pricing or additional issuance and the Collateral Manager may withhold its consent to a Refinancing, Re-Pricing or additional issuance. While the ownership of the Retention Interest by the Retention Holder is an essential element of the U.S. Risk Retention Requirements, even assuming the Retention Holder ownership of the Retention Interest would satisfy the requirement that it retain 5% of the credit risk, there are additional disclosure and ministerial requirements that would need to be satisfied by the Collateral Manager or the Retention Holder on or prior to the date of such a Refinancing, Re-Pricing or additional issuance. As a result, the U.S. Risk Retention Requirements may not be satisfied on or after the U.S. Risk Retention Requirements Effective Date in connection with any such Refinancing, Re-Pricing or additional issuance, and there can be no assurance that the Collateral Manager and/or the Retention Holder will fully satisfy such U.S. Risk Retention Requirements on such date or at any time. To the extent the Collateral Manager is not otherwise obliged to provide its consent, it is expected that the Collateral Manager will not consent to a Refinancing, Re-Pricing, additional issuance or any supplemental indenture if such event would cause the Collateral Manager to be in violation of the U.S. Risk Retention Requirements or if it would be required to increase its interests in the Notes.

The Volcker Rule may negatively affect the liquidity and value of certain Classes.

The Volcker Rule generally prohibits certain banking entities (including Citigroup and its affiliates) from engaging in proprietary trading or from acquiring or retaining an ownership interest in, or sponsoring or having certain relationships with, a hedge fund or private equity fund, subject to certain exemptions. The final implementing regulations include as a covered fund any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Therefore, absent an exemption, the Issuer would be a covered fund. The Issuer expects to qualify for 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 (including certain types of securities) designed to assure the servicing or timely distribution of proceeds to holders or that are related or incidental to purchasing or otherwise acquiring and holding the loans. In order to qualify for the loan securitization exclusion, the Issuer will not be permitted to purchase obligations (other than Eligible Investments) that are, or certain obligations that may be viewed as, securities, including bonds, floating rate notes and reimbursable letters of credit. This may limit or reduce the returns available to the Notes, especially the Subordinated Notes. Notwithstanding such requirements, no assurance can be given that the Issuer will qualify for the loan securitization exclusion or for any other exclusion or exemption that might be available under the Volcker Rule.

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

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

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

The Co-Issued Notes are limited recourse obligations of the Co-Issuers; the Issuer-Only Notes are limited recourse obligations of the Issuer; investors in the Notes must rely on available collections from the Collateral Obligations and will have no other source for payment.

The Co-Issued Notes are limited recourse obligations of the Co-Issuers. The Issuer-Only Notes are limited recourse obligations of the Issuer. The Notes are payable solely from proceeds of the Assets pledged by the Issuer to the Trustee for the benefit of the Secured Parties pursuant to the Indenture. None of the Trustee, the Collateral Administrator, the Administrator, the Collateral Manager, Citigroup or any of their respective affiliates or the Co-Issuers' affiliates or any other person or entity will be obligated to make payments on the Notes. Consequently, holders of the Notes must rely solely on distributions on the Collateral Obligations and other Assets for payments on the Notes. If distributions on such Assets are insufficient to make payments on the Notes, no other assets (in particular, no assets of the Collateral Manager, the holders of the Notes, Citigroup, the Trustee, the Collateral Administrator, the Administrator or any affiliates of any of the foregoing) will be available for payment of the deficiency, and all obligations of and any remaining claims against the Co-Issuers (or, in the case of the Issuer-Only Notes, the Issuer) in respect of the Notes will be extinguished and will not revive.

The Subordinated Notes are subordinated obligations of the Issuer.

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

The Subordinated Notes are unsecured obligations of the Issuer.

The Subordinated Notes are limited recourse obligations of the Issuer. The Subordinated Notes will not be secured by any of the Assets, and will not generally be entitled to exercise remedies under the Indenture and, while the Rated Notes are outstanding, the Trustee will have no obligation to act on behalf of the holders of Subordinated Notes. Distributions to holders of the Subordinated Notes will be made solely from distributions on the Assets and, after an Event of Default, proceeds from the liquidation of the Assets after all other payments have been made pursuant to the Priority of Payments. There can be no assurance that the distributions on the Assets or, after an Event of Default, proceeds from the liquidation of 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 or, after an Event of Default, proceeds from the liquidation of the Assets are insufficient to make distributions on the Subordinated Notes, no other assets (in particular, no assets of the Collateral Manager, the holders of the Notes, Citigroup, the Trustee, the Collateral Administrator, the Administrator or any affiliates of any of the foregoing) will be available for any such distributions and all obligations of the Issuer and any claims against the Issuer in respect of the Notes will be extinguished and will not revive. See "Description of the Notes—The Subordinated Notes".

The subordination of each Class of Notes will affect its right to payment.

The Class A-1 Notes are subordinated to certain amounts payable by the Issuer to other parties as set forth in the Priority of Payments (including taxes, certain Administrative Expenses and Base Management Fees). Each Junior Class is subordinated on each Payment Date to each Priority Class and amounts to which such Priority Classes are subordinated. No payments of interest or distributions from Interest Proceeds of any kind will be made on any Junior Class on any Payment Date until interest due on each Priority Class has been paid in full, and no payments of principal (other than Deferred Interest with respect to the Deferred Interest Notes, to the extent set forth in the Priority of Payments) or distributions from Principal Proceeds will be made on any Junior Class on any Payment Date until principal on each Priority Class has been paid in full. 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 and then the Rated Notes in reverse order of seniority.

Interest payments on any Class of Deferred Interest Notes are subject to diversion to pay each Priority Class if certain Coverage Tests are not satisfied, as described herein, and failure to make such payments will not be a default under the Indenture. Further, if the Interest Diversion Test is not satisfied as of any Determination Date during the Reinvestment Period, Interest Proceeds will be diverted from distributions on the Subordinated Notes in accordance with the Priority of Payments—Priority of Interest Proceeds, to purchase additional Collateral Obligations. 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 as described under "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 Junior Classes, 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 Junior 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 acceleration occurs in accordance with the Indenture, the most senior Class of Notes then outstanding will 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 Junior Classes, in each case in accordance with the Special Priority of Payments. Upon such an acceleration, investors in any Junior 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, 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 Rated Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria". 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 except as described under "—The Controlling Class will control many rights under the Indenture and therefore, holders of Junior 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 in accordance with the Priority of Payments—Priority of Interest Proceeds and Priority of Principal Proceeds. There can be no assurance that, after payment of principal and interest on the Notes senior to any Class, the Issuer will have sufficient funds to make payments in respect of such Class.

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

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

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

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

The Indenture requires Mandatory Redemption of the Rated Notes for the failure to satisfy Coverage Tests and redemption in the event the Effective Date Ratings Confirmation is not obtained on or prior to the first Determination Date.

If any Coverage Test with respect to any Class or Classes of Rated Notes is not met on any Determination Date on which such Coverage Test is applicable or the Effective Date Ratings Confirmation is not obtained on or prior to the first Determination Date, Interest Proceeds and, to the extent Interest Proceeds are insufficient for such purpose, Principal Proceeds will or, in the case of an Effective Date Ratings Confirmation, may 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 each Junior Class and (during the Reinvestment Period and, with respect to Eligible Reinvestment Amounts, after the Reinvestment Period) Principal Proceeds that would otherwise have been reinvested in Collateral Obligations will instead be used to redeem the Rated 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 failure to obtain the Effective Date Ratings Confirmation. This could result in an elimination, deferral or reduction in the payments of Interest Proceeds to the holders of the Deferred Interest Notes and/or Subordinated Notes, as the case may be.

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

The Rated Notes will also be subject to special redemption in part by the Co-Issuers or the Issuer, as applicable, on any Payment Date during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet 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. 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 under the Priority of Payments to pay the principal of the Rated Notes. The application of funds in that manner could result in an elimination, deferral or reduction of amounts available to make distributions on the Subordinated Notes. See "Summary of Terms—Priority of Payments—Priority of Principal Proceeds" and "Description of the Notes—Special Redemption".

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

At the direction of the Collateral Manager, the Rated Notes will be subject to redemption by the Issuer, in whole but not in part, at the Clean-Up Call Redemption Price, on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 15% of the Target Initial Par Amount; *provided* that 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 and Contributions are permitted; additional issuances of Notes or Contributions may have the effect of preventing or curing the failure of the Coverage Tests and the Interest Diversion Test and the occurrence of an Event of Default.

At any time during the Reinvestment Period, the Co-Issuers, at the written direction of a Majority of the Subordinated Notes, may issue and sell additional notes of any one or more Classes and/or additional notes of one or more new classes of notes that are fully subordinated to the existing Rated Notes (or to the most junior class of Notes of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of Notes issued pursuant to the Indenture other than the Classes issued on the Closing Date is then outstanding) and/or additional notes of any one or more existing Classes of Notes and use the net proceeds to purchase additional Collateral Obligations or for other purposes permitted under the Indenture if the conditions for such additional issuance described under "Description of the Notes—The Indenture—Modification of Indenture" and "Description of the Notes—The Indenture—Additional Issuance" are met. Any such additional issuance will be made only with the consent of the Collateral Manager and of a Majority of the Subordinated Notes. No assurance can be given that the issuance of additional notes having different interest rates than existing Classes of Rated Notes may not adversely affect the holders of any Class of Notes. In addition, at any time during or after the Reinvestment Period and with

the consent of a Majority of the Subordinated Notes and the Collateral Manager, a holder of Subordinated Notes may make a voluntary Contribution to the Issuer, which may be treated as Interest Proceeds or Principal Proceeds, or used for other Permitted Uses. The use of such issuance proceeds or Contributions received in accordance with the Indenture as Interest Proceeds or Principal Proceeds may have the effect of causing a Coverage Test or the Interest Diversion 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 Junior 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 the Junior Classes. 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 Rated 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.

The ability of the Controlling Class to direct the sale and liquidation of the Assets 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 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 Rated Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria". 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 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 Rated Notes for principal and interest (including accrued and unpaid Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Rated 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, unless (i) in the case of an Event of Default specified in clause (a) of the definition of such term as it relates to the Class A Notes or specified in clause (f) of the definition of such term, a Majority of the Controlling Class directs the sale and liquidation of the Assets or (ii) the sale and liquidation of the Assets is directed by a Supermajority of each Class of Rated Notes (voting separately by Class).

Affiliated investors may control one or more Classes.

The Indenture and the Collateral Management Agreement provide for certain actions to occur at the direction of holders of Notes. In particular, a Majority of the Subordinated Notes can direct Refinancing, Re-Pricing and certain redemptions, which could have an adverse impact on the Rated Notes. See "—The Notes are subject to redemption in whole or in part by Class" and "—The Rated Notes (other than the Class A-1 Notes) are subject to Re-Pricing". If at any time one or more investors that are affiliated hold a Majority of any Class, it may be more difficult for other investors to take certain actions that require consent of any such Classes of Notes without their consent. It is expected that one or more affiliated investors will purchase a Majority of the Subordinated Notes.

The Issuer may modify the Indenture by supplemental indentures, and some supplemental indentures do not require consent of holders of Notes or confirmation of the ratings of the Rated 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, the consent of holders of Notes is required, but, in certain other cases, such consent is not required or is only required from less than 100% 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, Rating Agency Confirmation is not a condition precedent to the Issuer's entry into a supplemental indenture, except that Rating Agency Confirmation from Moody's is required to be obtained 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, the Notes of a Class may be materially and adversely affected by a supplemental indenture that is entered into following consent thereto by less than 100% of such Class. See "Description of the Notes—The Indenture—Modification of Indenture".

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

As described under "Description of the Notes—Optional Redemption and Tax Redemption", the Rated Notes are subject to Optional Redemption on any Business Day occurring after the Non-Call Period and on any Business Day during or after the Non-Call Period in the case of a Tax Event. In the event of a Partial Redemption, a more Junior Class of Rated Notes may be redeemed in whole from Refinancing Proceeds even if a Priority Class of Notes remains outstanding. The Subordinated Notes are subject to redemption in whole on any Business Day on or after the date on which all the Rated Notes have been redeemed or repaid and will be redeemed if the Rated Notes are redeemed in connection with a Tax Event. 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 Rated Notes. In the event of an early redemption, the holders of the Notes being redeemed will be repaid prior to the respective Stated Maturity dates of such Notes, and such holders may not be able to reinvest the proceeds of such redeemed Notes in assets with comparable interest rates or maturity. 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.

The Rated Notes will also be redeemed on any Business Day occurring after the Non-Call Period at the written direction of the Collateral Manager (so long as a Majority of the Subordinated Notes do not object) if the Collateral Principal Amount is less than 15% of the Target Initial Par Amount or in connection with a Re-Pricing Redemption of the Notes. See "Description of the Notes—Optional Re-Pricing".

The Issuer's ability to refinance Rated Notes or effect a Re-Pricing may be impaired or limited as a result of the U.S. Risk Retention Requirements. See "—U.S. Risk Retention Requirements may negatively impact the Issuer's performance."

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

After the Non-Call Period, if interest rates on investments similar to the Rated Notes fall below current levels, the Issuer may be directed by a Majority of the Subordinated Notes, with the consent of the Collateral Manager, to effect a Re-Pricing of one or more Classes of Re-Pricing Eligible Notes which will result in the interest rate payable with respect to each Re-Priced Class being reduced; provided that, (x) subject to obtaining Rating Agency Confirmation, if more than one Class of Rated Notes is subject to Re-Pricing, the Interest Rate to be applied with respect to the Re-Priced Class or a Class of Re-Pricing Replacement Notes may be greater than the Interest Rate applicable to such Class of Rated Notes subject to Re-Pricing so long as the weighted average (based on the aggregate principal amount of each Class of Rated Notes subject to Re-Pricing) of the Interest Rate to be applied with respect to the Re-Priced Classes or Re-Pricing Replacement Notes shall be less than the weighted average (based on the aggregate principal amount of each such Class) of the Interest Rate applicable to all Classes of Rated Notes subject to such Re-Pricing and (y) if 100% of a proposed Re-Priced Class is being redeemed in a Re-Pricing Redemption, Re-Pricing Replacement Notes may be issued as either Notes that accrue interest at a fixed rate or Floating Rate Notes. Such Re-Pricing could occur at a time when the Rated Notes are trading at a premium in the

market. The Issuer's exercise of such Re-Pricing may reduce or eliminate such premium on such Rated 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 set forth in the Indenture, the Issuer or the Re-Pricing Intermediary will have the right to (i) cause such Non-Consenting Holders to sell their Notes of the Re-Priced Class on the Re-Pricing Date to one or more transferees specified by or on behalf of the Issuer at the Redemption Price or (ii) redeem such Notes at the applicable Redemption Price in a Re-Pricing Redemption. The consequence of such a sale or redemption to such non-consenting holder will be similar to that of an early redemption of such holders of the Rated Notes, as applicable.

A U.S. holder that continues to own a Note following a Re-Pricing of such Note may be deemed, under Section 1001 of the Code, to have exchanged a debt instrument with the characteristics of the Note prior to the Re-Pricing (the "Original Note") for a newly issued debt instrument with the characteristics of the Note after the Re-Pricing (the "New Note"). Therefore, as a result of having participated in the Re-Pricing, the U.S. holder, among other consequences, may be required to recognize taxable gain during the taxable year in which the Re-Pricing occurs as a result of the deemed exchange, and may recognize short-term capital gain or loss if it sells, exchanges, retires or otherwise disposes of the New Note within one year after the Re-Pricing, even if such gain or loss otherwise would have been long-term capital gain or loss. If Notes of a Re-Priced Class are "publicly traded", a U.S. holder may recognize gain or loss equal to the difference between the fair market value of the Notes at the time of the Re-Pricing and the U.S. holder's tax basis in the Original Notes. In that case, the issue price of such a Note would be the fair market value of the Notes on the Re-Pricing Date. If the fair market value of a New Note is less than the principal amount of the Note, a U.S. holder may be required to include additional OID in respect of the New Note. In addition, holders of the Subordinated Notes may be required to recognize cancellation of indebtedness income as a result of the Re-Pricing. In general, a debt instrument is considered "publicly traded" if there are sales transactions, or if there are firm or indicative price quotes available for the debt instrument, within a 31-day period beginning 15 days prior to the completion date of the Re-Pricing and ending 15 days thereafter. A deemed exchange for a New Note may alternatively be treated as a tax-free recapitalization if the Original Note and New Note both are considered to be "securities" under Section 354 of the Code. If a Re-Pricing of a Note is treated as a recapitalization, a U.S. holder will generally not recognize gain or loss upon the deemed exchange and the holder's tax basis in the New Note will be the same as the holder's tax basis in the Original Note. However, the timing and amount of income on the New Notes may be affected by the deemed exchange. U.S. holders should consult their tax advisers regarding the U.S. federal income tax consequences to them of participating in a Re-Pricing.

There can be no assurance that, even if directed, a Re-Pricing will be able to be successfully completed.

The historical performance of LIBOR may not be indicative of future performance.

The Interest Rate on each Class of Floating Rate Notes is based upon LIBOR and therefore may fluctuate from one Interest Accrual Period to another in response to changes in LIBOR. During certain periods, LIBOR has experienced high volatility. The historical performance of LIBOR should not be taken as an indication of future performance during the term of the Rated Notes. Changes in LIBOR will affect the amount of interest payable on the Floating Rate Notes and the trading price of the Rated Notes, but it is impossible to predict whether LIBOR will rise or fall.

Ongoing investigations into LIBOR could affect the Notes.

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 LIBOR submissions to the British Bankers' Association. LIBOR is currently being reformed, including (i) the replacement of the British Bankers' Association with ICE Benchmark Administration Ltd ("IBA") as LIBOR administrator, which was completed on February 1, 2014, (ii) a reduction in the number of tenors for which LIBOR is calculated, and (iii) modifications to the LIBOR submission and calculation procedures. Investors should be aware that: (a) any of these changes or any other changes to LIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be; (b) if the applicable rate of interest on any Collateral Obligation is calculated with reference to a tenor which is discontinued, such rate of interest will

then be determined by the provisions of the affected Collateral Obligation, which may include determination by the relevant calculation agent in its discretion; (c) the administrator of LIBOR will not have any involvement in the Collateral Obligations or the Notes and may take any action or actions in respect of LIBOR without regard to the effect of such actions on the Collateral Obligations or the Notes; and (d) any uncertainty in the value of LIBOR or the development of a widespread market view that LIBOR has been manipulated, or any uncertainty in the prominence of LIBOR as a benchmark interest rate due to the recent regulatory reform may adversely affect liquidity of the Collateral Obligations or the Notes in the secondary market and their market value.

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

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

Although the Collateral Obligations will generally bear interest at floating rates based on London interbank offered rates, a portion of the Collateral Obligations may consist of fixed rate obligations and/or floating rate obligations that bear interest based on other indices, and there may be mismatches between the floating rates applicable to the Floating Rate Obligations and the LIBOR applicable to the Floating Rate Notes, as well as timing mismatches based on different reset dates for such floating rates. In addition, the Aggregate Outstanding Amount of Rated Notes may be different from the Aggregate Principal Balance of Floating Rate Obligations. Moreover, any payments of principal of or interest on Collateral Obligations received during a Collection Period (and 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 or a fixed 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 Issuer, as applicable, to make payments on the Notes. The Subordinated Notes will be subordinated to the payment of interest on the Rated 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 Rated Notes or to make distributions to the holders of the Subordinated Notes.

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. Nevertheless, economic and market conditions could change and the Issuer or the Collateral Manager could conclude that it would be in the interest of the Issuer to enter into a hedge agreement 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. 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 advisor" ("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 would involve material costs to the Issuer. As a result of these developments, the Issuer will not be permitted to amend the Indenture to permit it to enter into hedge agreements unless certain conditions described under "Description of the Notes—The Indenture—Modification of Indenture" are satisfied. Accordingly, there may be circumstances where it would otherwise be in the Issuer's interest to enter into a hedge agreement to hedge or mitigate certain economic risks, but it will not be able to do so, which could reduce amounts available to make payments on the Notes.

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

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 Rated Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria".

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

An investment in the 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 Notes.

The Issuer expects to conduct its affairs so that it will 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, holds and disposes of its assets). As a consequence, the Issuer expects that its net income will not become subject to U.S. federal income tax. 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. If the Issuer were determined to be engaged in a trade or business within the United States for U.S. federal income tax purposes, its income (computed possibly without any allowance for deductions) would be subject to U.S. federal income tax at the usual corporate rate, and possibly to a branch profits tax of 30% as well. The imposition of such taxes could materially affect the Issuer's financial ability to make payments on the Notes, cause the Issuer to sell the relevant Collateral Obligations or cause a Tax Redemption in certain circumstances. 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 only acquire a particular Collateral Obligation if, at the time of commitment to purchase, either the interest payments thereon are not subject to withholding tax or the issuer of the Collateral Obligation is required to make "gross-up" payments. The Issuer may, however, be subject to withholding or gross income taxes in respect of commitment fees, letter of credit fees, securities lending fees, facility fees, and other similar fees, as well as with respect to substitute dividend payments, and as discussed in more detail below, interest and disposition proceeds in respect of U.S. Collateral Obligations issued or materially modified after June 30, 2014, and any such withholding or gross income taxes may not be grossed up.

Notwithstanding the foregoing, 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 relevant taxing authority to pay such taxes.

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

Cayman legislation that implements the Cayman-US IGA. The Cayman-US IGA requires, among other things, that the Issuer or its agent collect and provide to the Tax Information Authority of the Cayman Islands substantial information regarding certain direct and indirect holders of the Notes. In addition, in some cases, future laws or regulations concerning "foreign passthru payments" (as described below) may require withholding on certain payments to certain holders of Notes. The Issuer intends to comply with its obligations under the Cayman-US IGA. However, in some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. For example, the Issuer may not be considered to comply with FATCA if more than 50% of the Subordinated Notes (and any other classes of Notes treated as equity for U.S. federal income tax purposes) are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. The Issuer or its agents will report information to the Tax Information Authority of the Cayman Islands, which will exchange such information with the IRS under the terms of the Cayman-US IGA. Under the terms of the Cayman-US 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 comply with FATCA as a result of factors outside of its control, as described above.

In addition, future guidance under FATCA may subject payments on Subordinated Notes (or other classes of Notes that are treated as equity for U.S. federal income tax purposes), and Rated Notes that are materially modified more than six months after the issuance of such future guidelines, to a withholding tax of 30% if each foreign financial institution that holds any such Note, or through which any such 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 Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply with the Cayman-US IGA as discussed above. Owners that do not supply required information, or whose ownership of 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 forced transfer of their Notes. There can be no assurance, however, that these measures will be effective, and that the Issuer and owners of the 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 Notes or could reduce such payments. The imposition of withholding taxes in excess of certain thresholds is a Tax Event that allows the Issuer to retire Notes.

The Cayman Islands has also (i) entered into the Cayman-UK IGA with the United Kingdom, which imposes requirements similar to those under the Cayman-US IGA with respect to holders of Notes who are resident in the United Kingdom for tax purposes and (ii) committed, along with a substantial number of other countries, to the implementation of the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS"). The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations 2015, which require "financial institutions" to identify, and report information in respect of, specified persons who are resident in the jurisdictions which sign and implement the CRS, were enacted on October 16, 2015, with a view to commencing reporting on such accounts during 2017. With more than 100 countries having since agreed to implement the CRS, which will impose similar reporting and other obligations as the Tax Account Reporting Rules with respect to noteholders who are tax resident in other signatory jurisdictions, the scope of the Issuer's reporting obligations to the Tax Information Authority will significantly increase in 2017, as will the level of dissemination of account information by the Tax Information Authority to tax authorities around the globe. The Cayman Islands government may also enter into additional agreements with other countries in the future, and additional countries may adopt the CRS, which will likely further increase the reporting and/or withholding obligations of the Issuer. As the OECD initiative develops, further inter-governmental agreements may be entered into by the Cayman Islands. Each owner of an interest in Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply with such requirements and any legislation or regulations implemented in relation thereto and the failure to do so may result in a forced transfer of the Notes. Prospective investors should consult their own tax advisers regarding the potential implications of FATCA and other similar systems for collecting and reporting account information.

Upon the occurrence of a Tax Event, whether during or after the Non-Call Period, the Issuer may be directed to cause a redemption of Notes as described under "Description of the Notes—Optional Redemption and Tax Redemption."

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

To reduce the risk that the Issuer will be engaged in a trade or business within the United States for U.S. federal income tax purposes, in certain circumstances set forth in the Indenture, certain Collateral Obligations may be transferred to one or more Blocker Subsidiaries wholly owned by the Issuer that will be treated as either U.S. or foreign corporations for U.S. federal income tax purposes. Any foreign Blocker Subsidiary may be treated as engaged in a trade or business within the United States and may be subject to U.S. federal income tax (and possibly a 30% branch profits tax) on a net income basis at normal corporate tax rates, and may file U.S. tax returns and reports (or protective U.S. tax returns and reports), and/or the Blocker Subsidiary may be subject to a 30% U.S. withholding tax on some or all of its income. In addition, U.S. holders of Subordinated Notes (or any other Classes of Notes treated as equity for U.S. federal income tax purposes) will not be permitted to use losses recognized by the Blocker Subsidiary to offset gains recognized by the Issuer and may be subject to the adverse passive foreign investment company or controlled foreign corporation rules with respect to the Blocker Subsidiary described below under "Certain U.S. Federal Income Tax Considerations—Tax Treatment of U.S. Holders of Subordinated Notes". In the case of a U.S. Blocker Subsidiary, the Blocker Subsidiary would be subject to U.S. federal income tax on a net income basis at normal corporate tax rates, and would be required to file U.S. tax returns and reports. In addition, distributions from the Blocker Subsidiary to the Issuer may be subject to a 30% U.S. withholding tax. Prospective investors should consult their tax advisors regarding their consequences if the Issuer organizes a Blocker Subsidiary.

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

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a U.S. holder of Subordinated Notes (or any other Class of Notes that is treated as equity of the Issuer) may be subject to adverse tax consequences. Such a U.S. holder may elect to treat the Issuer as a qualified electing fund in order to avoid certain adverse tax consequences that arise as a result of the Issuer being a passive foreign investment company. In addition, depending on the overall ownership of the Subordinated Notes, a U.S. holder of more than 10% of the Subordinated Notes may be treated as a "U.S. shareholder" in a controlled foreign corporation and required to recognize currently its proportionate share of the "subpart F income" of the Issuer whether or not distributed to such U.S. holder. A U.S. holder that makes a qualified electing fund election or that is required to recognize currently its proportionate share of the subpart F income of the Issuer will be required to include in current income its *pro rata* share of the Issuer's earnings or income whether or not the Issuer actually makes any payments to such holder. Accordingly, a U.S. holder that makes a qualified electing fund election, or that is required to include subpart F income in the event that the Issuer is treated as a controlled foreign corporation, may recognize income in amounts significantly greater than the payments received from the Issuer. Taxable income may exceed cash payments when, for example, the Issuer uses earnings to repay principal on the Notes or accrues income on the Collateral Obligations prior to the receipt of cash or the Issuer discharges its debt at a discount.

The tax treatment of U.S. holders of certain Rated Notes could be different if those Notes are recharacterized as equity for U.S. tax 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, unless the holder takes an inconsistent position and discloses such position in its tax return. This 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 the Class D Notes constitute equity of the Issuer. Investors should consult their tax advisors regarding the tax rules that would apply if a Class of Notes were recharacterized as equity by the IRS.

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

The Issuer expects that payments on the 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 Notes to a non-U.S. holder could be subject to a 30% U.S. withholding tax. In the event that withholding or deduction of any taxes from payments on the Notes is required by law in any jurisdiction, neither of the Co-Issuers shall be under any obligation to make any additional payments in respect of such withholding or deduction.

Each of the Issuer and the Co-Issuer is recently formed, has no significant operating history, has no assets other than (in the case of the Issuer) the Assets and is limited in its permitted activities.

Each of the Issuer and the Co-Issuer is a recently incorporated or organized entity and has no prior operating history or track record. Accordingly, neither the Issuer nor the Co-Issuer has a performance history for you to consider in making your decision to invest in the Notes.

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

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

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

Neither the Issuer nor the Co-Issuer has registered with the United States Securities and Exchange Commission ("SEC") as an investment company pursuant to the Investment Company Act, in reliance on an exemption under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by "qualified purchasers" or by "knowledgeable employees" with respect to the Issuer and certain transferees thereof identified in Rules 3c-5 and 3c-6 under the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

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

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

Investors should consider certain ERISA considerations.

If for any reason the assets of the Issuer were deemed to be "plan assets" (as determined under the Plan Asset Regulation), 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.

The Issuer intends, through the use of written or deemed representations, to restrict the ownership of certain Classes of Notes so that no assets of the Issuer will be deemed to be "plan assets" subject to Title I of ERISA or Section 4975 of the Code as such term is defined in Section 3(42) of ERISA and the Plan Asset Regulation. However, there can be no assurance that such restrictions will ensure that the assets of the Issuer will not become subject to such provisions of ERISA or the Code. See "Certain ERISA and Related Considerations".

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

Holders of beneficial interests in any Notes held in global form will not be considered registered holders of such Notes under the Indenture. After payment of any interest, principal or other amount to DTC, neither the Issuer nor the Co-Issuer will have any responsibility or liability for the payment of such amount by DTC or to any holder of a beneficial interest in a Note. DTC or its nominee will be the sole registered 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.

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 Rated Notes at any time in the future. Furthermore, the Rating Agencies may retroactively apply any such new standards to the ratings of the Rated Notes. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any Rated Note, despite the fact that such Rated Note might still be performing fully to the specifications set forth for such Rated Note in this Offering Circular and the Transaction Documents. The rating assigned to any Rated Note may also be lowered following the occurrence of an event or circumstance despite the fact that the related Rating Agency previously provided Rating Agency Confirmation with respect to such Rated Note. 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 Rated Notes. If any rating initially assigned to any Rated 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 Rated 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 Rated 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 Rated Notes. See "Description of the Notes—Mandatory Redemption" and "Security for the Rated Notes—The Coverage Tests".

Either Rating Agency may revise or withdraw its ratings of the applicable Rated 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 to the 17g-5 Website, which will be accessible by rating agencies that were not hired in connection with the issuance of the Rated Notes as described under "—Rating agencies may have certain conflicts of interest; and the Rated Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Rated 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 Rated Notes as a legal investment or the capital treatment of the Rated Notes.

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

Moody's and S&P have been hired by the Issuer to provide their ratings on, in the case of Moody's, the Rated Notes and, in the case of S&P, the Class A-1 Notes. A rating agency may have a conflict of interest where, as is the case with the ratings of the Rated 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 to the 17g-5 Website, at the same time such information is provided to the Rating Agencies, all information the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated 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 the 17g-5 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 be required to deliver to the Information Agent for posting on the 17g-5 Website any information that such party provides to any Rating Agency for the purposes of undertaking credit rating surveillance of the Rated Notes. Nationally recognized statistical rating organizations ("NRSROs") providing the requisite certification will have access to all information posted on the 17g-5 Website. As a result, an NRSRO other than the Rating Agencies may issue ratings on the Rated Notes (the "Unsolicited Ratings"), which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. S&P may also issue Unsolicited Ratings with respect to the Rated 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 Notes. Issuance of an Unsolicited Rating lower than the ratings assigned by the Rating Agencies on the applicable Rated Notes might adversely affect their value and, for regulated entities, could affect the status of the Rated Notes as a legal investment or the capital treatment of the Rated Notes. Investors in the Rated Notes should monitor whether an unsolicited rating has been issued by a non-hired NRSRO or (with respect to the Rated Notes other than the Class A-1 Notes) S&P 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 Rated Notes other than the Class A-1 Notes) S&P that is lower than the expected ratings set forth in this Offering Circular.

Certain events or circumstances may result in the downgrade or withdrawal of ratings assigned to Rated Notes.

Under the Indenture, certain events or circumstances require Rating Agency Confirmation. For example, Rating Agency Confirmation from Moody's is required for certain supplemental indentures and the issuance of one or more new classes of notes and an Optional Redemption by Refinancing, and Rating Agency Confirmation from Moody's is required to implement a Trading Plan if the prior Trading Plan was unsuccessful. Moreover, in certain circumstances, notice to Rating Agencies is required, but not Rating Agency Confirmation. Rating Agencies have no duty to review notices or provide Rating Agency Confirmation. If Rating Agency Confirmation is not obtained

for such actions (including because it is deemed inapplicable), a Rating Agency may downgrade or withdraw its rating assigned to the Rated Notes as a result of such events or circumstances.

The Issuer is subject to Cayman Islands Anti-Money Laundering Legislation.

The Issuer and the Administrator are subject to the Cayman Islands Money Laundering Regulations (2015 Revision) ("Regulations"). The Regulations apply to anyone conducting "relevant financial business" in or from the Cayman Islands intending to form a business relationship or carry out a one-off transaction. The Regulations require a financial service provider to maintain certain anti-money laundering procedures including those for the purposes of verifying the identity and source of funds of an "applicant for business" (e.g., an investor). Except in certain circumstances, including where an entity is regulated by a recognized overseas regulatory authority and/or listed on a recognized stock exchange in an approved jurisdiction, the Administrator will likely be required to verify each investor's identity and the source of the payment used by such investor for purchasing the Notes in a manner similar to the obligations imposed under the laws of other major financial centers. In addition, if any person resident in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting, that another person is engaged in criminal conduct, or is involved with terrorism or terrorist property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands ("FRA"), pursuant to The Proceeds of Crime Law, (2016 Revision) of the Cayman Islands ("PCL"), if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2015 Revision) (the "Terrorism Law") of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. If the Issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Law or the Regulations, the Issuer could be subject to substantial criminal penalties. The Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the Notes.

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 senior to any of the other amounts owed by the Co-Issuers. In addition, Interest Proceeds and Principal Proceeds are required to be available for the payment of expenses in accordance with the Priority of Payments. If funds are not sufficient to pay the expenses incurred by the Co-Issuers, the ability of the Co-Issuers to operate effectively may be impaired, and the Issuer, the Collateral Manager and the Trustee may not be able to defend or prosecute legal proceedings brought against it or that it might otherwise bring to protect the interests of the Co-Issuers.

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

In certain circumstances, if the Issuer reasonably determines in good faith that a holder or beneficial owner of the Notes does not have the status that it purports to have and such holder or beneficial owner is not otherwise qualified to hold such Notes, or if a holder or beneficial owner fails to comply with its Holder Reporting Obligations, or the holder or beneficial owner otherwise is or becomes a Non-Permitted Holder, the Issuer will have the right to require such holder or beneficial owner to dispose of such holder's or beneficial owner's Notes, as applicable, within 30 days after receipt of a notice from the Issuer of such request, to a person or entity that is qualified to hold such Notes. See "Transfer Restrictions—Non-Permitted Holders". In addition, a non-consenting holder may be required to sell its Notes in connection with a Re-Pricing. See "Description of the Notes—Optional Re-Pricing".

Recent 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 imposes 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 provides an 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.

The Issuer will not commence any proceeding on behalf of a holder.

In the Indenture, the Issuer has granted to the Trustee on behalf of the Secured Parties a security interest in all of its rights under the Transaction Documents. Each purchaser of Notes will be required to agree or be deemed to agree that (A) the Transaction Documents contain limitations on the rights of the holders to institute legal or other proceedings against the Transaction Parties, (B) it will comply with the express terms of the applicable Transaction Documents if it seeks to institute any such proceeding and (C) the Transaction Documents do not impose any duty or obligation on the Issuer or the Co-Issuer or their respective directors, officers, shareholders, members or managers to institute on behalf of any holder, or join any holder or any other person in instituting, any such proceeding.

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 Incentive Management Fee Threshold has been met 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 Rated 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. 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.

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 and its affiliates 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, or cease to be assigned to manage the Assets. The loss of one or more of such individuals could have a material adverse effect on the performance of the Notes. Furthermore, the Collateral Manager has informed the Issuer that these investment professionals are also actively involved in other investment activities and will not be able to devote all of their time to the Issuer's business and affairs. While the Notes are outstanding, individuals not currently associated with the Collateral Manager may become associated with the Collateral Manager and the performance of the Collateral Obligations may also depend on the financial and managerial experience of such individuals.

In certain events the Collateral Manager may resign or may be terminated pursuant to the Collateral Management Agreement. See "The Collateral Management Agreement". In the event this were to occur, a replacement Collateral Manager may condition its acceptance of the appointment as Collateral Manager on an increase of any or all of the management fees paid to the current Collateral Manager. Following such a replacement, such increased costs would lead to a reduction of amounts available to make payments on or distributions to the Notes.

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 participation interests in non-investment grade loans, 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 U.S. 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 an interest in a non-investment grade loan 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 Rated 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.

In addition to default frequency, recovery rate and market price volatility, leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost. For example, if the credit ratings of an obligor were upgraded, the obligor were recapitalized or if credit spreads were declining for leveraged loans, such obligor would likely seek to refinance at a lower credit spread. In addition, borrowers may have the right under the terms of a Collateral Obligation to re-price the interest rate of such Collateral Obligation and prepay any holder or lender that does not accept the new rate. The rates at which leveraged loans may prepay or refinance and the level of credit spreads for leveraged loans in the future are subject to numerous factors and are difficult to predict. Declining credit spreads in the leveraged loan market and increasing rates of prepayments and refinancings will likely result in a reduction of portfolio yield and interest collections on the Collateral Obligations, which would have an adverse effect on the amount available for distributions on Notes, beginning with the Subordinated Notes as the most junior Class.

Second Lien Loans and Unsecured Loans.

The Collateral Obligations may include Second Lien Loans and Unsecured Loans. In addition to the risks associated with loans in general described under "—Below investment-grade Assets involve particular risks," these types of Collateral Obligations are subject to additional risks.

Second Lien Loans are subordinate in right of payment with respect to liquidation to one or more senior secured loans of the relevant borrower and therefore are subject to additional risks that the cash flows of the relevant borrower and the property securing a Second Lien Loan may be insufficient to make the scheduled payments after giving effect to payments on account of any senior secured loans of the relevant borrower. The subordination of Second Lien Loans is also expected to cause Second Lien Loans to be more illiquid investments than senior secured loans of the same borrower.

Unsecured Loans are not secured obligations and do not have the benefit of a pledge of specified property. The absence of a security interest may make Unsecured Loans more illiquid investments than Senior Secured Loans or Second Lien Loans of the same borrower and is likely to result in a lower recovery following a default on such Collateral Obligation.

Cov-Lite Loans may not contain financial covenants.

Although the Collateral Manager generally expects the loan documentation of many of the underlying Collateral Obligations to include financial covenants, until the Controlling Class Condition is satisfied, depending

on the Adjusted Weighted Average Moody's Rating Factor, up to 80% of the Collateral Obligations may be composed of loans that contain limited, if any, financial covenants. From and after the satisfaction of the Controlling Class Condition, 80% of the Collateral Obligations may be composed of such loans (or such other percentage, which may exceed 80%, as requested by the Collateral Manager and approved in writing by a Majority of the Controlling Class). Generally, such loans either do not require the borrower to maintain debt service or other financial ratios or do not contain common restrictions on the ability of the borrower to change significantly its operations or to enter into other significant transactions that could affect its ability to repay such loans. In addition, following the satisfaction of the Controlling Class Condition, the definition of Cov-Lite Loan will not include any loan that, although it is not subject to financial covenants, or is subject to Incurrence Covenants but not a Maintenance Covenant, contains a cross-default provision to, or is *pari passu* with, another loan of the underlying obligor that requires the obligor to comply with both an Incurrence Covenant and a Maintenance Covenants. If the application of such covenants is subject to certain conditions (for example, in the case of a revolver, the condition that such revolver has been drawn), and those conditions have not been satisfied, such covenants will afford no protection to the Issuer. As a result, the Issuer's exposure to losses may be increased, which could result in an adverse impact on the Issuer's ability to make payments on the 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 the Rating Agencies with respect to Rule 17g-5 of the Exchange Act. See "—Relating to the Notes—Rating agencies may have certain conflicts of interest; and the Rated Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Rated Notes". In the event that a rating assigned to any Collateral Obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such Collateral Obligation. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any Collateral Obligation should be used only as a preliminary indicator of investment quality and should not be considered a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the Notes. It is possible that many credit ratings of assets included in or similar to the Collateral Obligations will be subject to significant or severe adjustments downward. See "—Relating to the Notes—Future actions of any rating agency can adversely affect the market value or liquidity of the Notes".

Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer.

Prior to the Closing Date, the Issuer entered into total return swap transactions (collectively, the "Warehouse TRS") with Citibank, N.A., an Affiliate of the Initial Purchaser ("Citibank" and, in its capacity as counterparty to the Warehouse TRS, the "Warehouse Provider"). The Warehouse TRS references a portfolio of loans that satisfy some of the criteria expected by the Issuer to be applicable to its acquisition of Collateral Obligations. Such assets were selected by the Collateral Manager, subject to the approval of the Warehouse Provider, to serve as reference assets for the Warehouse TRS. The Warehouse Provider is expected, but not required, to hedge its exposure under the Warehouse TRS by directing a special purpose vehicle (the "Warehouse Subsidiary"), a wholly owned subsidiary of the Warehouse Provider or one of its affiliates, to purchase each of the assets comprising the reference portfolio, some of which may be held in the form of Participation Interests.

Under the Warehouse TRS, the Warehouse Provider is obligated to pay to the Issuer amounts equal to all interest income, fees and certain other amounts actually paid on the assets referenced by the Warehouse TRS during the term thereof, in exchange for periodic financing payments by the Issuer computed based on the outstanding notional amount of the reference portfolio related to the Warehouse TRS. On the Closing Date, or upon any earlier removal or repayment of a reference asset in the reference portfolio related to the Warehouse TRS, the Issuer is

entitled to receive payments from the Warehouse Provider reflecting any appreciation in the market value of any reference asset in the reference portfolio, and the Warehouse Provider is entitled to receive payments from the Issuer reflecting any depreciation in the market value of any reference assets in the reference portfolio.

The Issuer has posted collateral with the Warehouse Provider to secure its obligations under the Warehouse TRS. To obtain funds to post such collateral and meet any other obligations of the Issuer owing under the Warehouse TRS, the Issuer has from time to time issued preferred shares (the "Warehouse Preferred Shares") under a share purchase agreement (the "Warehouse Share Purchase Agreement") to one or more investors (each, a "Warehouse Subordinated Party") that are independent of the Collateral Manager and affiliated with an investor that will purchase a Majority of the Subordinated Notes on the Closing Date.

On the Closing Date, if the amounts owed to the Issuer under the Warehouse TRS exceed the amounts owed to the Warehouse Provider thereunder, the Issuer will receive the net amount of such payments and any cash collateral will be returned to the Issuer, and if the amounts owed to the Warehouse 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.

Upon completion of the Closing Merger, collateral will be returned to the Issuer in addition to realized net gains and interest income. Net gains realized prior to the pricing date and interest income paid by the Warehouse Provider to the Issuer under the Warehouse TRS, will be paid by the Issuer to the Warehouse Subordinated Parties as part of an exchange of Warehouse Preferred Shares for Subordinated Notes, pursuant to the Issuer's obligations to the Warehouse Subordinated Parties under the Warehouse Share Purchase Agreement. For the avoidance of doubt, upon completion of the Closing Merger, realized gains or losses on or after the pricing date as well as any unrealized gains or losses will be allocated to the Issuer.

On the Closing Date, the Issuer expects to use a portion of the proceeds from the issuance of the Notes to acquire the reference assets comprising the reference portfolio under the Warehouse TRS at prices that are expected to be equal to their respective initial purchase prices upon addition to the reference portfolio. As part of such acquisition, the Issuer will also purchase unpaid interest and delayed compensation accrued prior to the Closing Date on such loans. Such acquisition is expected to be effected through a merger of the Issuer and the Warehouse Subsidiary, 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 Warehouse Subsidiary (including the loans then held by the Warehouse Subsidiary as a hedge to the Warehouse TRS) will immediately vest in the Issuer. In addition, the Issuer will become liable for and subject, in the same manner as the Warehouse Subsidiary, to all funding obligations on any Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations and all other liabilities and obligations related to Collateral Obligations owned by the Warehouse Subsidiary, including any agreements for the purchase of reference assets that have not settled prior to the Closing Date.

So far as the Issuer is aware, no claim, cause or proceeding, whether civil (including arbitration) or criminal, is pending by or against the Warehouse Subsidiary. Further, so far as the Issuer is aware, no petition or other similar proceeding has ever been filed or order made or resolution adopted to wind-up or liquidate any Warehouse 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) against the Warehouse Subsidiary.

While it is expected that the Issuer will acquire the Warehouse Subsidiary through the Closing Merger for consideration that is equal to the aggregate of the loan prices in effect at the dates that such loans were selected for inclusion in the reference portfolio under the Warehouse TRS, the prevailing market prices of such Collateral Obligations then held in the Warehouse TRS reference portfolio may be higher or lower than such purchase prices. Such market valuation deviations from the cost of purchase may occur, and the deviations could be material (either individually or in the aggregate). Each holder or beneficial owner of a Note, by its acceptance of an interest in such Note, will be deemed to have consented to the acquisition of the Collateral Obligations by the Issuer as described above and to the method described above for determining the purchase price to be paid by the Issuer with respect thereto.

There is no assurance that the Issuer will acquire any or all of the loans in the Warehouse TRS reference portfolio through the Closing Merger. If the Issuer fails to purchase some or all of the loans in the Warehouse TRS reference portfolio, then the Issuer will be required to locate and negotiate the purchase of qualifying assets from other sources, which could hamper the ability of, or increase the cost for, the Issuer to acquire an initial portfolio of Collateral Obligations that satisfy the Concentration Limitations and the Target Initial Par Amount prior to the Effective Date. Delays in reaching the Target Initial Par Amount may adversely affect the timing and amount of payments received by the holders of the Notes and the yield to maturity of the Rated Notes and the distributions on the Subordinated Notes.

Various potential and actual conflicts of interest may also arise from Citibank's role as Warehouse Provider as described under "—Relating to Certain Conflicts of Interest—The Issuer will be subject to various conflicts of interest involving Citigroup".

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

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

The holders of the Notes and the Trustee will not have any right to inspect any records relating to the Collateral Obligations, and the Collateral Manager will not be obligated to disclose any further information or evidence regarding the existence or terms of, or the identity of any obligor on, any Collateral Obligations, unless (i) specifically required by the Collateral Management Agreement or (ii) following its receipt of a written request from the Trustee, the Collateral Manager in its reasonable discretion determines that the disclosure of such further information or evidence regarding the existence or terms of, or the identity of any obligor on, any Collateral Obligation to the Trustee would not be prohibited by applicable law or the Underlying Instruments relating to such Collateral Obligation, in which case the Collateral Manager will disclose such further information or evidence to the Trustee; *provided* that (a) the Trustee will not be permitted or authorized to disclose such further information or evidence to any third party (including the holders of Notes) except (i) to the extent disclosure may be required by law or any governmental or regulatory authority and (ii) to the extent that the Trustee, in its sole discretion, may determine that such disclosure is consistent with its obligations under the Indenture and (b) the Trustee may disclose on a confidential basis any such information to its agents, attorneys and auditors in connection with the performance of its obligations under the Indenture. 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 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 (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 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 U.S. federal and state laws. Insofar as Collateral Obligations that are obligations of non-U.S. obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. 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 Rated Notes and the distributions on the Subordinated Notes. There is no assurance that the Issuer will be able to reinvest proceeds in assets with comparable interest rates that satisfy the Investment Criteria or (if it is able to make such reinvestments) as to the length of any delays before such investments are made.

Balloon loans and bullet loans present refinancing risk.

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

Significant numbers of obligors are facing the need to refinance their debt over the next few years, and significant numbers of collateralized loan obligation transactions are facing the end of their reinvestment periods or the final maturities of their own debt. As a result, there could be significant pressure on the ability of obligors to refinance their debt over the next few years. If this demand 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 Rated Notes and the

distributions on the Subordinated Notes. In addition, the Rated Notes will be subject to redemption in part by the Issuer on any Payment Date during the Reinvestment Period if the Collateral Manager notifies the Trustee that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion 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 Rated 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 U.S. 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 U.S. jurisdiction, including characterization under such laws of such Participation Interest in the event of the insolvency of the institution from whom the Issuer purchases such 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 over amendments to 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 (including the Operating Guidelines), 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 Rated Notes or distributions on the Subordinated Notes.

Voting restrictions on Collateral Obligations for minority holders.

The Issuer will generally purchase each Collateral Obligation in the form of an assignment of, or Participation Interest in, a note or other obligation issued under a loan facility to which more than one lender is a party or as a debt security issued under an indenture. Loan facilities are administered for the lenders by a lender or other agent acting as the lead administrator. 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 and would reduce the amounts available for distribution to holders of Notes and on the Issuer's net assets. The funds available to the Issuer to pay certain fees and expenses of the Trustee, the Collateral Administrator, the Administrator and any Blocker Subsidiaries and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to payment permitted by the 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. In addition, service providers who are not paid in full, including the Administrator which provides the directors to the Issuer, have the right to resign. This could lead to the Issuer being in default under the Cayman Islands Companies Law and potentially being struck from the Cayman Islands companies register and dissolved.

Concentration risk.

The Issuer will invest in a portfolio of Collateral Obligations consisting of assignments of or Participation Interests in loans. 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 Rated 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 U.S. 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. Furthermore, foreign financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and loans of many foreign companies are less liquid and their prices more volatile than loans 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 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.

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 each Class of Notes will affect its right to payment". However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a holder of Notes only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a holder that has given value in exchange for its Note, in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent addressing the recapture of available payments from holders of securities issued in 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.

Influence of investors on the composition of the Assets.

The composition of the Assets may be influenced by discussions that the Collateral Manager and/or, prior to the Closing Date, Citigroup may have with investors, and there is no assurance that (i) any investor would have agreed with any views regarding the initial proposed portfolio that are expressed by another investor in such discussions, (ii) the pool of collateral was not, and will not be, influenced more heavily by the views of certain investors, particularly if that investor's participation in the transaction is necessary for the transaction to occur, in which case the Collateral Manager or Citigroup would not receive the benefits of its role in the transaction, and in order to preserve the possibility of future business opportunities between the Collateral Manager or Citigroup and such investors, (iii) those views, and any modifications made to the portfolio as a result of those discussions, will not adversely affect the performance of a holder's Notes, or (iv) the views of any particular investors that are expressed in such discussions will influence the composition of the Assets. The Collateral Manager will have sole authority to

select, and sole responsibility for selecting, the Assets. The Initial Purchaser and the Placement Agent have not and will not determine the composition of the Assets.

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 overall investment activities of the Collateral Manager, its Affiliates and their respective clients, investors and employees may present various potential or actual conflicts between the interests of the Issuer and the interests of the Collateral Manager and its Affiliates.

The Collateral Manager is entitled to fees equal to the Base Management Fee, the Subordinated Management Fee and the Incentive Management Fee, as further described herein, in each case subject to limitations set forth in the definitions thereof and the Priority of Payments. These fees may create incentives for the Collateral Manager to make decisions that may conflict with the interests of the Notes or any Class thereof. In particular, the manner in which the Incentive Management Fee is determined could create a further incentive for the Collateral Manager to make more speculative investments in the Collateral Obligations than the Issuer would otherwise make in order to increase the likelihood that the Subordinated Notes receive a rate of return sufficient to cause the Incentive Management Fee Threshold to be met as of the relevant Payment Date so that the Collateral Manager is paid the Incentive Management Fee.

The Collateral Manager, its Affiliates, or their respective clients, may at times acquire interests in Notes and, as described in the succeeding paragraph, the Retention Holder will purchase the Retention Interest. See "—Relating to the Notes—U.S. Risk Retention Requirements may negatively impact the Issuer's performance." None of the Collateral Manager, its Affiliates, or their respective clients, is required to retain any Notes acquired by such Person and may, in the future transfer all or a portion of such Notes to any permitted transferee, which may include, without limitation, a fund or account managed by the Collateral Manager or any of its Affiliates. Even if the Collateral Manager holds Notes, there can be no assurance that the Collateral Manager's interests will be aligned with the holders of any particular Class of Notes. In particular, while Subordinated Notes are owned in part by the Collateral Manager or its Affiliates or employees, including the Retention Holder, the Collateral Manager may face conflicts between the interests of the holders of the Rated Notes on the one hand and the interests of the holders of the Subordinated Notes on the other when making a decision to purchase or sell a Collateral Obligation.

The Collateral Manager will purchase, or cause one or more of its "majority-owned affiliates" (as such term is defined in the U.S. Risk Retention Requirements) (such entity or entities, together with the Collateral Manager, the "Retention Holder") to purchase on the Closing Date and retain approximately 5% of the fair value of Notes (the "Retention Interest"). The Collateral Manager expects to obtain financing for all or a portion of such purchase. The Collateral Manager, its Affiliates and/or funds advised by the Collateral Manager and/or its Affiliates (including Collateral Manager employees) may purchase any other Notes at any time, creating potential and/or actual conflicts of interest between the Collateral Manager, its 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 Closing Date. Resulting conflicts of interest could include (a) divergent economic interests between the Collateral Manager, its Affiliates, funds advised by the Collateral Manager and/or its Affiliates and/or such employees, on the one hand, and other investors in the Notes, on the other hand, and (b) voting of Manager Notes, or a recommendation to vote by the same, to cause, among other things, an early redemption of the Notes and/or an amendment of the transaction documents relating to the Notes. See "The Collateral Manager" and "The Collateral Management Agreement—Conflicts of Interest."

The Collateral Manager and its Affiliates serve and expect in the future to serve as portfolio manager or advisor for other investment accounts and other collateralized debt obligation vehicles (including, without limitation, other collateralized loan obligation vehicles). As a result, the Collateral Manager or its Affiliates may invest, on

behalf of themselves and other clients, in securities or other investments that would be appropriate as Collateral Obligations and may give advice to other clients or take action for their own accounts or the accounts of other clients' accounts with similar strategies which may differ from or be inconsistent with advice given or action taken for the Issuer. The Collateral Manager and its Affiliates may also have ongoing business or other relationships with companies that issue securities or other investments that are Collateral Obligations, and may own, directly or through other funds that they manage, equity or debt securities or other obligations issued by obligors of Collateral Obligations or other Assets. The Collateral Manager and its Affiliates may also provide certain services for a negotiated fee to companies whose debt obligations or securities are pledged to secure the Notes. The Collateral Manager and its Affiliates (including TCG Securities, L.L.C.) may own as principals and/or have structured and originated an initial issuance of the Collateral Obligations or other Assets. The Collateral Manager and is Affiliates (including TCG Securities, L.L.C.) are active participants in the market for arrangement, syndication and placement of, and the structuring, originating, market making in and trading of, non-investment grade bank loans, including the Collateral Obligations and other Assets. The Collateral Manager, its Affiliates and their respective clients and employees may invest, or may have already invested, in debt that is identical to or senior to, or have interests different from or adverse to, the Collateral Obligations. In addition, the Collateral Manager or any of its Affiliates may serve as a general partner, managing member, principal, adviser, officer, director, sponsor or manager of partnerships or companies organized to issue collateralized bond, debt or loan obligations secured by non-investment grade bank loans. The Collateral Manager or an Affiliate may at certain times be engaged in seeking investments to purchase or sell for the Issuer at the same time it is seeking to purchase or sell, or has already purchased or sold, similar or identical investments for its own accounts, for other clients or for another entity for which it serves as a general partner, managing member, principal, adviser, officer, director, sponsor or manager. The Collateral Manager or an Affiliate may also sell short assets held in other accounts managed or advised by it or an Affiliate that are the same as or related to assets held by the Issuer. The Collateral Manager may create, write or issue derivative instruments with respect to which the underlying investments may be those in which the Issuer invests or that may be based on the performance of the Issuer.

Certain employees of the Collateral Manager may possess information relating to particular obligors who have issued Collateral Obligations or Eligible Investments, which information is not known to employees of the Collateral Manager who are responsible for monitoring the Collateral Obligations or Eligible Investments owned by the Issuer and performing other obligations under the Collateral Management Agreement. Employees possessing such information will have no obligation to share it with employees performing services under the Collateral Management Agreement. The Collateral Manager and its Affiliates may become subject to restrictions as a result of acquiring confidential or material non-public information or for other reasons that will prevent the Collateral Manager from engaging in desirable transactions for the Issuer, including the liquidation of positions, in certain Collateral Obligations or other Assets. At times, the Collateral Manager, in an effort to avoid becoming subject to restrictions, may elect not to receive information that would be material to decisions to buy, sell or hold investments for the Issuer, even where such information is available to other market participants or counterparties.

Neither the Collateral Manager nor any of its Affiliates has any affirmative obligation to offer any investment opportunities to the Issuer or to inform the Issuer of any investment opportunities before offering those investments to other funds or accounts that the Collateral Manager or any of its Affiliates manage or advise. The Collateral Manager and its Affiliates may also make investments on their own behalf without offering such investment opportunities to the Issuer. Furthermore, the Collateral Manager and its Affiliates may be bound by affirmative obligations at present or in the future, whereby it or they are obligated to offer certain investments to funds or accounts that it or they manage or advise before or without the Collateral Manager or its Affiliates offering those investments to the Issuer.

The Collateral Manager will endeavor to resolve conflicts with respect to investment opportunities in a manner which it deems fair and equitable to the extent possible under the prevailing facts and circumstances and applicable law. Subject to the requirements of the governing instruments pertaining to the Collateral Manager and its Affiliates, investment opportunities sourced by the Collateral Manager will generally be allocated to the Issuer in a manner that the Credit Committee or other governing bodies or committees of the Collateral Manager or other of its Affiliates believe, in their judgment, to be appropriate given factors they believe to be relevant. Such factors may include the investment objectives, liquidity, diversification, Indenture covenants and other limitations of the Issuer and the Collateral Manager or other clients and the amount of funds each of them has available for such investment. For example, as existing funds that are managed or advised by the Collateral Manager or its Affiliates mature and as

new funds are developed, the investment strategy of a particular fund will naturally shift over time in accordance with the stage of that fund's life cycle. Accordingly, the governing body of a fund managed or advised by the Collateral Manager or its Affiliates may determine, in its judgment, that it is appropriate to allocate an investment purchase opportunity to a new fund. Correspondingly, it may be appropriate to allocate an opportunity to sell a loan or bond asset to a fund that is approaching maturity. The Collateral Manager intends to use its best efforts to ensure that such investments are allocated among its accounts in an equitable manner and in accordance with applicable law. It is the intention of the Collateral Manager that all investments will be purchased and sold on terms prevailing in the market.

The Collateral Manager currently serves as the Collateral Manager for the issuers of a number of collateralized debt obligations secured by collateral consisting primarily of non-investment grade secured bank loans and high-yield debt. 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, the staff of the Collateral Manager may have conflicts in allocating its time and services among the Issuer and the Collateral Manager's other accounts. The Collateral Manager may, in its sole discretion, aggregate orders for its accounts under management. Depending upon market conditions, the aggregation of orders may result in a higher or lower average price paid or received by a client. There is no assurance that any collateralized debt obligation or other client with strategies or investment objectives similar to the Issuer will hold the same assets or perform in a similar manner.

The Collateral Manager and/or its Affiliates may from time to time form or have a financial or operational interest in the management of one or more hedge funds or similar alternative investment vehicles which may be permitted to allocate a portion of their portfolios to high yield debt, bank loans and long-dated, illiquid, restricted or other similar securities and investment opportunities (including, without limitation, private equity investments, mezzanine investments and distressed investments), and whose investment objectives may therefore overlap with those of the Issuer. Such hedge funds will be managed separately from the Issuer and the Collateral Manager has instituted policies and procedures to prevent the flow of information between the various entities. It is possible, however, that such hedge funds may independently consider the same investment opportunities as the Issuer and thereby on any given occasion compete with the Issuer for the same investment opportunity.

The Collateral Manager may cause the Issuer to sell one or more Collateral Obligations, in one or more transactions, to Affiliates of the Collateral Manager and/or to other accounts or funds managed by the Collateral Manager or by Affiliates of the Collateral Manager. The Collateral Manager also may cause the Issuer to acquire from time to time Collateral Obligations selected by the Collateral Manager from one or more other issuers of collateralized debt obligations or similar entities for which the Collateral Manager or one of its Affiliates serves as collateral manager. In addition, the Collateral Manager, acting as principal for its own account or for the account of an Affiliate, may affect other transactions between itself or an Affiliate and the Issuer. Such transactions will present a conflict between the interests of the Collateral Manager or its Affiliates and/or their other clients, and the interests of the Issuer.

The Collateral Manager may also effect cross transactions where the Collateral Manager or an Affiliate, acting as agent for the Issuer and the other party to the transaction, causes a transaction to be effected between the Issuer and another account managed or advised by the Collateral Manager or an Affiliate. In a cross transaction, the Collateral Manager will have conflicting loyalties and responsibilities to each client participating in the transaction. In addition, the Collateral Manager or an Affiliate may effect a cross-transaction between the Issuer and another client where the Collateral Manager or an Affiliate acts as broker for the Issuer or for the other party to the transaction and receives compensation in addition to its collateral management fees for effecting the transaction.

Principal transactions and agency cross transactions are subject to restrictions under Section 206(3) of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). All such transactions will be effected in compliance with the terms of the Indenture and the Collateral Management Agreement and applicable law, including, where applicable, a requirement that such sale be approved by a qualified independent representative of the Issuer. In addition, the Collateral Manager will seek to ensure that the transaction is effected for fair market value and on terms as favorable to the Issuer as would be the case in a transaction with an independent third party. In a principal or agency cross transaction involving a Collateral Obligation, the Collateral Obligation generally will be valued and purchased at or sold for a price based on the average of the midpoints of the then prevailing related bid and ask quotations obtained from two independent dealers and/or pricing services. Each such sale will otherwise

be effected in accordance with, as applicable, the terms of the Indenture, the Collateral Management Agreement and applicable law, including, where applicable, a requirement that such sale be approved by a qualified independent agent.

The Collateral Manager may consider various factors in selecting banks, brokers and dealers to effect transactions for the Issuer. The Collateral Manager may take into account a host of qualitative factors other than price. Such factors may include: experience and speed of execution, as well as any "research" services provided to the Collateral Manager, which may include research reports, trade seminars and access to certain professionals available to the Collateral Manager in connection with effecting transactions. These products and services may not benefit the Issuer directly or indirectly. As a result, to the extent permitted by law, such arrangements may be taken into account by the Collateral Manager in deciding to conduct transactions with a specific bank, broker or dealer even though such party may not offer the lowest transaction fees.

Upon the removal or resignation of the Collateral Manager, the holders of a Majority of the Controlling Class and a Majority of the Subordinated Notes may propose, and object to, replacement Collateral Managers in the manner provided in the Collateral Management Agreement. Subordinated Notes and other Notes that are Manager Notes will have no voting rights with respect to any vote on the removal for cause and will be deemed not to be outstanding in connection with any such vote; *provided, that* Subordinated Notes and other Notes that are Manager Notes will have voting rights with respect to all other matters as to which the holders of Subordinated Notes or holders of the other Notes are entitled to vote, including, without limitation, any vote to direct an Optional Redemption or a Tax Redemption and any vote to appoint a replacement Collateral Manager pursuant to the Collateral Management Agreement. See "The Collateral Management Agreement".

The Collateral Manager and its Affiliates may own equity or other securities of issuers of or obligors on Collateral Obligations or other Assets and may have provided and may provide in the future, advisory and other services to issuers of Assets.

In addition, because of the different seniorities and other characteristics of the various Classes of Notes, decisions by the Collateral Manager with respect to the Issuer are likely to affect such Classes differently (and may even affect one or more Classes adversely while affecting one or more other Classes positively). Such conflicts are inherent in a multiclass capital structure within a single entity managed by a single Collateral Manager.

The Collateral Manager expects to enter into a side-letter or other agreement on the Closing Date with one or more investors with an indirect interest in the Subordinated Notes pursuant to which the Collateral Manager may, among other things consent to a redemption of the Rated Notes in whole (with respect to all Classes of Rated Notes) in accordance with the terms of such side-letter or other agreement. The Collateral Manager may after the Closing Date enter into one or more additional side-letter agreements with one or more beneficial owners or holders of Notes or amend or terminate existing side-letter agreements. No other beneficial owner or holder of Notes will have the right to review or to receive the benefits of such agreements to which it is not a party, nor will the Trustee have any right to review, nor any obligation to implement or enforce, any such agreements. The Collateral Management Agreement will provide that any successors or assigns of the Collateral Manager will be subject to and bound by the terms of any previously existing side-letter agreements entered into by the Collateral Manager (provided that the obligations of the replaced manager will be limited to those, if any, that are contained in the side-letter agreements to which it is a party). This may make it more difficult to assign the Collateral Management Agreement or to find a successor Collateral Manager upon a resignation or removal of the Collateral Manager.

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 Rated Notes and as Placement Agent for certain of the Subordinated Notes and will be paid fees and commissions for such service by the Issuer from the proceeds of the

issuance of the Notes. One or more of the Citigroup Companies may from time to time hold other Notes for investment, trading or other purposes. None of the Citigroup Companies is required to own or hold any Notes and may sell any Notes held by them at any time.

As described under "—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer", the Issuer will acquire assets originally acquired by a subsidiary of Citigroup as a hedge of the Warehouse TRS between Citigroup on the one hand, and the Issuer on the other hand. Under the Warehouse TRS, subject to netting, the Issuer is obligated to make certain payments to the Warehouse Provider and the Warehouse Provider is obligated to make certain payments to the Issuer. To hedge its exposure under the Warehouse TRS, the Warehouse Provider caused the Warehouse Subsidiary to purchase the assets in the Warehouse TRS reference portfolio. In addition, on the Closing Date, the Issuer is expected to acquire the loans in the reference portfolio from the Warehouse Subsidiary through the Closing Merger.

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 date hereof or at any time hereafter, 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 Rated Notes

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

Status and Security

The Co-Issued Notes will be limited recourse obligations of the Co-Issuers and the Issuer-Only Notes will be limited recourse obligations of the Issuer. 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 Rated Notes. See "Security for the Rated Notes".

Payments of interest and principal on the Rated Notes will be made from the proceeds of the Assets, in accordance with the priorities described under "Summary of Terms—Priority of Payments" and "—Priority of Payments". The aggregate amount that will be available from the Assets for payment on the Rated 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 Reinvestment Amounts), 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 Rated Notes and expenses following liquidation of the Assets, the Co-Issuers will have no obligation to pay such deficiency.

Interest on the Rated Notes

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

Any payment of interest due on the Class B Notes, the Class C Notes or the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more Classes of Notes senior to such Class is outstanding, shall constitute 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 Rated 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 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 Deferred Interest on such Payment Date will not be an Event of Default under the Indenture; *provided*, that any such 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 Rated 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 Rated Notes) to pay previously accrued Deferred Interest, such previously accrued Deferred Interest will not be due and payable on such Payment Date and any failure to pay such previously accrued 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-1 Notes or Class A-2 Notes are outstanding, (ii) on the Class C Notes as long as any Class A-1 Notes, Class A-2 Notes or Class B Notes are outstanding and (iii) on the Class D Notes as long as any Class A-1 Notes, Class A-2 Notes, Class B Notes or Class C Notes are outstanding. Interest will cease to accrue on 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-1 Notes or Class A-2 Notes outstanding, any Class B Note or, if there are no Class A-1 Notes, Class A-2

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

Interest on the Floating Rate Notes will be calculated on the basis of a 360-day year and 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 of such period). Interest on the Fixed Rate 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 each calculation during the first Interest Accrual Period, the related portion of such period) on the Interest Determination Date. The "Interest Determination Date" will be with respect to (a) 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) each Interest Accrual Period thereafter, the second London Banking Day preceding the first day of such Interest Accrual Period. The "First Interest Determination End Date" will be January 20, 2017. The Issuer has initially appointed the Collateral Administrator 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 each calculation during the first Interest Accrual Period, the related portion of such period) and the Note Interest Amount (in each case, rounded to the nearest cent, with half a cent being rounded upward) payable on the related Payment Date in respect of such Class of Rated Notes and 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 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 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 Floating Rate 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, 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 Rated Notes

The Rated 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 Rated Notes except with respect to Deferred Interest and in the limited circumstances described under "—Optional Redemption and Tax Redemption", "—Mandatory Redemption", "—Special Redemption", "—Clean-Up Call Redemption", "Summary of Terms—Priority of Payments—Priority of Interest Proceeds", "Summary of Terms—Priority of Payments—Priority of

Principal Proceeds", "Summary of Terms—Priority of Payments—Special Priority of Payments" and "—Priority of Payments".

On each Payment Date prior to the occurrence of an Enforcement Event, Principal Proceeds (other than (i) amounts required to meet funding requirements with respect to Delayed Drawdown Collateral Obligations and Revolving Collateral Obligations that are deposited in the Revolver Funding Account, (ii) during the Reinvestment Period, Principal Proceeds that will be used to reinvest in Collateral Obligations that the Issuer has already committed to purchase and (iii) after the Reinvestment Period, Eligible Reinvestment Amounts that will be used to reinvest in Substitute Obligations in accordance with the Investment Criteria) will be applied in accordance with the Priority 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 Rated Notes will be made as described under "—Mandatory Redemption".

The average life of each Class of Rated Notes is expected to be less than the number of years until the Stated Maturity of such Rated 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 Notes of each Class shall be made ratably among the holders of the Notes of such Class in the proportion that the Aggregate Outstanding Amount of the Notes of such Class registered in the name of each such holder on the applicable Record Date bears to the Aggregate Outstanding Amount of all Notes of such Class on such Record Date.

Optional Redemption and Tax Redemption

General—Redemption of Notes. On any Business Day occurring after the Non-Call Period and with the consent of the Collateral Manager, (i) at the written direction of holders of a Majority of the Subordinated Notes, the Rated Notes will be redeemed in whole (with respect to all Classes of Rated Notes) but not in part from Sale Proceeds and/or all other available funds; and (ii) at the written direction of a Majority of the Subordinated Notes, one or more (but fewer than all) Classes of the Rated Notes will be redeemed by Class from Refinancing Proceeds (so long as any Class of Rated Notes to be redeemed represents the entire Class of such Rated Notes) (a "Partial Redemption"); *provided* that, as described in "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 may agree with one or more investors to provide its consent to a redemption of the Notes in whole as long as certain conditions are satisfied. In connection with any such redemption (each such redemption, an "Optional Redemption") the Rated Notes to be redeemed will be redeemed at the applicable Redemption Prices. To effect an Optional Redemption, the above described written direction must be provided by holders of a Majority of the Subordinated Notes to the Issuer, the Collateral Manager and the Trustee not later than 30 days prior to the Business Day on which such redemption is to be made, or such shorter period as the Collateral Manager may agree; *provided* that all Rated Notes to be redeemed must be redeemed simultaneously.

Upon receipt of a notice of an Optional Redemption of the Rated 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, 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 Rated Notes to be redeemed, all amounts senior in right of payment to the Notes and to pay all accrued and unpaid Administrative Expenses (regardless of the Administrative Expense Cap) payable under the Priority of Payments (the "Required Redemption Amount"). If such funds would not be at least equal to the Required Redemption Amount, the Rated Notes may not be redeemed. The Collateral Manager, in its sole discretion, may effect the sale of all or any part of the Collateral Obligations or other Assets through the direct sale of such Collateral Obligations or other Assets or by participation or other arrangement.

In addition to (or in lieu of) funding a redemption through the sale of Collateral Obligations and/or Eligible Investments in the manner provided above, a redemption of all Classes of the Rated Notes may, at the written direction of a Majority of the Subordinated Notes after the Non-Call Period and with the consent of the Collateral Manager, be funded with Refinancing Proceeds and all other available funds or, in the case of a Partial Redemption, with Refinancing Proceeds, including, by obtaining a loan from one or more financial or other institutions or by an issuance of replacement securities, whose terms in each case will be negotiated by the Collateral Manager on behalf of the Issuer, it being understood that any rating of such replacement notes by a Rating Agency will be based on a credit analysis specific to such replacement notes and independent of the rating of the Rated Notes being refinanced (any such redemption, and refinancing, a "Refinancing"); *provided* that the terms of any 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 the Rated Notes in whole but not in part as described above, such Refinancing will be effective only if (i) the Refinancing Proceeds, all Sale Proceeds from the sale of Collateral Obligations and Eligible Investments in accordance with the procedures set forth in the Indenture, and all other available funds will be at least equal to the Required Redemption Amount; *provided* that the reasonable fees and expenses incurred in connection with such Refinancing, if not paid on the date of the Refinancing, will be adequately provided for from the Interest Proceeds available to be applied to the payment thereof as Administrative Expenses under the Priority of Payments on the subsequent two Payment Dates, after taking into account all amounts required to be paid pursuant to the Priority of Payments on such subsequent Payment Dates prior to distributions to the holders of the Subordinated Notes, (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 Partial Redemption, such Refinancing will be effective only if (i) Rating Agency Confirmation has been obtained from Moody's and S&P with respect to any remaining Notes then rated by either of them that were not the subject of the Refinancing, (ii) the Refinancing Proceeds will be at least sufficient to pay in full the aggregate Redemption Prices of the entire Class or Classes of Rated Notes subject to Refinancing, (iii) the Refinancing Proceeds are used (to the extent necessary) to make such redemption, (iv) the agreements relating to the Refinancing contain limited recourse and non-petition provisions equivalent (*mutatis mutandis*) to those contained in the Indenture, (v) the Aggregate Principal Balance of any obligations providing the Refinancing is equal to the Aggregate Outstanding Amount of the Rated Notes being redeemed, with the proceeds of such obligations, (vi) the stated maturity of each class of obligations providing the Refinancing is the same as the corresponding Stated Maturity of each Class of Rated 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 Interest Proceeds available to be applied to the payment thereof as Administrative Expenses under the Priority of Payments on the subsequent two Payment Dates, after taking into account all amounts required to be paid pursuant to the Priority of Payments on such subsequent Payment Dates prior to distributions to the holders of the Subordinated Notes (except for expenses owed to persons that the Collateral Manager informs the Trustee will be paid solely as Administrative Expenses payable in accordance with the Indenture), (viii) (A) if the obligation providing the refinancing and the Class of Rated Notes subject to the Refinancing are both fixed rate obligations, the interest rate of any obligations providing the Refinancing will not be greater than the interest rate of the Rated Notes subject to such Refinancing; (B) if the obligation providing the refinancing and the Class of Rated Notes subject to the Refinancing are both floating rate obligations, the spread over LIBOR of any obligations providing the Refinancing will not be greater than the spread over LIBOR of the Rated Notes subject to such refinancing; and (C) with respect to any Partial Redemption by Refinancing of a Fixed Rate Note with the proceeds of an issuance of floating rate refinancing notes or a Floating Rate Note with the proceeds of an issuance of fixed rate refinancing notes or floating rate refinancing notes referencing a different interest rate index, the Issuer and the Trustee receive an Officer's Certificate of the Collateral Manager (upon which each may conclusively rely without investigation of any nature whatsoever) certifying that, in the Collateral Manager's reasonable business judgment, the interest payable on the refinancing notes with respect to such Class is anticipated to be lower than the interest that would have been payable in respect of such Class (determined on a weighted average basis over the expected life of such Class) if such Partial Redemption by Refinancing did not occur, (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 Rated 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 Rated Notes being refinanced and (xi) Tax Advice shall be delivered to the Trustee to the effect that any obligations providing the refinancing for the Rated Notes will be treated as debt or, in the case of any obligations providing refinancing for the Class D Notes, should be treated as debt, in each case, for U.S. federal income tax purposes.

If a Refinancing is obtained meeting the requirements specified above as certified by the Collateral Manager, the Issuer and, at the direction of the Collateral Manager, the Trustee shall amend the Indenture to the extent necessary to reflect the terms of the Refinancing (which terms may include an extension of the Non-Call Period) 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, 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, as to matters of law, an opinion of counsel (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).

In connection with a Refinancing upon a redemption of Rated Notes in whole or a Partial Redemption, any Refinancing Proceeds that remain after paying the applicable Redemption Prices and related Administrative Expenses will be transferred to the Collection Account as Principal Proceeds.

A Majority of the Subordinated Notes may elect to include, in a notice of a Refinancing upon a redemption of the Rated Notes in whole but not in part, a direction to the Collateral Manager to designate Principal Proceeds up to the Excess Par Amount as of the related Determination Date as Interest Proceeds for payment on the Redemption Date. If the Collateral Manager consents to such direction, the Collateral Manager will make such designation by issuer order to the Trustee (with copies to the Rating Agencies) on or before the related Determination Date, in which case the Trustee will, on or before the Business Day immediately preceding the related Payment Date, make such designation.

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

Subordinated Notes Optional Redemption. 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 Rated Notes, at the direction of (x) a Majority of the Subordinated Notes or (y) the Collateral Manager. See "—The Subordinated Notes".

Redemption Procedures. In the event of any Optional Redemption, the Issuer shall, at least 14 Business Days prior to the Redemption Date (or such shorter period as the Trustee and the Collateral Manager may agree), 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 Issuer, notify the holders of Notes and each Rating Agency at least 5 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 not later than five Business Days prior to the applicable Redemption Date to each holder of Notes at such holder's address in the register maintained by the registrar under the Indenture. In addition, for so long as any Notes are

listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Optional Redemption or Tax Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange through the Companies Announcement Office. Failure to give notice of redemption or any defect therein, to any holder of any Note selected for redemption shall not impair or affect the validity of the redemption of any other Notes. Notes called for redemption (other than Uncertificated Subordinated Notes) must be surrendered at the office of any Paying Agent. The initial Paying Agent for the Notes will be the Trustee.

The Issuer will have the option to withdraw any such notice of an Optional Redemption, following good faith efforts by the Issuer and the Collateral Manager to facilitate the Optional 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 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 Issuer so withdraws any notice of an Optional Redemption or is otherwise unable to complete an Optional 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 by written notice to the Trustee, the Co-Issuers and the Collateral Manager, *provided* that neither the Issuer nor the Collateral Manager has as of the date such notice is received 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. In addition, the Issuer may cancel an Optional Redemption or Tax Redemption up to the Business Day before the Redemption Date if there will be insufficient funds on the Redemption Date to pay the Redemption Price of each Class of Rated Notes to be redeemed (and all amounts senior in right of payment to the Redemption Prices).

For the avoidance of doubt, the failure to effect an Optional Redemption, Tax Redemption, Partial Redemption or Re-Pricing Redemption will not constitute an Event of Default.

Unless Refinancing Proceeds are being used to redeem the Rated Notes in whole or in part, in the event of any Optional Redemption or Tax Redemption, no Rated Notes may be optionally redeemed unless (i) at least two Business Days before the scheduled Redemption Date the Collateral Manager shall have furnished to the Trustee evidence in a form reasonably satisfactory to the Trustee that the Collateral Manager on behalf of the Issuer has entered into a binding agreement or agreements with a financial or other institution or institutions whose short-term unsecured debt obligations (other than such obligations whose rating is based on the credit of a person other than such institution) are rated, or guaranteed by a Person whose short-term unsecured debt obligations are rated, at least "A-1" by S&P and at least "P-1" by Moody's to purchase (directly or by participation or other arrangement), not later than the Business Day immediately preceding the scheduled Redemption Date in immediately available funds, all or part of the Assets at a purchase price that is, when considered, together with the Eligible Investments, at least equal to the Required Redemption Amount, (ii) at least two Business Days before the scheduled Redemption Date, the Issuer shall have received proceeds of disposition of all or part of the Assets at least equal to the Required Redemption Amount, or (iii) prior to selling any Collateral Obligations and/or Eligible Investments, the Collateral Manager shall certify to the Trustee that, in its judgment, the aggregate sum of (A) expected proceeds from the sale or payment of Eligible Investments, and (B) for each Collateral Obligation, its Market Value, shall be at least equal to the Required Redemption Amount. Any certification delivered by the Collateral Manager pursuant to this section "—Optional Redemption and Tax Redemption—Redemption Procedures" must include (1) the prices of, and expected proceeds from, the sale (directly or by participation or other arrangement) or payment of any Collateral Obligations and/or Eligible Investments and (2) all calculations required by this section "—Optional Redemption and Tax Redemption—Redemption Procedures". Any holder of Notes, the Collateral Manager or any of the Collateral Manager's affiliates shall have the right, subject to the same terms and conditions afforded to other bidders, to bid on Assets to be sold as part of an Optional Redemption or a Tax Redemption.

Refinancing Proceeds used for a Refinancing will not constitute Interest Proceeds or Principal Proceeds but will be applied directly on the related Partial Redemption Date pursuant to the Indenture to redeem the Class or Classes of Notes being refinanced without regard to the Priority of Payments; provided that to the extent that any

Refinancing Proceeds used for a Refinancing are not applied to redeem the Notes being refinanced or to pay expenses in connection with the Refinancing, such Refinancing Proceeds will be treated as Principal Proceeds.

Mandatory Redemption

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

Effective Date Redemption

If with respect to any Payment Date following the Effective Date, Effective Date Ratings Confirmation has not been obtained, the Co-Issuers or the Issuer, as applicable, will purchase additional Collateral Obligations or redeem the Rated Notes in accordance with the Priority of Payments, in each case, in an amount required to obtain Effective Date Ratings Confirmation in connection with the Effective Date rating confirmation procedure described under "Use of Proceeds—Effective Date". See also "Summary of Terms—Priority of Payments".

Special Redemption

The Rated 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 at least five Business Days prior to the applicable Special Redemption Date that it has been unable, for a period of at least 20 consecutive Business Days, to identify additional Collateral Obligations that are deemed appropriate by the Collateral Manager in its sole discretion and which would meet the criteria for reinvestment described under "Security for the Rated 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 (each a "Special Redemption"). Any such notice 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 Principal Proceeds which the Collateral Manager has determined cannot be reinvested in additional Collateral Obligations, will in each case be applied in accordance with the Priority of Payments. Notice of Special Redemption will be given by the Trustee not less than three Business Days prior to the applicable Special Redemption Date in each case to each holder of Rated Notes and to both Rating Agencies. In addition, for so long as any Notes are listed on the Irish Stock Exchange and so long as the guidelines of such exchange so require, notice of Special Redemption to the holders of such Notes shall also be given by publication on the Irish Stock Exchange through the Companies Announcement Office.

Clean-Up Call Redemption

At the written direction of the Collateral Manager to the Issuer, the Trustee and the holders of the Subordinated Notes, with copies to the Rating Agencies, at least 20 days prior to the proposed Redemption Date, the Rated Notes will be subject to redemption by the Issuer, in whole but not in part (a "Clean-Up Call Redemption"), at the Redemption Price therefor, on any Business Day after the Non-Call Period on which the Collateral Principal Amount is less than 15% of the Target Initial Par Amount; *provided* the direction of the Collateral Manager will be ineffective if a Majority of the Subordinated Notes provides notice of objection to a Clean-Up Call Redemption to the Collateral Manager (with a copy to the Trustee and the Issuer) on or prior to the date that is 10 days after the direction for such redemption is provided to holders of the Subordinated Notes.

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) by the Collateral Manager or any other Person from the Issuer, 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 principal balance of the Rated Notes, plus (b) all unpaid interest on the Rated Notes accrued to the date of such

redemption (including any shortfall amounts, if any), 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 nine days prior to the Redemption Date (and the Trustee in turn shall, in the name and at the expense of the Co-Issuers, notify the holders of Notes of the Redemption Date, the applicable Record Date, that the Rated Notes will be redeemed, in full, and the Redemption Prices to be paid, at least 5 days prior to the Redemption Date).

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 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 note register, by overnight courier guaranteeing next day delivery not later than the 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 notice of such withdrawal for publication on 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 and with the consent of the Collateral Manager, the Issuer shall reduce the interest rate applicable with respect to any Class of Re-Pricing Eligible Notes (such reduction with respect to any such Class, 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) all outstanding Notes 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. Each holder of Rated Notes, by its acceptance of an interest in such Notes, agrees to cooperate with the Issuer, the Collateral Manager, the Re-Pricing Intermediary (if any) and the Trustee in connection with any Re-Pricing and acknowledges that its Rated Notes may be sold or redeemed with or without such holder's consent and that the sole alternative to any such Re-Pricing or redemption is to commit to sell its interest in the Notes of the Re-Priced Class(es).

Re-Pricing Procedures

At least 14 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 interest rate to be applied with respect to such Class, which may be a floating rate or a fixed rate (the "Re-Pricing Rate"), (ii) request each holder or beneficial owner of the Re-Priced Class to certify the principal amount of its New Notes and approve the proposed Re-Pricing with respect to its Notes, and (iii) specify

the Redemption Price at which Notes of any holder or beneficial owner of the Re-Priced Class that does not approve the Re-Pricing may be (x) sold and transferred pursuant to the Indenture or (y) redeemed with the proceeds of Re-Pricing Replacement Notes and all other funds available for such purpose. A copy of the Re-Pricing Notice will be required to be delivered to the Collateral Manager, the Trustee and each Rating Agency.

"Re-Pricing Replacement Notes" means Notes issued in connection with a Re-Pricing that have terms identical to the Re-Priced Class (after giving effect to the Re-Pricing) and are issued in an Aggregate Outstanding Amount such that the Re-Priced Class will have the same Aggregate Outstanding Amount after giving effect to the Re-Pricing as it did before the Re-Pricing.

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 5 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 (a "Non-Consent Notice") to the consenting holders or beneficial owners of the Re-Priced Class, specifying the Non-Consenting Balance. The Issuer shall request that each such consenting holder or beneficial owner notify the Issuer, the Trustee, the Collateral Manager and the Re-Pricing Intermediary if such holder or beneficial owner would elect to (A) purchase all or any portion of the Notes of the Re-Priced Class for which consent to the Re-Pricing has not been received at the Redemption Price (such purchase and sale, a "Re-Pricing Transfer") and/or (B) purchase Re-Pricing Replacement Notes with respect thereto at the price specified in the Re-Pricing Notice or Non-Consent Notice, as applicable, and (C) in each case, the Aggregate Outstanding Amount of such Notes it would agree to acquire (each such notice, an "Exercise Notice"). An Exercise Notice must be received by the Issuer by the third Business Day prior to the proposed Re-Pricing Redemption Date.

To the extent there exists a Non-Consenting Balance of greater than zero, the Collateral Manager and the Re-Pricing Intermediary will be required to, based on Exercise Notices received, consider the potential sources of funds available for, and the means to effect, purchases and/or redemption of Notes of a Re-Priced Class for which consent to the Re-Pricing has not been received.

The Issuer, or the Re-Pricing Intermediary on behalf of the Issuer, as directed by the Collateral Manager, may effect Re-Pricing Transfers of the Notes held by holders or beneficial owners that have not consented to the Re-Pricing and that constitute the Non-Consenting Balance (the "Non-Consenting Notes"), without further notice to the holders or beneficial owners thereof, at the Redemption Price to the holders or beneficial owners that have delivered Exercise Notices and/or to one or more transferees designated by the Re-Pricing Intermediary on behalf of the Issuer. If the aggregate principal balance in the Exercise Notices received with respect to Re-Pricing Transfers exceeds the Non-Consenting Balance, Re-Pricing Transfers shall be allocated among persons delivering Exercise Notices with respect thereto *pro rata* based on the aggregate principal balance stated in each respective Exercise Notice.

To the extent that the Collateral Manager determines, in its sole discretion, that less than 100% of the Non-Consenting Notes are expected to be subject to Re-Pricing Transfers, the Issuer may, as directed by the Collateral Manager, conduct a Re-Pricing Redemption of such Notes, without further notice to the holders or beneficial owners thereof, on the Re-Pricing Date using the proceeds from the sale of Re-Pricing Replacement Notes and all other funds available for such purpose.

Re-Pricing Transfers and sales of Re-Pricing Replacement Notes with respect to each Re-Priced Class shall not in the aggregate result in the Aggregate Outstanding Amount of such Re-Priced Class immediately after the Re-Pricing exceeding the Aggregate Outstanding Amount of such Re-Priced Class immediately prior to the Re-Pricing and shall be allocated among persons delivering Exercise Notices with respect thereto, *pro rata* based on the Aggregate Outstanding Amount of the Notes of a Re-Priced Class or Re-Pricing Replacement Notes, as applicable, such holders or beneficial owners indicated an interest in purchasing or advancing in their respective Exercise Notices.

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 as described in the Indenture (such supplemental indenture to be prepared and provided by the Issuer or the Collateral Manager acting on its behalf) to reduce the interest rate applicable with respect to the Re-Priced Class and/or, in the case of an issuance of Re-Pricing Replacement Notes, to issue such Re-Pricing Replacement Notes and to otherwise effect the Re-Pricing;

provided, that, subject to obtaining Rating Agency Confirmation, if more than one Class of Rated Notes is subject to Re-Pricing, the proposed Re-Pricing Rate with respect to the Re-Priced Class or a Class of Re-Pricing Replacement Notes may be greater than the Interest Rate applicable to such Class of Rated Notes subject to Re-Pricing as of the date of the Re-Pricing Notice so long as the weighted average (based on the aggregate principal amount of each Class of Rated Notes subject to Re-Pricing) of the proposed Re-Pricing Rate with respect to the Re-Priced Classes or Re-Pricing Replacement Notes shall be less than the weighted average (based on the aggregate principal amount of each such Class) of the Interest Rate applicable to all Classes of Rated Notes subject to such Re-Pricing as of the date of the Re-Pricing Notice; (ii) each Rating Agency shall have been notified of such Re-Pricing; (iii) unless it consents to do so, none of the Collateral Manager, any Affiliate of the Collateral Manager or any Sponsor will be under any obligation to purchase any obligations of the Issuer or the Co-Issuer in connection with such Re-Pricing; (iv) 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 by an entity other than the Issuer; and (v) in the event of a Re-Pricing Redemption, Tax Advice shall be delivered to the Trustee to the effect that any obligations providing the proceeds for the Re-Pricing Redemption of the Rated Notes will be treated as debt or, in the case of any obligations providing the proceeds for the Re-Pricing Redemption of the Class D Notes, should be treated as debt, in each case, for U.S. federal income tax purposes.

A second notice of a Re-Pricing will be provided by the Trustee not less than 7 Business Days prior to the proposed Re-Pricing Date and to each holder of Notes of the Re-Priced Class, specifying the applicable Re-Pricing Date, Re-Pricing Rate and Redemption Price. Failure to give a notice of Re-Pricing to any holder of any Re-Priced Class, any failure of a beneficial owner to receive such notice, or any defect with respect to such notice, shall not impair or affect the validity of the Re-Pricing or give rise to any claim based upon such failure or defect. 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. Failure to effect a Re-Pricing, whether or not notice of Re-Pricing has been withdrawn, will not constitute an Event of Default.

The Issuer will direct the Trustee to segregate payments and take other reasonable steps to effect the Re-Pricing, and the Trustee will have the authority to take such actions as may be directed by the Issuer or the Collateral Manager to effect a Re-Pricing. In order to give effect to the Re-Pricing, the Issuer may, to the extent necessary, obtain and assign a separate CUSIP or CUSIPs to the Notes of each Class held by Non-Consenting Holders and holders consenting to the Re-Pricing.

Any amounts received to effect a Re-Pricing Transfer or to acquire Re-Pricing Replacement Notes will not constitute Interest Proceeds or Principal Proceeds but will be applied directly on the related Re-Pricing Date pursuant to the Indenture to transfer or redeem the Non-Consenting Notes without regard to the Priority of Payments; provided that to the extent that any such amounts are not applied to redeem the Non-Consenting Notes or to pay expenses in connection with the Re-Pricing, such amounts will be treated as Principal Proceeds.

In connection with a Re-Pricing, any non-consenting holders of a Class subject to such Re-Pricing will be deemed not to be materially and adversely affected by any terms of a proposed supplemental indenture related to, in connection with or to become effective on or immediately after the Re-Pricing Redemption Date.

Issuer purchases of Notes

The Indenture permits the Issuer, with the consent of a Majority of the Subordinated Notes, to apply (a) Supplemental Reserve Amounts (at the direction of the Collateral Manager), (b) Contributions (at the direction of the related Contributor or, if no such direction is given, at the sole discretion of the Collateral Manager) and (c) Principal Proceeds other than Supplemental Reserve Amounts (at the direction of the Collateral Manager) in order to purchase Rated Notes of the Class designated by the Collateral Manager or the Contributor, as applicable, through a tender offer, in the open market or in privately negotiated transactions (in each case, subject to applicable law) (any such Rated Notes, the "Repurchased Notes") in accordance with, and subject to, the terms described in the

succeeding paragraphs; *provided* that no purchases of Rated Notes may occur using Principal Proceeds unless such purchases of Rated Notes will be effected in the order of priority set out in the Note Payment Sequence and unless (i) no Event of Default has occurred and is continuing, (ii) each Coverage Test is satisfied both immediately prior to, and after giving effect to, the proposed purchase, (iii) Rating Agency Confirmation is obtained with respect to any Rated Notes that will remain outstanding following the purchase and (iv) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test will be satisfied or, if any such requirement or test was not satisfied immediately prior to such purchases, such requirement or test will be maintained or improved after giving effect to such purchases.

The Trustee shall cancel as described under "—Cancellation of Notes" any such purchased Notes surrendered to it for cancellation or, in the case of any Global Notes, the Trustee shall decrease the Aggregate Outstanding Amount of such Global Notes in its records by the full par amount of the purchased Notes, and instruct DTC or its nominee, as the case may be, to conform its records; *provided*, *however*, that any Notes purchased by the Issuer on a date that is later than a Record Date but prior to the related Payment Date will not be cancelled until the day following the Payment Date. In connection with any purchase of the Notes described herein, the Issuer, or the Collateral Manager on its behalf, may direct the Trustee to take actions the Issuer (or the Collateral Manager on its behalf) deems necessary to give effect to the provisions of the Indenture that may be affected by such purchase of the Notes; *provided* that no such direction may conflict with any express provision of the Indenture, including a requirement to obtain the consent of the holders or Rating Agency Confirmation prior to taking any such action. Repurchased Notes (other than Repurchased Notes of the Controlling Class) will continue to be treated as outstanding under the Indenture for purposes of calculation of the Coverage Tests until all Notes of the applicable Class and each Priority Class have been retired or redeemed, having an aggregate outstanding amount equal to the aggregate outstanding amount as of the date of repurchase, reduced proportionately with, and to the extent of, any payments of principal on Notes of the same Class thereafter.

In order to purchase Rated Notes of any Class, the Issuer must provide notice to all holders of the Notes of such Class of the Issuer's offer to purchase such Notes specifying (i) the purchase price (as a percentage of par), which must be a discount from par, (ii) the maximum amount of Principal Proceeds that will be used to effect such purchases and (iii) the length of the period during which the offer will be open for acceptance. In connection with any such purchase by the Issuer, the Issuer shall also pay accrued interest through the date of such purchase from Interest Proceeds. Each holder will have the right (but not the obligation) to accept the Issuer's purchase offer. If the principal balance of the Notes of the relevant Class held by holders that accept the Issuer's purchase offer exceeds the Principal Proceeds available to effect such purchase, the Issuer will purchase a portion of each accepting holder's Notes a *pro rata* basis based on the principal amount of Notes of such Class held by that holder.

As a condition of any purchase of Notes by the Issuer, the Collateral Manager will be required to certify in writing to the Issuer that the conditions described in the foregoing paragraphs will be satisfied.

Contributions

At any time, during or after the Reinvestment Period, subject to the prior written consent of a Majority of the Subordinated Notes and the Collateral Manager, any holder of Subordinated Notes (a "Contributor") may make a voluntary contribution of cash, which may include (with notice to the Trustee no later than four Business Days prior to the next Payment Date) any portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on such Contributor's Subordinated Notes in accordance with the Priority of Payments on the next Payment Date (each, a "Contribution"). The Issuer shall accept the Contribution unless it determines, after consulting with tax, legal or accounting advisers, that the Contribution would have a material adverse tax, legal or accounting effect on the Issuer or holders of Notes.

Each Contribution will be deposited into the Contribution Account and may be applied only as designated by the Contributor or if no such designation is made, at the sole discretion of the Collateral Manager. The Contributor (or, if applicable, the Collateral Manager) may designate the Contribution only for any of the following uses: (i) for transfer to the Collection Account for application as Interest Proceeds, (ii) for transfer to the Collection Account for application as Principal Proceeds, which may be used to purchase or acquire additional Collateral Obligations during the Reinvestment Period in accordance with the Indenture, (iii) to repurchase Rated Notes and (iv) for use in any manner for which amounts held by the Issuer are permitted to be used in accordance with the terms of the Indenture (each such use, a "Permitted Use").

Contributions shall be repaid to the Contributor on a Payment Date specified by the Contributor (and each successive Payment Date until paid in full) in accordance with the Priority of Payments.

Cancellation of Notes

All Notes acquired by the Issuer, surrendered for payment, registration of transfer, exchange, or redemption, or mutilated, defaced or deemed lost or stolen 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, (b) for registration of transfer, exchange or redemption, (c) for purchase or (d) for replacement in connection with any Note that is mutilated, defaced or deemed lost or stolen, in each case, in accordance with the Indenture. Notwithstanding anything to the contrary herein or in the Indenture, any Note surrendered or cancelled other than in accordance with the procedures in the Indenture shall be considered outstanding (until all Notes senior to such Note have been repaid) for purposes of the Coverage Tests.

The Issuer may not acquire any of the Notes except as described above under "—Issuer purchases of Notes". The preceding sentence shall not limit an Optional Redemption, Special Redemption, Clean-Up Call Redemption or any other redemption effected pursuant to the terms of the Indenture.

Entitlement to payments on the Notes

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 represented by Global Notes 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 and provided 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 applicable Notes at the office of any Paying Agent appointed under the Indenture.

Payments on any Global Notes will be made to DTC or its nominee, as the registered owner thereof. None of the Co-Issuers, the Collateral Manager, the Trustee or any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. The Co-Issuers expect that DTC or its nominee, upon receipt of any payment of principal, interest or other amounts in respect of a Global Note representing a Class of Notes held by it or its nominee, will immediately credit participants' accounts (through which, in the case of Regulation S Global 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 Note for a Class of Notes, as applicable, as shown on the records of DTC or its nominee. The Co-Issuers also expect that payments by participants to owners of beneficial interests in a Global 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 payments must be made to the Trustee or any Paying Agent if made within two years of such payments becoming due and payable. Any funds deposited with the Trustee or any Paying Agent in trust for payments remaining unclaimed for two years after such payment has become due and payable shall be paid to the Issuer pursuant to the Indenture, and the holder of a Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment of such amounts and all liability of the Trustee and any Paying Agent with respect to such trust funds shall thereupon cease.

Priority of Payments

On each Payment Date, unless an Enforcement Event has occurred and is continuing, Interest Proceeds will be applied in accordance with the Priority of Interest Proceeds and Principal Proceeds will be applied in accordance with the Priority of Principal Proceeds.

Notwithstanding the Priority of Interest Proceeds and the Priority of Principal Proceeds, if a declaration of acceleration of the maturity of the Rated Notes has occurred following an Event of Default and such declaration of acceleration has not been rescinded and annulled, or if the Rated Notes have become due and payable at Stated Maturity or on any Redemption Date and shall remain unpaid (either 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 accordance with the Special Priority of Payments.

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 Notes of the Controlling Class, and, in each case, the continuation of any such default for five Business Days, or (ii) any principal of, or interest or Deferred Interest on, or any Redemption Price in respect of, any Rated Note at its Stated Maturity or on any Redemption Date; *provided* that, in the case of a default resulting from a failure to disburse due to an administrative error or omission by the Collateral Manager, the Trustee, the Collateral Administrator, the Administrator, the note registrar of the Issuer or any Paying Agent, such default will not be an Event of Default unless such failure continues for, in the case of a default under clause (i), five Business Days, and in the case of a default described under clause (ii), 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); *provided, further*, that, for the avoidance of doubt, the failure to effect an Optional Redemption, Tax Redemption, Partial Redemption or Re-Pricing Redemption will not constitute an Event of Default;

(b) the failure on any Payment Date to disburse amounts in excess of U.S.$1,000 that are available in the Payment Account in accordance with the Priority of Payments and continuation of such failure for a period of ten 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, Trustee, Collateral Administrator, Administrator, note registrar of the Issuer or any Paying Agent or is due to another non-credit reason, such default will not be an Event of Default unless such failure continues for ten Business Days after a trust officer of the Trustee receives written notice or has actual knowledge of such administrative error or omission, irrespective of whether the cause of such administrative error or omission has been determined;

(c) either of the Co-Issuers or the Assets becomes an investment company required to be registered under the Investment Company Act (and such requirement has not been eliminated after a period of 45 days);

(d) except as otherwise provided in this definition of Event of Default, a default in the performance, or 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, Coverage Test or Interest Diversion 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 material 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 all material respects when the same shall have been made, which default or failure has a material adverse effect on the holders of the Notes, and the continuation of such default, breach or failure for a period of 45 days after notice by the Trustee at the direction of the holders of a Majority of the Controlling Class to the Issuer or the Co-Issuer, as applicable, the Trustee and the Collateral Manager 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 on which any Class A-1 Notes are outstanding, failure of the percentage equivalent of a fraction (i) the numerator of which is equal to the sum of (x) the Aggregate Principal Balance of the Collateral Obligations, excluding Defaulted Obligations, (y) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments

therein) representing Principal Proceeds and (z) the aggregate Market Value of all Defaulted Obligations on such date and (ii) the denominator of which is equal to the Aggregate Outstanding Amount of the Class A-1 Notes, to equal or exceed 102.5%.

If an Event of Default occurs and is continuing (other than an Event of Default referred to in clause (e) above), the Trustee may (with the written consent of a Majority of the Controlling Class), and shall (upon the written direction of a Majority of the Controlling Class), by notice to the applicable Co-Issuers, the Collateral Manager and each Rating Agency, declare the principal of the Rated Notes to be immediately due and payable ("acceleration"), and upon any such declaration the principal of the Rated Notes, together with accrued and unpaid interest thereon (including, in the case of the Class B Notes, the Class C Notes and Class D Notes, any Deferred Interest) through the date of acceleration, shall become immediately due and payable. If an Event of Default described in clause (e) above occurs, such an acceleration will occur automatically.

If an Enforcement Event has occurred and is continuing (unless the Trustee has commenced remedies under the Indenture), then (x) the Collateral Manager may continue to direct sales and other dispositions of Collateral Obligations in accordance with and to the extent permitted pursuant to the provisions of the Indenture described under "Security for the Rated Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria" and (y) the Trustee will retain the Assets intact (subject to the rights of the Collateral Manager pursuant to the foregoing clause (x)), 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 Rated 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 Rated Notes for principal and interest (including accrued and unpaid Deferred Interest) and all other amounts that, pursuant to the Priority of Payments, are required to be paid prior to such payments on such Rated 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 a Majority of the Controlling Class agrees with such determination;

(ii) in the case of an Event of Default specified in clause (a) or clause (f) of the definition of such term, so long as the Class A-1 Notes are outstanding, a Majority of the holders of Class A-1 Notes directs the sale and liquidation of the Assets; or

(iii) a Supermajority of each Class of the Rated Notes (voting separately by Class) directs the sale and liquidation of the Assets.

Directions by holders under clause (ii) or (iii) above will be effective when delivered to the Issuer, the Trustee and the Collateral Manager. In the event of a sale and liquidation of the Assets, any holder of Notes, including a holder of Subordinated Notes, shall be permitted to submit bids on any of such Assets in accordance with the procedures established for such sale and liquidation.

A Majority of the Controlling Class will have the right following the occurrence, and during the continuance of, an Event of Default or an Enforcement Event to cause the institution of and direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Indenture; *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 amounts 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, any occurrence that is, or with notice or the lapse of time or both would become, an Event of Default, and any future occurrence that would give rise to an Event of Default of a type previously waived and its consequences, except any such Event of Default or occurrence (a) in the payment of the principal of or interest on any Rated Note (which may be waived only with the consent of the holder of such Rated Note), (b) in the payment of interest on the Rated 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 each holder of such outstanding Notes 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 Notes or the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, 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 Amount of the Controlling Class have made a written request upon the Trustee to institute such proceedings in its own name as Trustee and such holders have provided the Trustee indemnity reasonably satisfactory to the Trustee, (iii) the Trustee, for 30 days after its receipt of such notice, request and provision of such indemnity to the Trustee, has failed to institute any such proceeding and (iv) no direction inconsistent with such written request has been given to the Trustee during such 30-day period by a Majority of the Controlling Class.

In determining whether the holders of the requisite Aggregate Outstanding Amount have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, the following 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;

(b) in connection with any direction to sell or liquidate the Assets following an Event of Default, any Notes that are Manager Notes; and

(c) in the case of a vote to (i) terminate the Collateral Management Agreement, (ii) remove the Collateral Manager, or (iii) 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, any Notes that are 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 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 may be given to registered holders of Notes at each such holder's address appearing in the register maintained by the registrar under the Indenture. In lieu of the foregoing, any documents (including, without limitation, reports, notices or supplemental indentures) required to be provided by the Trustee to the holders of the Notes may be provided by providing notice of, and access to, the Trustee's Website containing such document.

Modification of Indenture.

(a) With the consent of a Majority of the Notes of each Class materially and adversely affected thereby, if any, and subject to clauses (b) through (d) below, 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 100% of the aggregate amount 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 Rated Note, reduce the principal amount thereof, reduce the Redemption Price with respect to any Note or, other than in connection with a Re-Pricing, reduce the rate of interest thereon, or change the earliest date on which Note of any Class may be redeemed or re-priced, 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 Rated Notes, or distributions on the Subordinated Notes (other than, following a redemption in full of the Rated Notes, an amendment to permit distributions to holders of Subordinated Notes 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); *provided* that with respect to lowering the rate of interest payable on a Class of Notes, the consent of holders of the other Classes of Notes shall not be required; *provided*, *further*, that any supplemental indenture entered into in connection with the execution of a Refinancing may extend the Non-Call Period;

(ii) reduce or increase the percentage of the Aggregate Outstanding 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 Rated Notes of the security afforded by the lien of the Indenture;

(v) reduce or increase the percentage of the Aggregate Outstanding Amount of holders of any Class of Rated 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 any Notes outstanding and affected thereby;

(vii) modify the definition of the terms Controlling Class, Class, Majority, Supermajority, Outstanding, Coverage Tests, Note Payment Sequence or Priority of Payments set forth in the Indenture;

(viii) modify any of the provisions of the Indenture in such a manner as to affect the rights of the holders of any Rated Notes or the Subordinated Notes to the benefit of any provisions for the redemption of such Rated Notes or such Subordinated Notes contained therein; or

(ix) amend any provisions of the Indenture relating to the institution of proceedings for certain events of bankruptcy, insolvency, receivership or reorganization of the Co-Issuers.

(b) With the consent of the Collateral Manager, a Majority of the Controlling Class and a Majority of the Subordinated Notes, voting separately, without regard to whether any such Class would be materially and adversely affected thereby, the Trustee and the Co-Issuers may execute one or more supplemental indentures to modify the definition of the term "Concentration Limitations" and/or the definitions related to the Concentration Limitations. In addition, with the consent of the Collateral Manager, a Majority of the Controlling Class and a Majority of the Subordinated Notes, without regard to whether any such Class would be materially and adversely affected thereby, the Trustee and the Co-Issuers may execute one or

more supplemental indenture to modify the definition of any of the following defined terms: "Collateral Obligation," "Credit Risk Obligation" or "Credit Improved Obligation."

(c) With the consent of the Collateral Manager, a Majority of the Controlling Class and a Majority of the Subordinated Notes, without regard to whether such Class would be materially and adversely affected thereby, the Trustee and the Co-Issuers may execute one or more amendments or supplemental indentures to modify (i) the Collateral Quality Test or the definitions related thereto, or (ii) any of the Investment Criteria.

(d) With the consent of the Collateral Manager and a Majority of the Subordinated Notes, without regard to whether such Class would be materially and adversely affected thereby, the Trustee and the Co-Issuers may execute one or more supplemental indentures to modify the Subordinated Management Fee or the Incentive Management Fee.

(e) The Co-Issuers and the Trustee may also enter into supplemental indentures, with the consent of the Collateral Manager, without a legal opinion of counsel being provided to the Co-Issuers or the Trustee as to whether or not any Class of Notes would be materially and adversely affected thereby and without obtaining the consent of holders of the Notes 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 necessary or advisable (A) to prevent either of the Co-Issuers, any Blocker Subsidiary, the Trustee or any Paying Agent from being subject to, or to minimize the amount of, withholding or other taxes, fees or assessments, including by achieving Tax Account Reporting Rules Compliance or (B) to reduce the risk that the Issuer may be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise to prevent the Issuer from being subject to U.S. federal, state or local income tax on a net income basis and to facilitate compliance with other tax reporting requirements to which the Issuer is subject;

(x) at any time during the Reinvestment Period (except with respect to clause (C) below), to facilitate the issuance by the Co-Issuers in accordance with the Indenture (for which any required consent has been obtained) of (A) additional notes of any one or more new classes that are fully subordinated to the existing Rated 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 Rated Notes and the Subordinated Notes is then outstanding); (B) additional notes of any one or more existing Classes; or (C) replacement notes in connection with a Refinancing (which supplemental indenture, in the case of this clause (C), may extend the Non-Call Period and may also occur at any time during or after the Reinvestment Period);

(xi) to accommodate the issuance of any Notes in book-entry form through the facilities of DTC, Euroclear, Clearstream or otherwise;

(xii) 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;

(xiii) 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 Issuer;

(xiv) to make modifications determined by the Collateral Manager, in consultation with legal counsel of national reputation experienced in such matters, to be necessary in order for an additional issuance, Refinancing or Re-Pricing for which any required consent has been obtained not to be subject to, or to require the Collateral Manager to comply with, any U.S. Risk Retention Requirements;

(xv) to make any modification necessary or advisable for the Issuer to qualify for the loan securitization exclusion from the definition of "covered fund" under the Volcker Rule; or

(xvi) with the consent of the Collateral Manager (such consent not to be unreasonably withheld, delayed or conditioned), to make any modification necessary or advisable so that a beneficial interest in any Rated Note will not constitute an "ownership interest" in a "covered fund" under the Volcker Rule (in each case, as determined by the Issuer or the Collateral Manager in consultation with legal counsel of national reputation experienced in such matters).

(f) In addition, subject to certain requirements described in the Indenture, the Co-Issuers and the Trustee may enter into any supplemental indentures to (A) evidence any waiver by any Rating Agency of Rating Agency Confirmation required hereunder, (B) with the consent of a Majority of the Controlling Class, 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 or (C) effect a Re-Pricing as described under "—Optional Re-Pricing"; provided, however, that (x) any amendment or supplemental indenture pursuant to this clause (f) shall be subject to clause (g) and (y) any amendment or supplemental indenture pursuant to this clause (f) that necessitates a modification or waiver in the definition or application of the term "Concentration Limitations" and/or the definitions related to the Concentration Limitations or any Collateral Quality Test shall meet the modification requirements in clause (b) or (c) above, respectively.

(g) Subject to Rating Agency Confirmation, the Trustee and the Co-Issuers may enter into a supplemental indenture to modify all applicable Rating Agency matrices in connection with any Re-Pricing or Refinancing in which the interest rate applicable with respect to any of the Rated Notes are reduced, which results in a reduced amount of interest due on such Rated Notes.

Any supplemental indenture entered into for a purpose other than the purposes set forth in clauses (a) through (g) above, including any support thereof, must be executed pursuant to the Indenture with the consent of the percentage of holders of Notes specified therein.

In connection with a Re-Pricing, any non-consenting holders of a Class subject to such Re-Pricing will be deemed not to be materially and adversely affected by any terms of a proposed supplemental indenture related to, in connection with or to become effective on or immediately after the Re-Pricing Redemption Date.

Pari passu Classes will be treated as a single class except in connection with any supplemental indenture that affects any such Class in a manner that is materially different from the effect of such supplemental indenture on other Classes with which it is *pari passu*, in which case each such Class will vote only as a separate class.

If holders of at least 50% of the Aggregate Outstanding Amount of any Class of Notes have provided notice to the Trustee (with a copy to the Collateral Manager) at least one Business Day prior to the proposed execution date of any supplemental indenture (other than a supplemental indenture described under any of clauses (e)(v), (vi), (viii), (ix), (x), (xiii) or (xiv)) that such Class would be materially and adversely affected thereby, the Trustee and the Co-Issuers shall not enter into such supplemental indenture unless consent is obtained from (x) a Majority of such Class and (y) in the case of clause (a) above, the specified percentages.

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

At the cost of the Co-Issuers, for so long as any Notes remain outstanding, not later than 15 Business Days prior to the execution of any proposed supplemental indenture, the Trustee will provide to the Collateral Manager, the Collateral Administrator, the Rating Agencies and the holders of the Notes a notice attaching a copy of such supplemental indenture. Following such delivery by the Trustee, if any changes are made to such supplemental indenture other than to correct typographical errors, to complete or change dates, or to adjust formatting, then at the cost of the Co-Issuers, for so long as any Notes shall remain outstanding, not later than five days prior to the execution of such proposed supplemental indenture (*provided* that the execution of such proposed supplemental indenture shall not in any case occur earlier than the date 15 Business Days after the initial distribution of such proposed supplemental indenture pursuant to the first sentence of this paragraph), the Trustee shall provide to the

Collateral Manager, the Collateral Administrator, the Rating Agencies and the holders of the Notes a copy of such supplemental indenture as revised, indicating the changes that were made. If any Class of Notes are Outstanding and are rated by Moody's, Rating Agency Confirmation must be obtained from Moody's for any supplemental indenture that modifies or amends any component of the Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix or the definitions related thereto.

If any supplemental indenture permits the Issuer to enter into a Synthetic Security or other hedge, swap or derivative transaction (each a "hedge agreement"), the Co-Issuers and the Trustee shall not enter into such supplemental indenture without the consent of a Majority of the Controlling Class and a Majority of the Subordinated Notes; *provided* that the supplemental indenture shall require that, before entering into any such hedge agreement, the following additional conditions are satisfied: (A) the Issuer receives a written opinion of counsel that either (1) the Issuer entering into such hedge agreement will not cause it to be considered a "commodity pool" as defined in Section 1a(10) of the Commodity Exchange Act, as amended or (2) if the Issuer would be a commodity pool, (a) that the Collateral Manager, and no other party, would be the "commodity pool operator" and "commodity trading adviser"; and (b) with respect to the Issuer as the 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 (or the supplemental indenture requires) that for so long as the Issuer is a commodity pool it will take 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 any other actions required as a commodity pool operator and commodity trading adviser with respect to the Issuer; (C) the Issuer receives a written opinion of counsel that the Issuer entering into such hedge agreement will not, in and of itself, cause the Issuer to become a "covered fund" as defined by the Volcker Rule; and (D) the Issuer has received Rating Agency Confirmation with respect to any Rated Notes currently rated by Moody's and/or S&P.

At the cost of the Co-Issuers, the Trustee will provide to the holders of Notes and the Rating Agencies (in the manner described in the Indenture) a copy of the executed supplemental indenture after its execution. Any failure of the Trustee to publish, mail or deliver such notice, or any defect therein, will not in any way impair or affect the validity of any such supplemental indenture.

For the avoidance of doubt, the Co-Issuers and the Trustee may, without regard for the provisions described in this section "Modification of the Indenture," enter into an amendment or supplemental indenture in connection with a Re-Pricing solely to modify the interest rate applicable to the Re-Priced Class. See "—Optional Re-Pricing."

Additional Issuance. The Indenture will provide that, at any time during the Reinvestment Period, the Co-Issuers, at the written direction of a Majority of the Subordinated Notes, may issue and sell additional notes of any one or more new classes of notes that are fully subordinated to the existing Rated Notes (or to the most junior class of notes of the Issuer (other than the Subordinated Notes) issued pursuant to the Indenture, if any class of notes issued pursuant to the Indenture other than the Rated Notes and the Subordinated Notes is then outstanding) and/or additional notes of any one or more existing Classes (other than and subject, in the case of additional notes of an existing Class of Rated Notes, to clause (e) below) and use the net proceeds to purchase additional Collateral Obligations or as otherwise permitted under the Indenture; *provided* that the following conditions are met: (a) the Collateral Manager consents to such issuance; (b) in the case of additional notes of any one or more existing Classes, the Aggregate Outstanding Amount of Notes of such Class issued in all additional issuances may not exceed 100% of the respective original Aggregate Outstanding 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, the interest rate and price of such notes do not have to be identical to those of the initial Notes of that Class but the interest rate may not exceed the interest rate applicable to the initial Notes of the Class; (d) such additional notes must be issued at a cash sales price equal to or greater than the principal amount thereof; (e) in the case of additional notes of any one or more existing Classes, unless only additional Subordinated Notes are being issued, additional notes of all Classes must be issued and such issuance of additional notes must be proportional across all Classes, *provided* that (i) the principal amount of Subordinated Notes issued in any such issuance may exceed the proportion otherwise applicable to the Subordinated Notes and (ii) if additional Subordinated Notes are being issued, each holder of Subordinated Notes shall have the right to purchase additional Subordinated Notes to maintain its proportional ownership within the Class of Subordinated

Notes; (f) unless only additional Subordinated Notes are being issued, Rating Agency Confirmation has been obtained from Moody's and S&P with respect to any outstanding Rated Notes not constituting part of such additional issuance, *provided* that if only additional Subordinated Notes are being issued, the Issuer notifies each Rating Agency of such issuance prior to the issuance date; (g) the proceeds of any additional notes (net of fees and expenses incurred in connection with such issuance) will be treated as Principal Proceeds and used to purchase additional Collateral Obligations, to invest in Eligible Investments or to apply pursuant to the Priority of Payments; (h) immediately after giving effect to such issuance, each Coverage Test is satisfied or, with respect to any Coverage Test that was not satisfied immediately prior to giving effect to such issuance and will continue not to be satisfied immediately after giving effect to such issuance, the degree of compliance with such Coverage Test is maintained or improved immediately after giving effect to such issuance and the application of the proceeds thereof; (i) unless only additional Subordinated Notes are being issued, Tax Advice shall be delivered to the Trustee, by or on behalf of the Issuer, to the effect that (A) in the case of additional notes of any one or more existing Classes, such issuance would not cause the holders or beneficial owners of previously issued Notes of such Class to be deemed to have sold or exchanged such Notes under Section 1001 of the Code and (B) any additional Class A Notes, Class B Notes or Class C Notes will be, and any additional Class D Notes should be, treated as debt for U.S. federal income tax purposes; (j) the Issuer has delivered to the Trustee an Officer's Certificate that such additional issuance is permitted under the Indenture and that all conditions thereto have been satisfied; (k) in the case of an additional issuance of any Rated Notes and if any Class A-1 Notes are outstanding, a Majority of the Class A-1 Notes consents to such additional issuance; and (l) if the U.S. Risk Retention Requirements Effective Date has occurred, any U.S. Risk Retention Requirements with respect to such additional issuance are or will be satisfied, as determined by the Collateral Manager based on advice from nationally recognized counsel. Any such additional issuance will be issued in a manner that will allow the Issuer to accurately provide the information described in Treasury Regulations section 1.1275-3(b)(1)(i). The use of such issuance proceeds as Principal Proceeds may have the effect of causing a Coverage Test that was otherwise failing to be cured or modifying the effect of events that would otherwise give rise to an Event of Default and permit the Controlling Class to exercise remedies under the Indenture. Such additional notes of an existing Class may be offered at prices that differ from the applicable initial offering price.

Except to the extent that the Collateral Manager has determined that its purchase of additional notes is required for compliance with the U.S. Risk Retention Requirements, any additional notes of each Class issued as described above will, to the extent reasonably practicable, be offered first to holders of that Class in such amounts as are necessary to preserve their *pro rata* holdings of Notes of such Class.

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

Petitions for Bankruptcy. The Indenture will provide that none of the holders or beneficial owners of the Notes, the Trustee and the Secured Parties may institute against, or join any other Person in instituting against, the Issuer, the Co-Issuer or any Blocker Subsidiary any bankruptcy, reorganization, arrangement, insolvency, winding up, moratorium or liquidation proceedings, or other proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws (each a "Bankruptcy Filing") until the payment in full of all Notes and the expiration of a period equal to one year (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 the Notes causes a Bankruptcy Filing against the Issuer, the Co-Issuer or any Blocker Subsidiary in violation of its non-petition covenant (each, a "Filing Holder"), any claim that such Filing Holder has against the Co-Issuers (including under all Notes of any Class held by such holder(s)) or with respect to any Assets (including any proceeds thereof) will, notwithstanding anything to the contrary in the Priority of Payments 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 it is not a Filing Holder, with such subordination being effective until each Note held by such holders that are not Filing Holders (and each claim of each other secured creditor of the Issuer) is paid in full in accordance with the Priority of Payments (after giving effect to such subordination) (such agreement, a "Bankruptcy Subordination Agreement"). The Indenture and the Bankruptcy Subordination Agreement will constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code. The Issuer will direct the Trustee to segregate payments and take other reasonable steps to make the subordination agreement effective. In order to give effect to the foregoing,

the Issuer will, to the extent necessary, obtain and assign a separate CUSIP or CUSIPs to the Notes of each Class of Notes held by the Filing Holder.

Contesting Insolvency Filings. The Issuer, Co-Issuer or any Blocker Subsidiary upon receipt of notice of any Bankruptcy Filing will, provided funds are available for such purpose, timely file an answer and any other appropriate pleading objecting to any Bankruptcy Filing. 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 will constitute "Petition Expenses" and will be paid as Administrative Expenses unless paid on behalf of the applicable entity. Petition Expenses in an amount up to U.S.$250,000 in the aggregate (such limit to be in effect throughout the transaction and until the dissolution of the Issuer) will constitute "Special Petition Expenses" and will be paid without regard to the Administrative Expense Cap.

Satisfaction and Discharge of the Indenture. The Indenture will be discharged with respect to the Assets securing the Rated 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 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 or 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. The discharge of the Indenture is subject to certain exceptions, including the obligation to pay principal and interest (subject to the provision of the Indenture providing that the obligations of the Issuer or Co-Issuers, as applicable, under the Rated Notes and the Indenture are limited recourse obligations of the Issuer or Co-Issuers, as applicable, and the obligations of the Issuer under the Subordinated Notes are limited recourse obligations of the Issuer, payable solely from proceeds of the 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 consist exclusively of (a) Eligible Investments, (b) cash, and/or (c) one or more of the following: (i) 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 (x) the Issuer has not received a payment in cash during the preceding twelve months and (y) 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 months or (ii) any asset, claim or other property identified in a certificate of the Collateral Manager as having a Market Value of less than U.S.$1,000 (each, an "Illiquid Asset"), then the Collateral Manager may request bids with respect to each such Illiquid Asset pursuant to the provisions of the Indenture after providing notice to the holders of Notes 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 (with a copy to the Collateral Manager) 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 U.S.$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 U.S.$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 and the Collateral Manager 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 any limitations on amount or priority under the Priority of Payments, any remaining amounts shall be applied to the payment of unpaid principal and interest (including defaulted interest and 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.

The Collateral Manager will not dispose of Illiquid Assets in accordance with the immediately preceding paragraph if directed not to do so, 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. The Trustee will 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) U.S.$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 (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 the Bank is acting pursuant to the Transaction Documents), the Administrator and their Affiliates, including for opinions of counsel in connection with amendment or 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. The Bank 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 Indenture. The Trustee may resign at any time by providing 60 days' notice. The Trustee may be removed at any time by an act of a Majority of each Class of Rated Notes or, at any time when an Event of Default or Enforcement Event has occurred and is 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 monthly reports with respect to the Collateral Obligations available on the Trustee's Website. Parties that are unable to use the above distribution option are entitled to have a paper copy provided to them by calling the Trustee's customer service desk. 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 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.

Form, Denomination and Registration of the Notes

The Notes will be sold only to (i) non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act, (ii) Qualified Institutional Buyers that are also either Qualified Purchasers or entities owned exclusively by Qualified Purchasers that are Qualified Institutional Buyers and (iii) solely in the case of Subordinated Notes, Accredited Investors that are also either Qualified Purchasers or Knowledgeable Employees or entities owned exclusively by Qualified Purchasers or by Knowledgeable Employees. Except as described below, each Rated Note sold to a person that, at the time of the acquisition, purported acquisition or proposed acquisition of any such Note, is both a Qualified Institutional Buyer and a Qualified Purchaser in reliance on Rule 144A will be issued in the form of one or more Rule 144A Global Notes (the "Rule 144A Global Notes"). Except as described below, Rated 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 Regulation S Global Notes (the "Regulation S Global Notes").

The Co-Issued Notes offered to non-U.S. persons in offshore transactions pursuant to Regulation S will be issued initially in the form of Temporary Global Notes, which will be exchanged for permanent global notes on or after the Closing Date. Interests in a Temporary Global Note or a Regulation S Global Note may not be held at any time by a "U.S. person" (as defined in Regulation S), and U.S. re-offers or resales of Notes offered outside the United States in reliance on Regulation S 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 agents, Affiliates or intermediaries. On or after the 40th day after the later of the Closing Date and the commencement of the offering of the Notes (the "Restricted Period"), interests in a Temporary Global Note will be exchangeable for interests in a Regulation S Global Note upon certification that the beneficial interests in such Temporary Global Note are owned by persons who are not U.S. persons.

A beneficial interest in a Temporary Global Note will not be transferable to a person that takes delivery in the form of an interest in a Rule 144A Global Note, Certificated Note or Uncertificated Subordinated Note during the Restricted Period. After the Restricted Period, interests in Regulation S Global Notes will only be transferable upon satisfaction of certain conditions described herein, including satisfaction of the certification requirements described herein. See "Transfer Restrictions". Upon the exchange of a Temporary Global Note for a Regulation S Global Note, the Regulation S Global Note will be deposited with the Trustee as custodian for DTC and registered in the name of a nominee of DTC for the account of Euroclear or Clearstream. Beneficial interests in Temporary Global Notes and Regulation S Global Notes may only be held through Euroclear or Clearstream.

Each initial investor and subsequent transferee of an interest in Co-Issued Notes held in the form of a Global Note will be deemed to represent, among other matters, as to its status under the Securities Act and the Investment Company Act and ERISA.

Issuer-Only Notes sold to non-U.S. persons in offshore transactions in reliance on Regulation S or to U.S. persons who are Qualified Institutional Buyers will be issued in the form of Regulation S Global Notes or Rule 144A Global Notes, respectively; *provided* that (i) Subordinated Notes sold to such persons may be issued in the form of Certificated Notes or Uncertificated Subordinated Notes upon request of such person and (ii) all Subordinated Notes sold to Accredited Investors will be issued as Certificated Notes or, if requested by the beneficial owner thereof, will be issued as Uncertificated Subordinated Notes. Issuer-Only Notes may be acquired by Benefit Plan Investors or Controlling Persons after the Closing Date only in the form of Certificated Notes or, in the case of Subordinated Notes, if requested by the beneficial owner thereof, Uncertificated Subordinated Notes.

Uncertificated Subordinated Notes registered in the name of a Person shall be considered "held" by such Person for all purposes under the Indenture.

Each initial investor in Issuer-Only Notes will be required to provide an investor letter in which it will be required to certify, among other matters, as to its status under the Securities Act, the Investment Company Act and

ERISA. Each transferee of an interest in an Issuer-Only Note to be evidenced by a Certificated Note or, only in the case of Subordinated Notes, an Uncertificated Subordinated Note, will be required to make, and each transferee of an interest in Issuer-Only Notes evidenced by Global Notes, will be deemed to make, certain representations and warranties as to its status under the Securities Act, the Investment Company Act and ERISA.

Certificated Notes will be issued on the Closing Date to initial investors who request Certificated Notes and may be issued to subsequent holders upon request.

The Global Notes will be deposited with the Trustee as custodian for, and registered in the name of Cede & Co., a nominee of, DTC.

A beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the corresponding Rule 144A Global Note only upon receipt by the Trustee of (i) a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction and (ii) a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is (x) a Qualified Institutional Buyer and (y) a Qualified Purchaser. Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the applicable Regulation S Global Note only upon receipt by the Trustee of a written certification from the transferor in the form required by the Indenture to the effect that such transfer is being made in accordance with Regulation S under the Securities Act and a written certification from the transferee in the form required by the Indenture to the effect, among other things, that such transferee is a non-U.S. person purchasing such Note in an offshore transaction pursuant to Regulation S. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note, and become an interest in such other Global Note, and accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Notes for as long as it remains such an interest. A beneficial interest in a Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in such Regulation S Global Note without the provision of any transferor or transferee certifications.

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

Any person who is (i) in the case of Subordinated Notes, a U.S. person and not a Qualified Institutional Buyer, or (ii) in the case of Issuer-Only Notes, a Benefit Plan Investor or a Controlling Person not purchasing on the Closing Date, may take delivery of a beneficial interest in such Notes only in the form of a Certificated Note (or an Uncertificated Subordinated Note in the case of Subordinated Notes), and in each case only upon receipt by the Issuer and the Trustee of a transfer certificate in the form set forth in the Indenture. A Certificated Note or an Uncertificated Subordinated Note may be transferred to a person who takes delivery in the form of an interest in a Global Note only upon receipt by the Issuer and the Trustee of (A) in the case of a Certificated Note, the transferor's Certificated Note and (B) a transferor representation letter with respect to the transferee.

A beneficial interest in an Issuer-Only Note may not be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25% or more of the Aggregate Outstanding Amount of any other Class of Issuer-Only Notes, determined in accordance with the Plan Asset Regulation and the Indenture, assuming, for this purpose, that all the representations made (or, in the case of Global Notes, deemed to be made) by holders of such Class of Notes are true.

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

The registered owner of the relevant Global Note will be the only person entitled to receive payments in respect of the Notes represented thereby, and the Co-Issuers or the Issuer, as applicable, will be discharged by

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

Except in the limited circumstances described below, owners of beneficial interests in the Global 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 depositary for Global Notes of any Class or Classes or ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary 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 Notes to the beneficial owners of such Global Notes in the manner set forth in the Indenture. In addition, the owner of a beneficial interest in a Global Note will be entitled to receive a definitive physical Note in exchange for such interest if an 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 Notes, the Issuer expressly acknowledges that such beneficial owners shall be entitled to pursue any remedy that the holders of a Global 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 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 Notes as described above, the applicable Global 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 Amount of definitive physical Notes.

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

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

The Notes will be issued in the minimum denominations indicated in "Summary of Terms—Principal Terms of the Notes."

The Subordinated Notes

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 subordinated, limited recourse obligations issued by the Issuer under the Indenture. The Subordinated Notes will not be secured obligations. The Subordinated Notes will be fully subordinated to the Rated Notes and to the payment of all other amounts payable in accordance with the Priority of Payments. 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, 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 Rated Notes) to the holders of the Subordinated Notes in final payment of the

Subordinated Notes, unless 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 Rated Notes as described under "—Entitlement to payments on the Notes" and any unclaimed payments will be subject to the terms described under "—Entitlement to payments on the Notes—Prescription".

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

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

Voting. A Majority of the Subordinated Notes will be able to direct a redemption of the Rated Notes and/or the Subordinated Notes under certain circumstances pursuant to the Indenture as described herein and, at any time during the Reinvestment Period, may approve an amendment of the Indenture to effect the issuance of additional notes of one or more new classes that are fully subordinated to the existing Rated Notes (or to the most junior class of notes of the Issuer (other than the Subordinated notes) issued pursuant to the Indenture, if any class of Notes issued pursuant to the Indenture other than the Rated Notes and the Subordinated Notes is then outstanding) and/or additional notes of any existing Class, as described herein. See "—Optional Redemption and Tax Redemption", "—The Indenture—Modification of Indenture" and "—The Indenture—Additional Issuance".

No Gross-Up

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

Tax Characterization

The Issuer intends to treat, and the Indenture will provide that the Issuer, the Co-Issuer and the Trustee agree, and each holder and beneficial owner of Notes (other than certain holders or beneficial owners whose Rated Notes may be classified by applicable law or regulations as stock), by accepting a Note, agrees, to treat (i) the Rated Notes as debt instruments of the Issuer only and (ii) the Subordinated Notes as equity interests in the Issuer, in each case for U.S. federal and, to the extent permitted by law, state and local income and franchise tax purposes. The Indenture will provide that each holder, by accepting a Note, agrees to report all income (or loss) in accordance with such treatment and to take no action inconsistent with such treatment unless otherwise required by a relevant taxing authority, it being understood that this paragraph shall not prevent holders of Class D Notes from making a protective "qualified electing fund" election or filing protective information returns.

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

Compliance with Rule 17g-5

To enable the Rating Agencies to comply with Rule 17g-5 of the Exchange Act, the Issuer has agreed with each Rating Agency to the effect that it will post on the 17g-5 Website, at the same time such information is provided to the Rating Agencies, all information the Issuer provides to the Rating Agencies for the purposes of determining the initial credit rating of the Rated Notes or undertaking credit rating surveillance of the Rated Notes. The Issuer has arranged to provide access to the 17g-5 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 Rated Notes, which may be lower, and could be significantly lower, than the ratings assigned by the Rating Agencies. S&P may also issue unsolicited ratings with respect to the Rated 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 Rated Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Rated Notes".

RATINGS OF THE RATED NOTES

It is a condition of the issuance of the Notes that each Class of Rated Notes receive from Moody's and that the Class A-1 Notes receive from S&P the minimum rating indicated under "Summary of Terms—Principal Terms of the Notes". In addition, a rating agency not hired by the Issuer to rate the transaction may provide an unsolicited rating that differs from (or is lower than) the ratings provided by the Rating Agencies, and S&P may provide unsolicited ratings with respect to the Rated 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 Rated Notes may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of the Rated Notes".

The ratings of the Rated Notes address the likelihood of full and ultimate payment to holders of the Rated Notes of all distributions of stated interest (or, in the case of the Moody's 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 Rated 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 Rated 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 Rated Notes (which is achieved through the subordination of the Subordinated Notes and certain Classes of Rated 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.

SECURITY FOR THE RATED NOTES

The Issuer will grant to the Trustee, for the benefit and security of the Secured Parties, all of its right, title and interest in, to and under, in each case, whether now owned or existing, or hereafter acquired or arising, in each case as defined in the UCC, accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, financial assets, investment property, general intangibles, letter-of-credit rights, and other property of any type or nature in which the Issuer has an interest, including all proceeds (as defined in the UCC) with respect to the foregoing (subject to the exclusions noted below, the "Assets" or the "Collateral").

Such Grants include, but are not limited to, the Issuer's interest in and rights under:

(a) the Collateral Obligations and Equity Securities and all payments thereon or with respect thereto;

(b) each Account, including any Eligible Investments purchased with funds on deposit therein, and all income from the investment of funds therein;

(c) the Collateral Management Agreement, the Administration Agreement and the Collateral Administration Agreement;

(d) all cash;

(e) the Issuer's ownership interest in any Blocker Subsidiary;

(f) any Selling Institution Collateral, subject to the prior lien of the relevant Selling Institution; and

(g) all proceeds with respect to the foregoing.

Such grants exclude (i) the U.S.$250 transaction fee paid to the Issuer in consideration of the issuance of the Notes, (ii) the proceeds of the issuance and allotment of the Issuer's ordinary shares, (iii) any account in the Cayman Islands maintained in respect of the funds referred to in items (i) and (ii) above (and any amounts credited thereto and any interest thereon), (iv) the membership interests of the Co-Issuer, and (v) any Tax Reserve Account and any funds deposited in or credited to any such account.

Collateral Obligations

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), and in connection with certain other actions of the Issuer, the Collateral Obligations in the aggregate are required to comply with all of the requirements of the Concentration Limitations set forth under "Summary of Terms—Concentration Limitations" or, if not in compliance at the time of reinvestment, the relevant requirements must be maintained or improved as a result of such reinvestment as described in the Investment Criteria. See "—Collateral Assumptions" below for a description of the assumptions applicable to the determination of satisfaction of the Concentration Limitations.

The Collateral Quality Test

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), and in connection with certain other actions of the Issuer, the Collateral Obligations in the aggregate are

required to comply with all of the requirements of the Collateral Quality Test set forth under "Summary of Terms—Collateral Quality Test" or, if not in compliance at the time of reinvestment, the relevant requirements must be maintained or improved as described in the Investment Criteria. 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 "Minimum Floating Spread" means the number set forth in the column entitled "Minimum Weighted Average Spread" in the Matrix Combination, reduced by the Moody's Weighted Average Recovery Adjustment; *provided* that the Minimum Floating Spread shall in no event be lower than 1.90%.

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) the Aggregate Excess Funded Spread, in respect of any Floating Rate Obligation; by

(b) an amount equal to the lesser of (i) the Reinvestment Target Par Balance and (ii) an amount equal to the Aggregate Principal Balance (including for this purpose any capitalized interest) of all Floating Rate Obligations (excluding Defaulted Obligations) as of such Measurement Date;

provided that, for the purposes of the S&P CDO Monitor (A) the Aggregate Excess Funded Spread shall not be included in the calculation of the amount described in clause (a), and (B) clause (b) shall in all cases be equal to the Aggregate Principal Balance (including for this purpose any capitalized interest) of all Floating Rate Obligations (excluding Defaulted Obligations) as of such Measurement Date.

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 the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation and, in the case of any security that in accordance with its terms is making payments due thereon "in kind" in lieu of cash, any interest to the extent not paid in cash) on such Collateral Obligation above such index multiplied by (ii) the Principal Balance (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 the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation and, in the case of any security that in accordance with its terms is making payments due thereon "in kind" in lieu of cash, any interest to the extent not paid in cash) 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 (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 will be deemed to be, with respect to any Floating Rate Obligation that has a LIBOR floor, the stated interest rate spread *plus*, if positive, (x) the LIBOR floor value *minus* (y) LIBOR as in effect for the current Interest Accrual Period.

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 in which such Measurement Date occurs; by

(b) the amount (not less than zero) equal to (i) the Aggregate Principal Balance of the Collateral Obligations as of such Measurement Date minus (ii) the Reinvestment Target Par Balance.

"Excess Weighted Average Floating Spread" means a percentage equal as of any date of determination to a number obtained by multiplying (a) the excess, if any, of the Weighted Average Floating Spread over the Minimum Floating Spread by (b) the number obtained, including for this purpose any capitalized interest, by dividing the Aggregate Principal Balance of all Floating Rate Obligations by the Aggregate Principal Balance of all Fixed Rate Obligations.

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

The "Minimum Weighted Average Coupon" means 7.5%.

The "Weighted Average Coupon" as of any Measurement Date, is the number obtained by dividing:

(a) the amount equal to the Aggregate Coupon 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, (a) the stated coupon on such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation and, in the case of any security that in accordance with its terms is making payments due thereon "in kind" in lieu of cash, any interest to the extent not paid in cash) expressed as a percentage and (b) 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) the sum of (i) the number set forth in the Matrix Combination plus (ii) the Moody's Weighted Average Recovery Adjustment and (b) 3300.

The "Weighted Average Moody's Rating Factor" is the number (rounded up to the nearest whole number) determined by:

(a) summing the products of (i) the Principal Balance of each Collateral Obligation (excluding Equity Securities) multiplied by (ii) the Moody's Rating Factor of such Collateral Obligation (as described below); and

(b) dividing such sum by the outstanding Principal Balance of all such Collateral Obligations.

The "Moody's Rating Factor" relating to any Collateral Obligation is the number set forth in the table below opposite the Moody's Default Probability Rating of such Collateral Obligation.

Moody's Default Probability Rating	Moody's Rating Factor	Moody's Default Probability Rating	Moody's Rating Factor
Aaa	1	Ba1	940
Aa1	10	Ba2	1,350
Aa2	20	Ba3	1,766
Aa3	40	B1	2,220
A1	70	B2	2,720
A2	120	B3	3,490
A3	180	Caa1	4,770
Baa1	260	Caa2	6,500
Baa2	360	Caa3	8,070
Baa3	610	Ca or lower	10,000

For purposes of the Maximum Moody's Rating Factor Test, any Collateral Obligation issued or guaranteed by the United States government or any agency or instrumentality thereof is assigned a Moody's Default Probability Rating equal to the long-term issuer rating of the United States.

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) 47 and (ii) (A) with respect to the adjustment of the Maximum Moody's Rating Factor Test, the number set forth in the column entitled "Recovery Rate Modifier" in the Matrix Combination and (B) with respect to the adjustment of the Minimum Floating Spread, the number set forth in the column entitled "Spread Modifier" in the Matrix Combination; *provided* that if the Weighted Average Moody's Recovery Rate for purposes of determining the Moody's Weighted Average Recovery Adjustment is greater than 60.0%, then such Weighted Average Moody's Recovery Rate shall equal 60.0% or such other percentage as shall have been notified to Moody's by or on behalf of the Issuer; *provided, further*, that the amount specified in clause (b)(i) above may only be allocated once on any date of determination and the Collateral Manager shall designate to the Collateral Administrator in writing on each such date the portion of such amount that shall be allocated to clause (b)(ii)(A) above and the portion of such amount that shall be allocated to clause (b)(ii)(B) above (it being understood that, absent an express designation by the Collateral Manager, all such amounts shall be allocated to clause (b)(ii)(A) above).

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 Matrix Combination.

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 (as defined in the Indenture) groups 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
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

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
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 if on any Measurement Date on or after the Effective Date and during the Reinvestment Period following receipt by the Issuer and the Collateral Administrator of the S&P CDO Monitor input files or the formula contained in the definition of S&P CDO BDR, as applicable, if, after giving effect to the purchase of a Collateral Obligation, (a) during an S&P CDO Model Election Period, the Class Default Differential of the Proposed Portfolio with respect to the Highest Ranking S&P Class is positive and (b) during an S&P CDO Formula Election Period (if any), the S&P CDO Adjusted BDR is equal to or greater than the S&P CDO SDR. During an S&P CDO Model Election Period, the S&P CDO Monitor Test will be considered to be improved if the Class Default Differential of the Proposed Portfolio that is not positive is greater than the Class Default Differential of the Current Portfolio. During an S&P CDO Formula Election Period, for purposes of calculating the S&P CDO Monitor Test in connection with the Effective Date, the S&P Effective Date Adjustments will be applied.

The Collateral Manager may, in its sole discretion, at any time after the Closing Date upon at least five Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator, elect to declare the occurrence of the "S&P CDO Formula Election Date" (the effective date for such election, the "S&P CDO Formula Election Date").

Compliance with the S&P CDO Monitor Test will be measured by the Collateral Manager on each Measurement Date during the Reinvestment Period. Compliance with the S&P CDO Monitor Test is not required after 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 47%.

Minimum Weighted Average S&P Recovery Rate Test.

The "Minimum Weighted Average S&P Recovery Rate Test" will be satisfied on any date of determination if the S&P Weighted Average Recovery Rate for the Highest Ranking S&P Class equals or exceeds the S&P CDO Monitor Recovery Rate for such Class selected by the Collateral Manager (with notice to the Collateral Administrator) in connection with the S&P CDO Monitor Test.

The "Weighted Average Moody's Recovery Rate" is, as of any date of determination, the number, expressed as a percentage, obtained by summing the product of the Moody's Recovery Rate on such Measurement Date of each Collateral Obligation and the Principal Balance of such Collateral Obligation, dividing such sum by the Aggregate Principal Balance of all such Collateral Obligations and rounding up to the first decimal place.

The "Moody's Recovery Rate" is, with respect to any Collateral Obligation, as of any date of determination, the recovery rate determined in accordance with the following, in the following order of priority:

(a) if the Collateral Obligation has been specifically assigned a recovery rate by Moody's (for example, in connection with the assignment by Moody's of an estimated rating), such recovery rate;

(b) if the preceding clause does not apply to the Collateral Obligation and the Collateral Obligation is not a DIP Collateral Obligation, the rate determined pursuant to the table below based on the number of rating subcategories difference between the Collateral Obligation's Moody's Rating and its Moody's Default Probability Rating (for purposes of clarification, if the Moody's Rating is higher than the Moody's Default Probability Rating, the rating subcategories difference will be positive and if it is lower, negative):

Number of Moody's Ratings Subcategories Difference Between the Moody's Rating and the Moody's Default Probability Rating	**Senior Secured Loans**	**Second Lien Loans**	**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%

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

(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%.

Weighted Average Life Test.

The "Weighted Average Life Test" will be satisfied on any date of determination if the Weighted Average Life of the Collateral Obligations as of such date is less than or equal to the value in the column entitled "Weighted Average Life Value" in the table below corresponding to the immediately preceding Payment Date (or prior to the first Payment Date, the Closing Date).

Date	**Weighted Average Life Value**
Closing Date	8.00
April 20, 2017	7.62
July 20, 2017	7.37
October 20, 2017	7.12
January 20, 2018	6.87
April 20, 2018	6.62
July 20, 2018	6.37
October 20, 2018	6.12
January 20, 2019	5.87
April 20, 2019	5.62
July 20, 2019	5.37

Date	Weighted Average Life Value
October 20, 2019	5.12
January 20, 2020	4.87
April 20, 2020	4.62
July 20, 2020	4.37
October 20, 2020	4.12
January 20, 2021	3.87
April 20, 2021	3.62
July 20, 2021	3.37
October 20, 2021	3.12
January 20, 2022	2.87
April 20, 2022	2.62
July 20, 2022	2.37
October 20, 2022	2.12
January 20, 2023	1.87
April 20, 2023	1.62
July 20, 2023	1.37
October 20, 2023	1.12
January 20, 2024	0.87
April 20, 2024	0.62
July 20, 2024	0.37
October 20, 2024	0.12
January 20, 2025	0.00

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:

(I) 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

(II) *dividing* such sum by: the Aggregate Principal Balance at such time of all Collateral Obligations other than Defaulted Obligations.

The "Average Life" is, on any date of determination with respect to any Collateral Obligation, the quotient obtained by dividing (i) the sum of the products of (a) the number of years (rounded to the nearest one hundredth thereof) from such date of determination to the respective dates of each successive scheduled distribution of principal of such Collateral Obligation and (b) the respective amounts of principal of such scheduled distributions by (ii) the sum of all successive scheduled distributions of principal on such Collateral Obligation.

Collateral Assumptions

Unless otherwise specified, the assumptions described below will be applied to the determination of the Concentration Limitations, the Collateral Quality Test, the Coverage Tests and other determinations and calculations required by the Indenture.

For purposes of calculating all Concentration Limitations, in both the numerator and the denominator of any component of the Concentration Limitations, Defaulted Obligations will be treated as having a Principal Balance equal to zero. Except where expressly referenced herein for inclusion in such calculations, Defaulted Obligations will not be included in the calculation of the Collateral Quality Test.

For purposes of calculating the Coverage Tests and the Interest Diversion Test, except as otherwise specified in the Coverage Tests, such calculations will not include scheduled interest and principal payments on Defaulted Obligations, unless such payments have actually been received in cash.

In determining any amount of principal payments required to satisfy any Coverage Test after the Reinvestment Period, for purposes of the Priority of Interest Proceeds, the Aggregate Outstanding Amount of the Rated Notes shall give effect, first, to the application of Principal Proceeds to be used on the applicable Payment Date to repay principal of the Rated Notes and, second, to the application of Interest Proceeds on such Payment Date pursuant to all prior clauses in the Priority of Interest Proceeds.

For purposes of calculating clause (i) of the Concentration Limitations, the amounts on deposit in the Collection Account, the Reinvestment Account Amount 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 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 on the 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 Collateral Quality Test (other than the Weighted Average Life Test and the Minimum Floating Spread Test) and other Investment Criteria, upon the direction of the Collateral Manager by notice to the Trustee and the Collateral Administrator, any Eligible Investment representing Principal Proceeds received upon the sale or other disposition of or principal payment on a Collateral Obligation may be deemed to have the characteristics of such Collateral Obligation until reinvested in an additional Collateral Obligation. Such calculations shall be based upon the principal amount of such Collateral Obligation, except in the case of Defaulted Obligations and Credit Risk Obligations, in which case the calculations will be based upon the Principal Proceeds received on the sale or other disposition of such Defaulted Obligation or Credit Risk Obligation.

If a Collateral Obligation included in the Assets would be deemed a Current Pay Obligation but for the applicable percentage limitation in the proviso to clause (x) of the proviso to the definition of Defaulted Obligation, then the Current Pay Obligations with the lowest Market Value (assuming that such Market Value is expressed as a percentage of the Principal Balance of such Current Pay Obligation as of the date of determination) will be deemed Defaulted Obligations. Each such Defaulted Obligation will be treated as a Defaulted Obligation for all purposes until such time as the Aggregate Principal Balance of Current Pay Obligations would not exceed, on a *pro forma* basis including such Defaulted Obligation, the applicable percentage of the Collateral Principal Amount.

References under "Summary of Terms—Priority of Payments" to calculations made on a "*pro forma* basis" shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments described herein, that precede (in priority of payment) or include the clause in which such calculation is made.

With respect to any purchase of a Collateral Obligation, calculation as to whether any Concentration Limitation or the Collateral Quality Test is satisfied will be made on a *pro forma* basis as of the date the Collateral Manager commits on behalf of the Issuer to make such purchase, in each case as determined by the Collateral Manager after giving effect to the settlement of such purchase and all other sales (or other dispositions) or purchases previously or simultaneously committed to.

For purposes of calculating compliance with the Investment Criteria, at the election of the Collateral Manager in its sole discretion, any proposed investment (whether a single Collateral Obligation or a group of Collateral Obligations) identified by the Collateral Manager as such at the time when compliance with the Investment Criteria is required to be calculated (a "Trading Plan") may be evaluated after giving effect to all sales and reinvestments proposed to be entered into within a specified period of no longer than 10 Business Days (which period does not extend over a Determination Date) following the date of determination of such compliance (such period, the "Trading Plan Period"); *provided* that (u) the purchase prices paid for any Substitute Obligations acquired pursuant to a Trading Plan may not be averaged for the purpose of satisfying any of the Investment Criteria, (v) the Collateral Manager, on behalf of the Issuer, notifies the Trustee, the Collateral Administrator and the Rating Agencies 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 or be in effect after the end of the Reinvestment Period, (y) no more than one Trading Plan may be in effect at any time during a Trading Plan Period and (z) if the Investment Criteria are not satisfied with respect to any such identified reinvestment, notice will be provided to the Trustee, the Collateral Administrator and each Rating Agency. For so long as any Class A-1 Notes are outstanding, in the event of a failure of any Trading Plan, the Issuer may not enter into an additional Trading Plan without receiving Rating Agency Confirmation from S&P (until a Trading Plan for which such Rating Agency Confirmation was obtained is successfully completed).

All monetary calculations under the Indenture will be in U.S. Dollars.

If withholding tax is imposed on (x) any amendment, waiver, consent or extension fees or (y) 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 and the actual number of days elapsed during the related Interest Accrual Period and shall be based on the Fee Basis Amount.

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 (but subject to the definition thereof), Collateral Quality Test and Concentration Limitations), the settlement date with respect to any acquisition or disposition of a Collateral Obligation or Eligible Investment shall be used to determine whether and when such acquisition or disposition has occurred.

For all purposes (including calculation of the Coverage Tests), the Principal Balance of a Revolving Collateral Obligation or a Delayed Drawdown Collateral Obligation will include all unfunded commitments that have not been irrevocably reduced or withdrawn.

The equity interest in any Blocker Subsidiary permitted under the Indenture and each asset of any such Blocker Subsidiary shall be deemed to constitute an Asset and be deemed to be a Collateral Obligation (or, if such asset would constitute an Equity Security if acquired and held by the Issuer, an Equity Security) for all purposes of the Indenture and each reference to Assets, Collateral Obligations and Equity Securities in the Indenture shall be construed accordingly; *provided* that, to the extent any Asset held by a Blocker Subsidiary generates interest, such interest will be included net of any associated tax liability and any future anticipated tax liabilities for purposes of the calculation of the Minimum Floating Spread Test, the Minimum Weighted Average Coupon Test and the Interest Coverage Test.

When used with respect to payments on the Subordinated Notes, the term "principal amount" will mean amounts distributable to holders of Subordinated Notes from Principal Proceeds, and the term "interest" will mean Interest Proceeds distributable to holders of Subordinated Notes in accordance with the Priority of Payments.

If no Class A-1 Notes are outstanding, the S&P CDO Monitor Test and the Minimum Weighted Average S&P Recovery Rate Test will be deemed to be satisfied.

The Coverage Tests

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

See "Summary of Terms—Coverage Tests" for a description of the calculation of the Overcollateralization Ratio Test and Interest Coverage Test.

If a Coverage Test is not satisfied on any applicable Determination Date, the Issuer will be required to apply available amounts in the Payment Account on the related Payment Date to the repayment of principal of the Rated 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 immediately preceding the second Payment Date.

Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria

Subject to the other requirements set forth in the Indenture, 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, as certified by the Collateral Manager (which certification will be deemed to have been provided upon the delivery to the Trustee of a direction or trade confirmation in respect of such sale or disposition), such sale or other disposition meets any one of the following requirements (subject in each case to any applicable requirement of disposition under clause (h) below), for purposes of which the Sale Proceeds of a Collateral Obligation sold by the Issuer shall include any Principal Financed Accrued Interest received in respect of such sale or other disposition:

(a) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Credit Risk Obligation at any time without restriction.

(b) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Credit Improved Obligation either:

(i) at any time if (A) the Sale Proceeds from such sale or other disposition are at least equal to the Investment Criteria Adjusted Balance of such Credit Improved Obligation or (B) after giving effect to such sale or other disposition, the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the anticipated net proceeds of such disposition) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than or equal to the Reinvestment Target Par Balance; or

(ii) solely during the Reinvestment Period, if the Collateral Manager reasonably believes prior to such sale or other disposition that either (A) after giving effect to such sale or other disposition and subsequent reinvestment, the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being disposed of but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than or equal to the Reinvestment Target Par Balance, or (B) it will be able to enter into one or more binding commitments to reinvest all or a portion of the proceeds of such sale or other disposition, in compliance with the Investment Criteria, in one or more additional Collateral Obligations with an Aggregate Principal Balance at least equal to the Investment Criteria Adjusted Balance of such Credit Improved Obligation within 30 Business Days after such sale or other disposition.

(c) The Collateral Manager may direct the Trustee to sell or otherwise dispose of any Defaulted Obligation at any time during or after the Reinvestment Period without restriction. With respect to each Defaulted Obligation that has not been disposed of within three years after becoming a Defaulted Obligation, the Market Value and Principal Balance of such Defaulted Obligation shall be deemed to be zero.

(d) The Collateral Manager (i) may direct the Trustee to sell or otherwise dispose of any Equity Security at any time without restriction, and (ii) shall direct the Trustee to sell or otherwise dispose of any Equity Security regardless of price within 45 days after receipt if such Equity Security constitutes Margin Stock or within 3 years of receipt in all other cases 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 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 and all requirements for an Optional Redemption 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. If any such disposition is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the disposition.

(f) After a Majority of an Affected Class or a Majority of the Subordinated Notes has directed (by a written direction delivered to the Trustee) a Tax Redemption and all requirements for a Tax Redemption set forth in the Indenture are met, the Issuer (or the Collateral Manager on its behalf) 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. If any such disposition is made through participations, the Issuer shall use reasonable efforts to cause such participations to be converted to assignments within six months after the disposition.

(g) So long as no Event of Default has occurred and is continuing, the Collateral Manager may direct the Trustee to sell or otherwise dispose of any Collateral Obligation at any time other than during a Restricted Trading Period if:

(i) after giving effect to such disposition, the Aggregate Principal Balance of all Collateral Obligations disposed of as described in this sub-paragraph (g) during the preceding period of 12 months (or, for the first 12 months after the Closing Date, during the period commencing on the

Closing Date) is not greater than 25% of the Collateral Principal Amount as of the first day of such 12 month period (or as of the Closing Date, as the case may be); *provided*, that if the Issuer sells a Collateral Obligation with the intention of purchasing another obligation of the same obligor that would be *pari passu* or senior to such sold Collateral Obligation, and within 20 Business Days of such sale (determined based upon the date of any relevant trade confirmation or commitment letter) does in fact make such purchase, the Principal Balance of the sold Collateral Obligation will be excluded from any determination of whether the 25% limit has been met; and

(ii) either:

(A) at any time (I) the proceeds from such sale are at least equal to the Investment Criteria Adjusted Balance of such sold Collateral Obligation or (II) after giving effect to such sale, the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligations 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; or

(B) during the Reinvestment Period, the Collateral Manager reasonably believes prior to such sale that it will be able to enter into binding commitments to reinvest all or a portion of the proceeds of such disposition in one or more additional Collateral Obligations with an Aggregate Principal Balance at least equal to the Investment Criteria Adjusted Balance of the Collateral Obligation sold within 30 Business Days of such sale.

(h) (i) 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 (A) no longer meets the criteria described in clause (vii) of the definition of Collateral Obligation, within 18 months after the failure of such Collateral Obligation to meet any such criteria and (B) 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.

(ii) The Issuer shall not

(A) become the owner of any asset or portion thereof (1) that is treated as an equity interest in an entity that is treated as a partnership or other fiscally transparent entity for U.S. federal income tax purposes unless: (x) the entity is not treated, at any time, as engaged in a trade or business within the United States for U.S. federal income tax purposes; and (y) the assets of the entity consist solely of assets that the Issuer could directly acquire consistent with the Indenture, the Collateral Management Agreement, the Memorandum and Articles of Association, and any related documents, (2) the gain from the disposition of which would be subject to U.S. federal income or withholding tax under section 897 or section 1445, respectively, of the Code (*provided* that the Issuer may own equity interests in a Blocker Subsidiary that is a "United States real property interest" within the meaning of section 897(c)(1) of the Code ("USRPI") if the Issuer does not dispose of stock in the Blocker Subsidiary, and the Blocker Subsidiary does not make any distributions to the Issuer that give rise to capital gain, while the equity interest in the Blocker Subsidiary remains a USRPI) or (3) if the ownership or disposition of such asset or portion thereof would cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject to U.S. federal income tax on a net basis, or

(B) maintain the ownership of any asset or portion thereof that is the subject of a workout, amendment, supplement, exchange or modification if the continued ownership of such asset or portion thereof during the process of such workout, amendment, supplement,

exchange or modification would cause the Issuer to violate the Operating Guidelines (each such obligation in the foregoing (A) and (B), an "Ineligible Obligation").

(iii) The Collateral Manager must sell or effect the transfer to a Blocker Subsidiary of (I) any asset or portion thereof with respect to which the Issuer will receive an Ineligible Obligation described in clause (A) of the definition of Ineligible Obligation prior to the receipt of such Ineligible Obligation or (II) any asset or portion thereof described in clause (B) of the definition of Ineligible Obligation prior to the workout, amendment, supplement, exchange or modification at issue, provided that, in each case, the Blocker Subsidiary's acquisition, ownership and disposition of such Ineligible Obligation would not cause any income or gain with respect to such Ineligible Obligation to be treated as income or gain of the Issuer that is effectively connected with the conduct of a trade or business of the Issuer within the United States for U.S. federal income tax purposes (other than as a result of a change in law after the acquisition of such Ineligible 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 obtain Rating Agency Confirmation; *provided* that prior to the incorporation of any Blocker Subsidiary, the Collateral Manager will, on behalf of the Issuer, provide written notice thereof to 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 Ineligible Obligation, as determined by the Collateral Manager based on Tax Advice 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 within the United States for U.S. federal income tax purposes. For financial accounting reporting purposes (including each monthly report prepared under the Indenture) and the Coverage Tests and the Collateral Quality Test (and, for the avoidance of doubt, not for tax purposes), the Issuer will be deemed to own an Ineligible Obligation held by a Blocker Subsidiary rather than its interest in that Blocker Subsidiary.

(i) If the Aggregate Principal Balance of all Collateral Obligations is less than U.S.$10,000,000, the Collateral Manager may direct the Trustee to sell the Collateral Obligations without regard to the foregoing limitations.

(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 of any Collateral Obligation without regard to the limitations in this section 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).

(k) The Collateral Manager will, no later than the Determination Date for the Stated Maturity, on behalf of the Issuer, direct the Trustee to sell (and the Trustee shall sell in the manner specified) for settlement in immediately available funds any Collateral Obligations scheduled to mature after the Stated Maturity and cause the liquidation of all assets held at each Blocker Subsidiary and distribution of any proceeds thereof to the Issuer;

provided, that (x) if an Enforcement Event has occurred and is continuing and the Trustee has not commenced remedies under the Indenture, the Issuer may only make a sale or other disposition pursuant to clauses (a), (c), (d) and (h) above and (y) if an Enforcement Event has occurred and is continuing and the Trustee has commenced remedies under the Indenture, the Issuer may only make a sale or other disposition in accordance with "Description of the Notes—The Indenture—Events of Default".

(l) Notwithstanding anything contained in the Indenture, the Collateral Manager may at any time reasonably determine that any Collateral Obligation is inconsistent with the Issuer's qualification for the "loan securitization exclusion" under the Volcker Rule, and direct the Trustee to sell or otherwise dispose of such Collateral Obligation.

(m) At any time during or after the Reinvestment Period, at the direction of the Collateral Manager, the Issuer may direct the payment from amounts on deposit in the Collection Account any amount required to

exercise a warrant held in the Assets so long as any Equity Security to be received in connection with such exercise is disposed of prior to receipt by the Issuer.

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 will also have the right to effect the sale or other disposition of any Asset or purchase of any Collateral Obligation (*provided* that, in the case of a purchase of a Collateral Obligation, such purchase must comply with the applicable tax requirements set forth or referenced in the Indenture) (x) that has been consented to by holders of Notes evidencing (i) with respect to purchases during the Reinvestment Period and sales or other dispositions during or after the Reinvestment Period, at least 75% of the Aggregate Outstanding Amount of each Class of Notes and (ii) with respect to purchases after the Reinvestment Period, 100% of the Aggregate Outstanding Amount of each Class of Notes and (y) of which each Rating Agency and the Trustee (with a copy to the Collateral Manager) has been notified.

Investment Criteria. On any date during the Reinvestment Period, the Collateral Manager on behalf of the Issuer may, subject to the other requirements in the Indenture, but will not be required to, direct the Trustee to invest Principal Proceeds, proceeds of additional notes issued in accordance with the Indenture, amounts on deposit in the Ramp-Up Account and accrued interest received with respect to any Collateral Obligation to the extent used to pay for accrued interest on additional Collateral Obligations, and the Trustee shall invest such Principal Proceeds and other amounts in accordance with such direction.

No obligations may be purchased by the Issuer during the Reinvestment Period unless each of the following conditions (the "Reinvestment Period Criteria ") are satisfied on a *pro forma* basis as of the date the Collateral Manager commits on behalf of the Issuer to make such purchase, in each case as determined by the Collateral Manager after giving effect to the settlement of such purchase and all other sales (or other dispositions) or purchases previously or simultaneously committed to; *provided* that the conditions set forth in clauses (v) and (vi) below need only be satisfied with respect to purchases of Collateral Obligations occurring on or after the Effective Date:

(i) such obligation is a Collateral Obligation;

(ii) such obligation is not as of such date a Credit Risk Obligation as determined by the Collateral Manager;

(iii) such obligation is not, by its terms, convertible into or exchangeable for Equity Securities, or attached with a warrant to purchase Equity Securities;

(iv) if the commitment to make such purchase occurs on or after the Effective Date (or, in the case of the Interest Coverage Tests, on or after the Determination Date occurring immediately prior to the second Payment Date), (A) each Coverage Test will be satisfied, or if not satisfied, such Coverage Test will be maintained or improved, and (B) if each Coverage Test is not satisfied, the Principal Proceeds received in respect of any Defaulted Obligation or the proceeds of any sale of a Defaulted Obligation shall not be reinvested in additional Collateral Obligations;

(v) (A) in the case of an additional Collateral Obligation purchased with the proceeds from the sale or other disposition of a Credit Risk Obligation or a Defaulted Obligation, either (1) the Aggregate Principal Balance of all additional Collateral Obligations purchased with the proceeds from such disposition will at least equal the Sale Proceeds from such disposition, (2) the Aggregate Principal Balance of the Collateral Obligations will be maintained or increased (when compared to the Aggregate Principal Balance of the Collateral Obligations immediately prior to such disposition), or (3) the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than or equal to the Reinvestment Target Par Balance and (B) in the case of any other purchase of additional Collateral Obligations purchased with the proceeds from the sale or other disposition of a Collateral Obligation, either

(1) the Aggregate Principal Balance of the Collateral Obligations will be maintained or increased (when compared to the Aggregate Principal Balance of the Collateral Obligations immediately prior to such disposition) or (2) the Aggregate Principal Balance of all Collateral Obligations (excluding the Collateral Obligation being sold but including, without duplication, the Collateral Obligation being purchased and the anticipated cash proceeds, if any, of such disposition that are not applied to the purchase of such additional Collateral Obligation) plus, without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds, will be greater than or equal to the Reinvestment Target Par Balance; and

(vi) either (A) each requirement or test, as the case may be, of the Concentration Limitations and the Collateral Quality Test (except, in the case of an additional Collateral Obligation purchased with the proceeds from the sale or other disposition of a Credit Risk Obligation, a Defaulted Obligation or an Equity Security, the S&P CDO Monitor Test) will be satisfied or (B) if any such requirement or test was not satisfied immediately prior to such investment, such requirement or test will be maintained or improved after giving effect to the investment.

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 30 Business Days after such disposition; *provided* that any such purchase must comply with the Investment Criteria.

Not later than the Business Day immediately preceding the end 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 Collection Account 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. With respect to any Collateral Obligation that has a trade date during the Reinvestment Period but will not settle until after the end of the Reinvestment Period, the Issuer may only purchase such Collateral Obligation if in the Collateral Manager's commercially reasonable judgment such Collateral Obligation will settle with the Issuer no later than 60 days after the applicable trade date.

After the Reinvestment Period, unless an Event of Default has occurred and is continuing, 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 Eligible Reinvestment Amounts in Substitute Obligations in accordance with the following requirements (the "Post-Reinvestment Period Criteria" and, together with the Reinvestment Period Criteria, the "Investment Criteria"):

(i) such Substitute Obligation is a Collateral Obligation;

(ii) such Substitute Obligation is not as of such date a Credit Risk Obligation as determined by the Collateral Manager;

(iii) such Substitute Obligation is not, by its terms, convertible into or exchangeable for Equity Securities, or attached with a warrant to purchase Equity Securities;

(iv) (A) in the case of Eligible Reinvestment Amounts received with respect to the sale of Credit Risk Obligations, either (x) the Reinvestment Balance Criteria are satisfied or (y) the Aggregate Principal Balance of all Substitute Obligations purchased with the Eligible Reinvestment Amounts received with respect to such sale of such Credit Risk Obligations equals or exceeds the aggregate amount of the Eligible Reinvestment Amounts received with respect to such sale of such Credit Risk Obligations and (B) in the case of Eligible Reinvestment Amounts received with respect to Unscheduled Principal Payments, the Reinvestment Balance Criteria are satisfied;

(v) the stated maturity of each Substitute Obligation is not later than the stated maturity of such Prepaid Obligation or Credit Risk Obligation, as applicable;

(vi) the Minimum Floating Spread Test, the Minimum Weighted Average Moody's Recovery Rate Test, the Minimum Weighted Average S&P Recovery Rate Test, the Weighted Average Life Test and the Minimum Weighted Average Coupon Test after giving effect to the reinvestment, either (A) are satisfied, or (B) if not satisfied, the level of compliance with such tests will be improved or maintained when compared to the level of compliance immediately before the sale or prepayment related to the Eligible Reinvestment Amounts applied to such purchase;

(vii) all Concentration Limitations are satisfied after giving effect to the reinvestment or, if not satisfied, the level of compliance with such Concentration Limitations will be improved or maintained when compared to the level of compliance immediately before the sale or prepayment related to the Eligible Reinvestment Amounts applied to such purchase;

(viii) each Coverage Test is satisfied after giving effect to the investment in the Substitute Obligations;

(ix) a Restricted Trading Period is not then in effect;

(x) (x) each Substitute Obligation has the same or higher Moody's Rating as such Prepaid Obligation or Credit Risk Obligation, as applicable and (y) for so long as any Class A-1 Notes are outstanding, the additional Collateral Obligations purchased shall have the same or higher S&P Ratings as the Prepaid Obligations or Credit Risk Obligations, as applicable;

(xi) (x) prior to the satisfaction of the Controlling Class Condition, the Maximum Moody's Rating Factor Test shall be satisfied after giving effect to the reinvestment and (y) after the satisfaction of the Controlling Class Condition, the Maximum Moody's Rating Factor Test shall be satisfied, or, if not satisfied, maintained or improved, after giving effect to the reinvestment, and

(xii) the trade date for the purchase of such Substitute Obligation occurs prior to the later of (A) 30 days from receipt of such Eligible Reinvestment Amounts or (B) the last day of the Collection Period during which such Eligible Reinvestment Amounts were received.

Except in accordance with the Post-Reinvestment Period Criteria, after the Reinvestment Period, the Collateral Manager shall not direct the Trustee to invest any amounts on behalf of the Issuer unless (x) consent thereto has been obtained from holders of Notes evidencing 100% of the Aggregate Outstanding Amount of each Class of Notes and (y) each Rating Agency and the Trustee has been notified of such investment.

During and after the Reinvestment Period, the Issuer (or the Collateral Manager on the Issuer's behalf) may vote in favor of a Maturity Amendment only if the Collateral Manager determines that, after giving effect to any relevant Trading Plan, (i) after giving effect to such Maturity Amendment, the stated maturity of the Collateral Obligation that is the subject of such Maturity Amendment is not later than the Stated Maturity of the Rated Notes, (ii) the Weighted Average Life Test will be satisfied immediately after giving effect to such Maturity Amendment and (iii) the Overcollateralization Ratio Test with respect to the Class A Notes will be satisfied immediately after giving effect to such Maturity Amendment; *provided* that the limitation stated in clause (ii) will not apply to any Credit Amendment if immediately after giving effect to such Credit Amendment, the Aggregate Principal Balance of Collateral Obligations subject to a Credit Amendment will not exceed 1.5% of the Collateral Principal Amount. "Credit Amendment" means a Maturity Amendment that is consummated in connection with the workout or restructuring of such Collateral Obligation as a result of the financial distress, or an actual or imminent bankruptcy or insolvency, of the related obligor.

Cash on deposit in any account constituting part of the Assets (other than the Payment Account) may be invested in Eligible Investments at any time in accordance with the Indenture.

The Collateral Manager will be required to provide notice to Moody's of any Collateral Obligations meeting the requirements set forth in clause (c) of the definition of "Domicile."

Bankruptcy Exchanges. The Issuer is not permitted to enter into any Bankruptcy Exchange.

The Collection Account and Payment Account

All distributions on the Collateral Obligations and any proceeds received from the disposition of any Collateral Obligations will be remitted to a single segregated account, held in the name of the Trustee, for the benefit of the Secured Parties (the "Collection Account"). Such distributions and proceeds of distributions will be available, together with reinvestment earnings thereon, for application to the payment of the amounts set forth under "Summary of Terms—Priority of Payments" and for the acquisition of additional Collateral Obligations under the circumstances and pursuant to the requirements described herein and in the Indenture. All other amounts received by the Trustee or transferred from the Expense Reserve Account or Revolver Funding Account and (i) designated for deposit in the Collection Account or (ii) not designated for deposit in any other Account (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) will be deposited in the Collection Account. 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.

On or before the first Determination Date, so long as (1) the Target Initial Par Condition has been satisfied and would be satisfied after such transfer, (2) the Effective Date Ratings Confirmation has been obtained, (3) each Overcollateralization Ratio Test would be satisfied after transferring such amounts and (4) all Collateral Quality Tests and Concentration Limitations would be satisfied after transferring such amounts (clauses (1) to (4) collectively, the "Effective Date Interest Deposit Restriction"), the Trustee, at the direction of the Collateral Manager, will transfer amounts remaining in the Ramp-Up Account into the Collection Account as Interest Proceeds and on any Business Day after the Effective Date and on and before the first Determination Date, subject to the Effective Date Interest Deposit Restriction, the Trustee, at the direction of the Collateral Manager, will transfer, from time to time, from Principal Proceeds to Interest Proceeds any amount designated by the Collateral Manager, *provided* that such transfers in the aggregate are not greater than 1.0% of the Target Initial Par Amount (such amounts and Principal Proceeds that may be designated as Interest Proceeds, the "Designated Principal Proceeds").

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"; (ii) without limitation to clause (iii) below, 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 clause (ii) during any Collection Period shall not exceed the Administrative Expense Cap for the related Payment Date and (iii) any Special Petition Expenses. The Trustee shall not be obligated to make any payment pursuant to clause (ii) 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 deposit from the Collection Account 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.

Amounts received in the Collection Account during a Collection Period will be invested in Eligible Investments with stated maturities not later than the earlier of (A) the date that is 60 days after the date of delivery thereof and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery thereof. All proceeds from the Eligible Investments will be retained in the Collection Account unless used to purchase additional Collateral Obligations in accordance with the Investment Criteria, or used as otherwise permitted under the Indenture. See "—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria" and "Summary of Terms—Priority of Payments".

On the Business Day immediately preceding each Payment Date, the Trustee will deposit into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "Payment Account") all funds in the Collection Account (other than Supplemental Reserve Amounts being

treated as Principal Proceeds and amounts that the Issuer is entitled to reinvest in accordance with the Investment Criteria described herein, which amounts may be retained in the Collection Account for subsequent reinvestment) required for payments to holders of the Rated Notes and distributions on the Subordinated Notes and payments of fees and expenses in accordance with the priorities described under "Summary of Terms—Priority of Payments". The Co-Issuers shall not have any legal, equitable or beneficial interest in the Payment Account other than in accordance with the Indenture and the Priority of Payments. Amounts in the Payment Account shall remain uninvested.

The Ramp-Up Account

The net proceeds of the issuance of the Notes remaining after payment of fees and expenses will be deposited on the Closing Date into a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties (the "Ramp-Up Account"). The net proceeds of the issuance of the Notes remaining after purchase by the Issuer of Collateral Obligations on or before the Closing Date (including the payment of merger consideration to the sole member of the Warehouse Subsidiary as described under "Risk Factors—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer"), payment of certain fees and expenses and making of certain other account deposits specified in the Indenture will be deposited in the Ramp-Up Account as Principal Proceeds on the Closing Date. On behalf of the Issuer, the Collateral Manager will direct the Trustee to, from time to time prior to the Effective Date, purchase additional Collateral Obligations and invest in Eligible Investments any amounts not used to purchase such additional Collateral Obligations. On the first Business Day after a trust officer of the Trustee has received written notice from the Collateral Manager making reference to the account transfer required by this paragraph and stating that the Effective Date Ratings Confirmation has been obtained, 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 Collection Account as Principal Proceeds. On or before the first Determination Date, the Trustee, at the direction of the Collateral Manager, will transfer amounts remaining in the Ramp-Up Account into the Collection Account as Interest Proceeds as described in "—The Collection Account and the Payment Account." Any amounts remaining in the Ramp-Up Account on the first Determination Date (excluding any proceeds that will be used to settle binding commitments entered into prior to that date) after giving effect to the Designated Principal Proceeds shall be deposited into the Collection Account as Principal Proceeds. Any income earned on amounts deposited in the Ramp-Up Account will be deposited in the Collection Account as Interest Proceeds. For the avoidance of doubt, so long as amounts in the Ramp-Up Account and Principal Proceeds in the Collection Account will, after giving effect to the designation by the Collateral Manager referred to in clause (x) above, collectively be adequate to settle binding commitments entered into prior to such designation, the designation of amounts in the Ramp-Up Account as Interest Proceeds as provided for in such clause (x) shall be made without regard to the requirement to settle such binding commitments.

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. Amounts in the Custodial Account shall remain uninvested.

The Revolver Funding Account

Upon the purchase of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation, Principal Proceeds 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 Collection Account, 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 be required to be held in or invested in Eligible Investments and 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 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 Moody's Counterparty Criteria); or (2) such Selling Institution Collateral shall be deposited with an Eligible Custodian.

Amounts may 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 selected by the Collateral Manager pursuant to the Indenture and earnings from all such investments will be deposited in the Collection Account as Interest Proceeds.

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 Collection Account.

The Expense Reserve Account

The Trustee will, prior to the Closing Date, establish a single, segregated non-interest bearing trust account held in the name of the Trustee for the benefit of the Secured Parties which will be designated as the "Expense Reserve Account". Approximately U.S.$4,500,000 will be deposited in the Expense Reserve Account as Interest Proceeds on the Closing Date for the payment of certain expenses of the Issuer incurred in connection with the issuance of the Notes. On any Business Day from the Closing Date to and including the Determination Date relating to the first Payment Date following the Closing Date, the Trustee will apply funds from the Expense Reserve Account, as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with the establishment of the Co-Issuers, the structuring and consummation of the offering and the issuance of the Notes and any additional issuance. By the Determination Date relating to the first Payment Date following the Closing Date, all funds in the Expense Reserve Account (after deducting any expenses paid on such Determination Date) will be

deposited in the Collection Account as Interest Proceeds and/or Principal Proceeds (in the respective amounts directed by the Collateral Manager in its sole discretion). On any Business Day after the Determination Date relating to the first Payment Date following the Closing Date, the Trustee shall apply funds from the Expense Reserve Account (except as provided in the next sentence), as directed by the Collateral Manager, to pay expenses of the Co-Issuers incurred in connection with any additional issuance of notes or as a deposit to the Collection Account as Principal Proceeds. Any income earned on amounts deposited in the Expense Reserve Account will be deposited in the Collection Account as Interest Proceeds as it is paid.

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 transfer proceeds from the offering of the Notes in an amount equal to the Interest Reserve Amount. On or before the second Determination Date, at the direction of the Collateral Manager, the Issuer may direct that any portion of the then remaining Interest Reserve Amount be transferred to the Collection Account and included as Interest Proceeds or Principal Proceeds (as directed by the Collateral Manager) for the applicable Collection Period. On the second 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 Contribution 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 "Contribution Account" (the "Contribution Account"). Contributions made as described in "*Description of the Notes—Contributions*" will be deposited into the Contribution Account for the uses described in the "*Description of the Notes—Contributions.*" Amounts on deposit in the Contribution Account will be invested in Eligible Investments selected by the Collateral Manager pursuant to the Indenture and earnings from all such investments will be deposited in the Collection Account as Interest Proceeds.

Account Requirements

Each account established under the Indenture is required to be an Eligible Account. An "Eligible Account" is an account with a financial institution (which may be the Trustee) that is a federal or state-chartered depository institution that has (a) so long as any Class A-1 Notes are outstanding, a long-term debt rating of at least "A" and a short-term debt rating of at least "A-1" by S&P (or at least "A+" by S&P if such institution has no short-term rating) and (b) (x) a long-term deposit rating of at least "A2" or a short-term deposit rating of at least "P-1" by Moody's and combined capital and surplus of at least $200,000,000 or (y) in the case of a segregated trust account with the corporate trust department of a federal or state-chartered deposit institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the Code of Federal Regulation Section 9.10(b), such institution has a CR Assessment of at least "Baa3(cr)" by Moody's (or, if such institution has no CR Assessment, a senior unsecured long-term debt rating of at least "Baa3" by Moody's); *provided* that if such institution's ratings fall below the ratings set forth in clauses (a) or (b) the assets held in such account will be moved to another institution that satisfies such ratings within 30 calendar days.

All cash deposited in the accounts may be invested only in Eligible Investments or Collateral Obligations in accordance with the terms of the Indenture. The accounts established by the Trustee pursuant to the Indenture may include any number of sub-accounts deemed necessary for convenience in administering the Assets.

USE OF PROCEEDS

General

The net proceeds from the issuance of the Notes, after discounts (including original issue discounts) and 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 deposits to the Interest Reserve Account and the Revolver Funding Account to be used as described herein, are expected to be approximately U.S.$498,600,000.

On the Closing Date, the net proceeds from the issuance of the Notes will be used to pay merger consideration to the sole member of the Warehouse Subsidiary in connection with the Closing Merger as described under "Risk Factors—Relating to the Collateral Obligations—Pre-Closing Warehouse Arrangements and Closing Merger with the Issuer" to settle purchases of Collateral Obligations on the Closing Date and to fund a deposit in the Ramp-Up Account for settlement of purchases after the Closing Date.

On the Closing Date, the Issuer expects to have committed to purchase Collateral Obligations with a principal amount of approximately 80% of the Target Initial Par Amount.

Effective Date

The Issuer will use commercially reasonable efforts to purchase (or enter into commitments to purchase), on or before the Effective Date Cut-Off, Collateral Obligations in an amount sufficient to satisfy the Target Initial Par Condition.

(a) The Issuer will provide, or cause the Collateral Manager to provide, the certificates, notices and reports as required by the Indenture and as required to satisfy the Moody's Effective Date Rating Condition and the S&P Effective Date Rating Condition or otherwise obtain the Effective Date Ratings Confirmation.

(b) If Effective Date Ratings Confirmation is not obtained on or before the first Determination Date, then the Issuer (or the Collateral Manager on the Issuer's behalf) may take any action permitted under the Indenture, including but not limited to, purchasing Collateral Obligations or redeeming the Notes pursuant to clause (O) of the Priority of Interest Proceeds and clause (L) of the Priority of Principal Proceeds, in an amount sufficient to enable the Issuer (or the Collateral Manager on the Issuer's behalf) to obtain Effective Date Ratings Confirmation from S&P and Moody's, as applicable. Notwithstanding the foregoing, Interest Proceeds may not be applied to purchase additional Collateral Obligations, if in the Collateral Manager's reasonable judgment, after giving effect to such application, 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 the Class A-1 Notes or the Class A-2 Notes (and all amounts senior in priority thereto) on such Payment Date.

(c) On or prior to the Effective Date or the S&P CDO Formula Election Date (if any), the Collateral Manager will determine the S&P CDO Monitor that will apply on and after the Effective Date, and at any time after such initial determination, on written notice of two Business Days to the Trustee, the Collateral Administrator and S&P, the Collateral Manager may elect a different set of inputs to the S&P CDO Monitor. In either case, the Collateral Manager may not select inputs with (i) an S&P Minimum Floating Spread that is higher than the actual Weighted Average Floating Spread at the time of selection, (ii) an S&P CDO Monitor Recovery Rate that is higher than the actual S&P Weighted Average Recovery Rate at the time of selection or (iii) an S&P CDO Monitor Weighted Average Life that is less than the actual Weighted Average Life at the time of selection. At any time that the S&P CDO Monitor Test is not satisfied and would not be in compliance based on any other set of inputs, the Collateral Manager will select inputs as follows: (A) if the actual Weighted Average Floating Spread is lower than the lowest S&P Minimum Floating Spread, the lowest S&P Minimum Floating Spread, (B) if the actual S&P Weighted Average Recovery Rate is lower than the lowest S&P CDO Monitor Recovery Rate, the lowest S&P CDO Monitor Recovery Rate and (C) if the actual Weighted Average Life is higher than the highest S&P CDO Monitor Weighted Average Life, the highest S&P CDO Monitor Weighted Average Life.

(d) 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 Collateral 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 Collateral. 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 will 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 any error in the Effective Date Report will be sent as soon as practicable by the Issuer to all recipients of such report. The Effective Date Report will not include or refer to the Test Recalculation AUP Report.

THE COLLATERAL MANAGER

The information appearing in this section has been prepared by Carlyle GMS CLO Management L.L.C. and has not been independently verified by the Co-Issuers or Citigroup. The Collateral Manager accepts responsibility for such information and to the best of its knowledge the information is in accordance with the facts and does not omit anything likely to affect the import of such information. Accordingly, notwithstanding anything to the contrary herein, neither of the Co-Issuers nor Citigroup assumes any responsibility for the accuracy, completeness or applicability of such information. The duties and obligations of the Collateral Manager are solely those of Carlyle GMS CLO Management L.L.C. ("CGM") and are not guaranteed by The Carlyle Group, more generally, or any of its other affiliated entities. The Notes and the Assets do not represent interests in or obligations of, and are not insured or guaranteed by, the Collateral Manager, The Carlyle Group or any affiliate thereof.

The Collateral Manager

General

The Collateral Manager will perform certain investment management functions, including directing the investment and reinvestment of Collateral Obligations, and perform certain administrative functions on behalf of the Issuer in accordance with the applicable provisions of the Indenture and the Collateral Management Agreement. The Collateral Manager agrees and will be authorized, to, among other things, (i) select the Collateral Obligations and Eligible Investments to be acquired by the Issuer, (ii) invest and reinvest the Assets, and (iii) instruct the Trustee with respect to any disposition or tender of a Collateral Obligation, Equity Security or Eligible Investment by the Issuer. See "The Collateral Management Agreement" .

The Collateral Manager is controlled by Carlyle Investment Management L.L.C. ("CIM"), which is an indirect subsidiary of The Carlyle Group (NASDAQ: CG). CIM is registered with the SEC as an investment adviser under the Advisers Act and the Collateral Manager is covered by CIM's registration pursuant to applicable SEC guidance. Since 1996, CIM has provided investment advice to certain of the affiliates of The Carlyle Group in connection with corporate investments acquired by investment funds sponsored by The Carlyle Group.

Neither the Collateral Manager nor its personnel will be dedicated solely to rendering advisory services to the Issuer, and the Collateral Manager may provide advisory services to other investment funds sponsored by The Carlyle Group, as well as institutional client accounts. The Collateral Manager may, in the future, establish relationships with other such funds and accounts. These current, as well as future, funds and accounts may have investment objectives similar to those of the Issuer. The Carlyle Group, effective January 1, 2011, erected an information barrier to segregate the flow of material, non-public information between the Global Market Strategies Group, including the team that will manage the Assets of the Issuer, and the rest of The Carlyle Group. The purpose of this information barrier is, among other things, to insulate material, non-public information, such that the investment activities of the Global Market Strategies Group, on the one hand, and the rest of The Carlyle Group, on the other hand, are not otherwise restricted because one business unit may have material, non-public information that would be imputed to another business unit in the absence of an information barrier. An information barrier, effective August 2013, was also erected within the Global Market Strategies Group that also segregates the flow of material, non-public information between various fund groups of Global Market Strategies. The Carlyle Group's Global Market Strategies platform ("GMS") maintains an information barrier between Carlyle Commodity Management ("CCM") and the rest of GMS, as a group. This information barrier generally: (i) shields the rest of GMS from the possession of CCM's confidential information, and vice versa, and (ii) makes specific non-public information relating to commodity interest trades, positions or trading strategies in the possession of the businesses on one side of the barrier unavailable to the businesses on the other side. The Carlyle Group also may from time to time erect information barriers on an interim basis for reasons of insulating material, non-public information. Similarly, The Carlyle Group may decide to remove information barriers. The establishment and maintenance of this information barrier means that an advisory client, such as the Issuer, will generally not be able to use, act on or otherwise be aware of confidential information otherwise known by or in the possession of the rest of The Carlyle Group (and vice versa), and collaboration between personnel of the Global Market Strategies Group on the one hand, and personnel with the rest of The Carlyle Group, on the other, may be limited, reducing potential synergies. Additional information about CIM is available in Part 2 of its Form ADV. A copy of CIM's most recent Part 2 of its Form ADV will be delivered to the Issuer and is publicly available through the SEC's website. See also "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 Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with more than $169 billion of assets under management in 125 funds and 177 fund of funds vehicles as of September 30, 2016. The Carlyle Group invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies Real Assets and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. The Carlyle Group has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy & power, financial services, healthcare, industrial, infrastructure, real estate, technology & business services, telecommunications & media and transportation. The Carlyle Group employs more than 1,625 people in 35 offices across six continents.

The Assets will be managed primarily by members of The Carlyle Group's U.S. Structured Credit team. The U.S. Structured Credit team manages approximately $12.6 billion in leveraged loan, high yield bond and CLO assets across 26 active funds. The team is based in New York and is part of The Carlyle Group's Global Market Strategies Group.

The Carlyle Group has sponsored 35 U.S. high yield and leveraged loan funds, as shown below:

Fund	Type	Date
Carlyle High Yield Partners, L.P. [1]	Market Value CDO	1999
Carlyle High Yield Partners II, Ltd. [1]	Cash Flow CLO	1999
Carlyle High Yield Partners III, Ltd. [1]	Cash Flow CLO	2000
Carlyle High Yield Partners IV, Ltd. [1]	Cash Flow CLO	2002
Carlyle Loan Opportunity Fund [1]	Cash Flow CLO	2003
Carlyle High Yield Partners VI, Ltd. [1]	Cash Flow CLO	2004
Carlyle Credit Partners [1, 2]	Credit Opportunity Fund	2004
Carlyle High Yield Partners VII, Ltd. [1]	Cash Flow CLO	2005
Carlyle High Yield Partners VIII, Ltd.	Cash Flow CLO	2006
Carlyle High Yield Partners IX, Ltd.	Cash Flow CLO	2006
Carlyle High Yield Partners X, Ltd.	Cash Flow CLO	2007
Carlyle Synthetic CLO [1]	Synthetic CLO	2007
Carlyle High Yield Partners 2008-1, L.P. [1]	Structured Credit Fund	2008
Carlyle Global Market Strategies CLO 2011-1, Ltd. [1]	Cash Flow CLO	2011
Carlyle Global Market Strategies CLO 2012-1, Ltd.	Cash Flow CLO	2012
Carlyle Global Market Strategies CLO 2012-2, Ltd.	Cash Flow CLO	2012
Carlyle Global Market Strategies CLO 2012-3, Ltd.	Cash Flow CLO	2012
Carlyle Global Market Strategies CLO 2012-4, Ltd.	Cash Flow CLO	2012

Carlyle Global Market Strategies CLO 2013-1, Ltd.	Cash Flow CLO	2013
Carlyle Global Market Strategies CLO 2013-2, Ltd.	Cash Flow CLO	2013
Carlyle Global Market Strategies CLO 2013-3, Ltd.	Cash Flow CLO	2013
Carlyle Global Market Strategies CLO 2013-4, Ltd.	Cash Flow CLO	2013
Carlyle Global Market Strategies CLO 2014-1, Ltd.	Cash Flow CLO	2014
Carlyle Global Market Strategies CLO 2014-2, Ltd.	Cash Flow CLO	2014
Carlyle Global Market Strategies CLO 2014-3, Ltd.	Cash Flow CLO	2014
Carlyle Global Market Strategies CLO 2014-4, Ltd.	Cash Flow CLO	2014
Carlyle Global Market Strategies CLO 2014-5, Ltd.	Cash Flow CLO	2014
Carlyle Global Market Strategies CLO 2015-1, Ltd.	Cash Flow CLO	2015
Carlyle Global Market Strategies CLO 2015-2, Ltd.	Cash Flow CLO	2015
Carlyle Global Market Strategies CLO 2015-3, Ltd.	Cash Flow CLO	2015
Carlyle Global Market Strategies CLO 2015-4, Ltd.	Cash Flow CLO	2015
Carlyle Global Market Strategies CLO 2015-5, Ltd.	Cash Flow CLO	2015
Carlyle Global Market Strategies CLO 2016-1, Ltd.	Cash Flow CLO	2016
Carlyle Global Market Strategies CLO 2016-2, Ltd.	Cash Flow CLO	2016
Carlyle Global Market Strategies CLO 2016-3, Ltd.	Cash Flow CLO	2016

[1] These funds have liquidated substantially all of their assets.

[2] Includes Carlyle Credit Partners, Carlyle Credit Partners (Offshore), Carlyle Loan Partners and Carlyle Credit Partners Financing I, Ltd.

During 2010 and 2011, CIM acquired the rights to manage the following 16 funds:

Fund	Type	Date
Stanfield CLO Ltd.*	Cash Flow CLO	1999
Stanfield/RMF Transatlantic CDO Ltd.*	Cash Flow CLO	2000
Stanfield Carrera CLO, Ltd.*	Cash Flow CLO	2002
Carlyle Modena CLO, Ltd.*	Cash Flow CLO	2004
Mountain Capital CLO III Ltd.*	Cash Flow CLO	2004
Carlyle Vantage CLO, Ltd.*	Cash Flow CLO	2005
Carlyle Bristol CLO, Ltd.*	Cash Flow CLO	2005

Mountain Capital CLO IV Ltd.*	Cash Flow CLO	2005
Carlyle Azure CLO, Ltd.*	Cash Flow CLO	2006
Carlyle Veyron CLO, Ltd.*	Cash Flow CLO	2006
Mountain Capital CLO V Ltd.*	Cash Flow CLO	2006
Carlyle Daytona CLO, Ltd.	Cash Flow CLO	2007
Carlyle McLaren CLO, Ltd.	Cash Flow CLO	2007
Carlyle Arnage CLO, Ltd.*	Cash Flow CLO	2007
Mountain Capital CLO VI Ltd.	Cash Flow CLO	2007
Foothill CLO Ltd.*	Cash Flow CLO	2007

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* These funds have liquidated substantially all of their assets.

The performance records of The Carlyle Group-sponsored U.S. high yield and leveraged loan funds are available from the Collateral Manager upon request.

The Credit Committee

The day to day management and investment decisions on behalf of the Issuer will be performed by the Credit Committee (the "**Credit Committee**") of the U.S. Structured Credit team. Collateral Obligations that may potentially be acquired are typically summarized in a detailed investment memorandum outlining the specifics of the transaction and the terms and features of the Collateral Obligations. Members of the Credit Committee will monitor credit, liquidity, and interest rate risk and compliance with the conditions of the Indenture. The Credit Committee also will review general economic and market conditions, political events, industry trends and changes in interest rates to the extent such elements may have an effect on the performance of the Collateral Obligations. Dispositions of Collateral Obligations are in the discretion of the relevant portfolio manager. Initially, this will be Linda Pace, but is subject to change by the Collateral Manager.

The Credit Committee initially will be comprised of seven senior officers of The Carlyle Group: Linda M. Pace, Glori Holzman Graziano, Michael Hadley, William K. Lee, Adam G. Moss, Jennifer Haaz and Justin Plouffe. Set forth below are the biographies of those individuals who are expected to be primarily involved in the execution of the Collateral Manager's responsibilities under the Collateral Management Agreement, although other employees of the Collateral Manager may be tasked to perform certain of the Collateral Manager's obligations under the Collateral Management Agreement. There can be no guarantee that the members of the Credit Committee will participate in the execution of the Collateral Manager's responsibilities during the entire term of the Collateral Management Agreement. Justin Plouffe is a non-voting member of the Credit Committee. See "Risk Factors—Relating to the Collateral Manager."

Linda M. Pace. Ms. Pace is a Managing Director and Head of U.S. Structured Credit. She is based in New York. Previously, she was responsible for portfolio management for Carlyle High Yield Partners, deploying capital into the U.S. market in cash and synthetic form. Prior to joining The Carlyle Group, Ms. Pace spent 10 years with BHF Bank AG, where she was co-head of the bank's Syndicated Loan group in New York. She invested in leveraged loans on behalf of the bank's $2 billion on balance sheet portfolio, as well as their $400 million Collateralized Loan Obligation funds. Prior to that, Ms. Pace worked at Société Générale as a Corporate Credit Analyst. Ms. Pace received her undergraduate degree in French from Douglass College and her M.B.A. in finance from New York University.

Glori Holzman Graziano. Ms. Graziano is a Managing Director and High Yield Collateral Manager focused on high yield opportunities in the chemicals, plastics and rubber, diversified natural resources, and oil and gas sectors. She is based in New York. Prior to joining The Carlyle Group in 2001, Ms. Holzman Graziano spent over 17 years as a sell side high yield bond analyst at various institutions including SG Cowen, Bank of America, Goldman Sachs and Morgan Stanley, where she specialized in the energy industry. Additionally, she was Co−head of High Yield Research while at Bank of America. Earlier in her career, she was at Standard & Poor's rating agency specializing in the rating of corporate bonds issued by energy companies. Ms. Holzman Graziano received an M.B.A. from George Washington University and a B.A. from Washington University in St. Louis Missouri.

Michael Hadley. Mr. Hadley is a Principal focused on investment opportunities in the automotive and transportation, industrial, metals and mining and paper and forest products sectors. He is based in New York. Prior to joining The Carlyle Group, Mr. Hadley was an Analyst at Katonah Debt Advisors where he focused on leveraged loan and high yield investments across multiple sectors. Mr. Hadley started his career at The Chase Manhattan Bank, where he worked as an investment banker in both the Structured Credit Products and Global Chemicals groups. Mr. Hadley received his undergraduate degree from Florida A&M University.

Adam G. Moss. Mr. Moss is a Principal focused on investment opportunities in the technology and utilities industries. He is based in New York. Prior to joining The Carlyle Group, Mr. Moss was a Senior Analyst at Columbia Management where he focused on high yield and leveraged loan investments across multiple sectors. Earlier in his career, Mr. Moss spent time as an equity analyst with Credit Suisse and a high yield analyst with Moody's Investors Service. Mr. Moss received his M.B.A. from New York University and his undergraduate degree from Penn State University.

William K. Lee. Mr. Lee is a Principal focused on investment opportunities in healthcare and financial services. He is based in New York. Prior to joining The Carlyle Group, Mr. Lee was an Analyst at Moody's Investors Service. Earlier in his career, he worked in risk management for fixed income derivatives at Nomura and as an Operations Analyst at Lehman. Mr. Lee received his M.B.A. from New York University and his undergraduate degree from Columbia University.

Jennifer Haaz. Ms. Haaz is a Principal focused on investment opportunities in the consumer, retail and building products industries. She is based in New York. Prior to joining Carlyle, Ms. Haaz spent four years at Katonah Capital investing in high yield bonds and leveraged loans. Prior to that, she was an Analyst in ABN Amro's high yield group. Ms. Haaz started her career as a member of CIBC Oppenheimer's healthcare investment banking group. Ms. Haaz received her B.A. from Brandeis University.

Justin Plouffe. Mr. Plouffe is a Managing Director with The Carlyle Group Global Market Strategies focusing on structured corporate credit investments. Mr. Plouffe is based in New York. Mr. Plouffe is responsible for the structuring and marketing of The Carlyle Group's new issue collateralized loan obligation (CLO) funds in the United States and Europe. He is also responsible for financial modeling, portfolio analytics and valuation for The Carlyle Group's U.S. CLO business. Since joining The Carlyle Group in 2007, he has been actively involved in The Carlyle Group's acquisitions of corporate credit management platforms and has served as a portfolio manager for secondary market CLO investments. Prior to joining The Carlyle Group, Mr. Plouffe was an attorney at Ropes & Gray LLP. He has also served as a clerk on the U.S. Court of Appeals for the First Circuit and as a legislative assistant to a U.S. Congressman. Mr. Plouffe received his undergraduate degree from Princeton University and his J.D. from Columbia Law School, where he was an editor of The Columbia Law Review. He is a CFA charterholder, holds Series 7 and 63 licenses, and is associated with TCG Securities, L.L.C., the SEC registered broker/dealer affiliate of The Carlyle Group.

THE COLLATERAL MANAGEMENT AGREEMENT

General

The following summary generally describes certain provisions of the Collateral Management Agreement. The summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Collateral Management Agreement.

On the Closing Date, the Issuer and the Collateral Manager will enter into an agreement (the "Collateral Management Agreement") pursuant to which the Collateral Manager will perform certain investment management functions, including supervising and directing the investment and reinvestment of Assets, and perform certain administrative functions on behalf of the Issuer. The Collateral Manager agrees, and will be authorized, to, among other things, (i) select the Collateral Obligations and Eligible Investments to be acquired by the Issuer, (ii) invest and reinvest the Assets and facilitate the acquisition and settlement of Collateral Obligations by the Issuer, (iii) advise the Issuer with respect to interest rate risk and cash flow timing, including negotiating and selecting hedge agreements, (iv) monitor the Assets and instruct the Trustee with respect to any disposition or tender of a Collateral Obligation, Equity Security or Eligible Investment by the Issuer in accordance with the terms of the Indenture, (v) select the Matrix Combination and (vi) provide to the Collateral Administrator certain information specified in the Collateral Administration Agreement and review the reports prepared pursuant to the Indenture and the Collateral Administration Agreement.

The Collateral Manager may, in its discretion, exercise any rights or remedies with respect to any Collateral Obligation, Equity Security or Eligible Investment as provided in the related Underlying Instruments, including, without limitation, any exercise of creditor rights or sitting on any creditors' committee, initiating or participating in lawsuits against the issuer of any Collateral Obligation or Eligible Investment or against any third party who has provided services to the Issuer at the Issuer's expense, or take any other action consistent with the terms of the Collateral Management Agreement and the Indenture which in the reasonable judgment of the Collateral Manager is in the best interests of the holders of the Notes.

The Indenture places significant restrictions on the Collateral Manager's ability to buy and sell Collateral Obligations, and the Collateral Manager is required to comply with these restrictions contained in the Indenture. Accordingly, during certain periods or in certain specified circumstances, the Collateral Manager may be unable to buy or sell securities or to take other actions which it might consider in the best interest of the Issuer and the holders of Notes, as a result of the restrictions set forth in the Indenture. In making determinations as to whether an investment satisfies the definition of "Collateral Obligation" or complies with the investment criteria and for making other determinations relating to the status or characteristics of an investment, the Collateral Manager is entitled to rely upon such advice of counsel or other advisors as the Collateral Manager determines reasonably appropriate in its sole discretion.

The Issuer will agree under the Indenture to avoid acquiring assets or conducting activities that would cause the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes. The Collateral Management Agreement requires the Collateral Manager to comply with requirements set forth in the Operating Guidelines, which are intended to prevent the Issuer from being engaged in a United States trade or business for U.S. federal income tax purposes.

The Collateral Manager shall, subject to the terms and conditions of the Indenture and the Collateral Management Agreement, perform its obligations under the Collateral Management Agreement and the Indenture with reasonable care and in good faith using a degree of skill and attention no less than that which the Collateral Manager exercises with respect to comparable assets that it manages for itself and for others with similar objectives and policies, and to carry out its obligations under the Collateral Management Agreement using a standard no less than the practices and procedures followed by institutional managers of national standing relating to assets of the nature and character of the Assets. Without prejudicing the preceding sentence, the Collateral Manager shall follow its customary standards, policies and procedures in performing its duties under the Collateral Management Agreement.

Limitation of Liability

The Collateral Manager will act under the Collateral Management Agreement as the agent of the Issuer. The Collateral Manager will perform its duties and functions under the Collateral Management Agreement and the Indenture with reasonable care and in good faith; *provided* that the Collateral Manager and its affiliates and their respective principals, partners, members, stockholders, directors, managers, managing directors, officers, employees and agents will not be liable to the Issuer, the Co-Issuer, the Trustee, the Collateral Administrator, any Secured Party or the holders of the Notes or any other persons for any losses incurred, or for any decrease in the value of the Assets, as a result of the actions taken or recommended, or for any omissions, by the Collateral Manager or its affiliates or their respective principals, partners, members, stockholders, directors, managers, managing directors, officers, employees or agents under the Collateral Management Agreement or the Indenture, except (i) by reason of acts or omissions which have been determined in a final judicial proceeding to constitute bad faith, willful misconduct or gross negligence in the performance of, or reckless disregard with respect to, its obligations thereunder, or (ii) that arise out of or are based upon any untrue statement or omission of a material fact in this Offering Circular based upon information contained in the Collateral Manager Information (each, a "Collateral Manager Breach").

Further, any obligation that the Collateral Manager has under the Collateral Management Agreement, the Indenture or otherwise to not take actions to cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes or otherwise subject the Issuer to U.S. federal income or franchise tax on a net income basis will be satisfied to the extent that such actions are taken by the Issuer (or the Collateral Manager on the Issuer's behalf) in compliance with the Operating Guidelines, except to the extent that (A) there has been a material change in U.S. federal income tax law or the interpretation thereof that is relevant to such action since the Closing Date and (B) the Collateral Manager has actual knowledge at the time such action is taken that such action, when considered in the light of the other activities of the Issuer, will cause the Issuer to be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes, it being understood that the Collateral Manager will not be required to independently investigate the tax impact of an action to satisfy clause (B).

U.S. federal and state securities laws impose liabilities 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. Any obligation of the Collateral Manager to apply commercially reasonable efforts in purchasing and disposing of Collateral Obligations and Eligible Investments and the performance of its other duties under the Collateral Management Agreement and the Indenture will permit the Collateral Manager to take into account its investment decision making process and any other considerations it deems appropriate.

Subject to applicable law, the Collateral Manager and its Affiliates and their respective principals, partners, members, stockholders, directors, managers, managing directors, officers, employees and agents (each an "Indemnified Party") will be entitled to indemnification by the Issuer for any losses or liabilities, including legal or other expenses, arising from (i) the issuance of the Notes, (ii) the transactions described in this Offering Circular, the Indenture or the Collateral Management Agreement, (iii) any action or failure to act by any Indemnified Party or (iv) in respect of any untrue statement or alleged untrue statement of a material fact contained in this Offering Circular, or any omission or alleged omission to state a material fact necessary to make the statements in this Offering Circular, in light of the circumstances under which they were made, not misleading; *provided* that with respect to the foregoing indemnity, the Issuer will not be liable for any losses that arise out of or are based upon any Collateral Manager Breach. These indemnification amounts will be paid as Administrative Expenses, which will be paid solely out of the Assets of the Issuer in accordance with the applicable Priority of Payments.

Assignment

The Collateral Manager may not assign any of its rights or responsibilities under the Collateral Management Agreement without (a) satisfaction of Rating Agency Confirmation and (b) the written consent of the Issuer, a Majority of the Controlling Class and a Majority of the Subordinated Notes; *provided*, that, notwithstanding the foregoing, the Collateral Manager will be permitted to assign any or all of its rights and delegate any or all of its obligations under the Collateral Management Agreement to an Affiliate so long as such an assignment does not constitute an "assignment" for purposes of Section 205(a)(2) of the Advisers Act and such affiliate (A) has

demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager under the Collateral Management Agreement and the Indenture, (B) is legally qualified and has the capacity to act as Collateral Manager under the Collateral Management Agreement, (C) has the systems and technology, or rights to the systems and technology, necessary to perform the duties and obligations being assigned or delegated to it and (D) performs its obligations under the Collateral Management Agreement using substantially the same team of individuals that would have performed such obligations had the assignment not occurred. Notwithstanding the foregoing, the assignment by the Collateral Manager of any or all of its rights or the delegation of any or all of its obligations under the Collateral Management Agreement to any Affiliate will require prompt notification to the Controlling Class and each Rating Agency.

In addition, the Collateral Manager may employ third parties (including Affiliates) to render advice and assistance to the Issuer and to perform any of its duties (other than duties relating to portfolio selection and composition) under the Collateral Management Agreement; *provided*, that the Collateral Manager is required to exercise reasonable care in the selection of any such third parties and will not be relieved of any of its duties under the Collateral Management Agreement regardless of the performance of any services by third parties.

Term of the Collateral Management Agreement; Removal, Resignation and Replacement of the Collateral Manager

Subject to the following provisions regarding removal or resignation of the Collateral Manager, the Collateral Management Agreement will be entered into on the Closing Date for a term until the earlier of (i) the liquidation of the Assets under the Indenture and the final distribution of the proceeds of such liquidation to the holders, (ii) termination of the Collateral Management Agreement pursuant to the terms thereof and (iii) the payment in full or redemption in whole of the Notes and the termination of the Indenture in accordance with its terms.

The Collateral Manager may be removed for "cause" upon 10 Business Days' prior written notice by the Issuer or the Trustee, at the direction of a Majority of the Controlling Class or a Majority of the Subordinated Notes (excluding, in each case, any Manager Notes) unless the Majority of the Controlling Class or Majority of the Subordinated Notes providing such direction withdraws it within 10 Business Days after such written notice by the Issuer or the Trustee; *provided*, that termination pursuant to clause (c) below will be automatic without notice required from the Issuer, the Trustee or any other person. Notice of such removal for cause will be given by or on behalf of the Issuer to the holders of each Class of Notes. For purposes of the Collateral Management Agreement, "cause" will mean: (a) willful violation or willful breach by the Collateral Manager of any provision of the Collateral Management Agreement or the Indenture applicable to the Collateral Manager; (b) violation by the Collateral Manager of any provision of the Collateral Management Agreement or the Indenture applicable to it (other than as covered by the preceding clause (a) and it being understood that the failure of any Coverage Test, Investment Criteria, Interest Diversion Test or the Collateral Quality Test is not such a violation) which violation (1) has a material adverse effect on the holders and (2) if capable of being cured, is not cured within 30 days of the Collateral Manager having actual knowledge of, or receiving notice from the Issuer or the Trustee of, such violation, or, if such violation is not capable of cure within 30 days but is capable of being cured in a longer period, the Collateral Manager fails to cure such violation within the period in which a reasonably prudent person could cure such violation, but in no event greater than 60 days; (c) certain events of bankruptcy or insolvency in respect of the Collateral Manager specified in the Collateral Management Agreement; (d) the occurrence of any act constituting fraud or criminal negligence and resulting in a conviction by the Collateral Manager or any managing director of the Collateral Manager who has direct supervisory responsibility for the investment activities of the Issuer; or (e) the occurrence of an Event of Default specified in clause (a) of the definition of Event of Default which default is directly the result of any act or omission of the Collateral Manager resulting from a breach of its duties under the Collateral Management Agreement or the Indenture. The Collateral Management Agreement will also be automatically terminated in the event that the Administrator, in consultation with the board of directors of the Issuer, determines in good faith that the Issuer or the Co−Issuer or any portion of the pool of Assets has become required to register as an investment company under the provisions of the Investment Company Act by virtue of any action taken by the Collateral Manager, and the Administrator notifies the Collateral Manager thereof. If any event specified in the definition of "cause" occurs, the Collateral Manager will give prompt written notice thereof to the Issuer, each Rating Agency then rating the Notes and the Trustee upon the Collateral Manager having actual knowledge of such event.

The Collateral Manager may resign upon 90 days' prior written notice to the Issuer and the Trustee.

The Trustee will agree in the Indenture to notify holders 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. The Manager Notes will have no voting rights with respect to any vote in connection with the removal of the Collateral Manager for cause and will be deemed not to be outstanding in connection with any such vote; *provided*, that Manager Notes will have voting rights with respect to all other matters as to which the holders of Notes are entitled to vote, including, without limitation, any vote to direct an Optional Redemption or a Tax Redemption and any vote to appoint a replacement Collateral Manager pursuant to the Collateral Management Agreement.

Within 30 days of the resignation, termination or removal of the Collateral Manager while any of the Notes are outstanding, a Majority of the Controlling Class will propose an Eligible Successor Manager to replace the Collateral Manager by delivering notice thereof to the Trustee, the Collateral Manager and the holders of the Subordinated Notes. A Majority of the Subordinated Notes will have 30 days from receipt of such notice to (i) object to such successor collateral manager, and (ii) propose a different Eligible Successor Manager by delivery of notice of such objection and proposed successor to the Trustee, the Collateral Manager and the holders of the Controlling Class. If no such notice of objection is received by the Trustee within such time period, the Eligible Successor Manager proposed by a Majority of the Controlling Class will be appointed Collateral Manager. If, however, such notice of objection is received by the Trustee within such time period, a Majority of the Controlling Class will have 30 days from receipt of such notice to (i) object to the Eligible Successor Manager proposed therein, and (ii) propose a different Eligible Successor Manager by delivery of notice of such objection and proposed successor to the Trustee, the Collateral Manager and the holders of the Subordinated Notes. If no such notice of objection is received by the Trustee within such time period, the Eligible Successor Manager proposed by a Majority of the Subordinated Notes will be appointed Collateral Manager. If, however, such notice of objection is received by the Trustee within such time period, a Majority of the Subordinated Notes will have 30 days from receipt of such notice to (i) object to the Eligible Successor Manager proposed therein, and (ii) propose a different Eligible Successor Manager by delivery of notice of such objection and proposed successor to the Trustee, the Collateral Manager and the holders of the Controlling Class. If such notice of objection is received by the Trustee within such time period, a Majority of the Controlling Class will have 30 days from receipt of such notice to object to the Eligible Successor Manager proposed therein by delivery of notice of such objection to the Trustee, the Collateral Manager and the holders of the Subordinated Notes. If such notice is received by the Trustee within such time period, a Majority of the Controlling Class, a Majority of the Subordinated Notes or the resigning or removed Collateral Manager may petition any court of competent jurisdiction for the appointment of a successor collateral manager without the approval of any holders.

Notwithstanding the foregoing, if no successor Collateral Manager has been appointed by the Issuer or no instrument of acceptance by a successor Collateral Manager has been delivered as provided below within 180 days following the date of resignation, termination or removal of the Collateral Manager (unless the expiration of such 180-day period is caused by delays in satisfying the applicable Rating Agency Confirmation, in which case such Rating Agency Confirmation must be satisfied not later than 30 days after the expiration of such 180-day period), the Collateral Manager or a Majority of the Controlling Class may petition any court of competent jurisdiction for the appointment of a successor Collateral Manager without the approval of any holder of Notes. If neither the Collateral Manager nor a Majority of the Controlling Class petitions a court of competent jurisdiction within 45 days of having the right to do so, then any holder of Notes of the Controlling Class may so petition.

An "Eligible Successor Manager" will be an institution that (i) has demonstrated an ability to professionally and competently perform duties similar to those imposed upon the Collateral Manager, (ii) is legally qualified and has the capacity to act as collateral manager and assume all of the responsibilities, duties and obligations of the Collateral Manager under the Collateral Management Agreement and under the applicable terms of the Indenture, (iii) by its appointment will not cause or result in the Issuer, the Co-Issuer or any portion of the Assets becoming required to register under the provisions of the Investment Company Act, (iv) has accepted its appointment in writing and has agreed to perform all duties of the Collateral Manager pursuant to the Collateral Management Agreement and any letter agreement that the Collateral Manager executed in connection with its duties under the Collateral Management Agreement, (v) is not a holder of or an Affiliate of any holder of the Subordinated Notes and (vi) is not a holder of or an Affiliate of any holder of the Controlling Class. Notwithstanding the foregoing, no successor collateral manager may assume the duties of the Collateral Manager unless the Rating Agency Confirmation is satisfied as to the appointment of such successor collateral manager, unless such successor is appointed by a court of competent jurisdiction.

Upon expiration of the applicable notice period with respect to termination specified in the Collateral Management Agreement, and upon the acceptance by the successor collateral manager of such appointment, all authority and power of the Collateral Manager under the Collateral Management Agreement and the Indenture, whether with respect to the Assets or otherwise, will automatically and without further action by any person or entity pass to and be vested in the successor collateral manager upon the appointment thereof.

No termination, removal of or resignation by the Collateral Manager will be effective until a successor collateral manager has been appointed and approved in the manner specified in the Collateral Management Agreement and the successor collateral manager has agreed in writing to assume all of the Collateral Manager's duties and obligations pursuant to the Collateral Management Agreement.

The Collateral Manager expects to enter into a side-letter or other agreement on the Closing Date with one or more investors with an indirect interest in the Subordinated Notes pursuant to which the Collateral Manager may, among other things consent to a redemption of the Rated Notes in whole (with respect to all Classes of Rated Notes) in accordance with the terms of such side-letter or other agreement. The Collateral Manager may after the Closing Date enter into one or more additional side-letter agreements with one or more beneficial owners or holders of Notes or amend or terminate existing side-letter agreements. No other beneficial owner or holder of Notes will have the right to review or to receive the benefits of such agreements to which it is not a party, nor will the Trustee have any right to review, nor any obligation to implement or enforce, any such agreements. The Collateral Management Agreement will provide that any successors or assigns of the Collateral Manager will be subject to and bound by the terms of any previously existing side-letter agreements entered into by the Collateral Manager (provided that the obligations of the replaced manager will be limited to those, if any, that are contained in the side-letter agreements to which it is a party). This may make it more difficult to assign the Collateral Management Agreement or to find a successor Collateral Manager upon a resignation or removal of the Collateral Manager.

Amendments and Modifications

The Collateral Management Agreement may not be modified or amended without the consent of each Class materially and adversely affected by such amendment (other than in respect of an amendment or modification of the type that may be made to the Indenture without the consent of any holder of a Note) and subject to obtaining Rating Agency Confirmation; *provided*, that any modification or amendment to the Collateral Management Agreement that increases the Subordinated Management Fee or the Incentive Management Fee shall require the consent of 100% of the Subordinated Notes. For so long as any of the Notes are listed on the Irish Stock Exchange, the Issuer will cause a copy of any amendment or modification to the Collateral Management Agreement to be sent to the Irish Stock Exchange.

Conflicts of Interest

The Collateral Management Agreement generally permits the Collateral Manager or any of its various affiliates to acquire or sell securities, for its own account or for the accounts of its clients, without either requiring or precluding the purchase or sale of such securities for the account of the Issuer. In the event that, in light of market conditions and investment objectives, the Collateral Manager determines that it would be advisable to purchase the same Collateral Obligations both for the Issuer, and either the proprietary account of the Collateral Manager or any affiliate of the Collateral Manager or another client of the Collateral Manager, the Collateral Manager will employ allocation procedures that it deems, in its judgment, to be fair, as more fully set forth in the Collateral Management Agreement.

The Collateral Manager or any of its Affiliates, employees or associates may engage in other business and furnish collateral management, advisory and other types of services to, or have proprietary interests in, its Affiliates and other clients whose investment policies differ from, or are the same as, those followed by the Collateral Manager with respect to the Issuer as required by the Collateral Management Agreement. The Collateral Manager may make recommendations to or effect transactions for such affiliates and other clients which may differ from those effected with respect to the Issuer. The Collateral Manager and its affiliates and associates may, and expect to, receive fees or other compensation from third parties for any of these activities, which fees will be for the benefit of their own account and not the Issuer. See "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 Issuer may acquire from time to time Collateral Obligations selected by the Collateral Manager from one or more other collateralized debt obligation or similar transactions for which the Collateral Manager serves as collateral manager, which acquisitions will generally be valued and purchased for a purchase price based on the average of the midpoints of the then prevailing related bid and ask quotations obtained from two independent dealers and/or pricing services. Such transactions may be deemed principal transactions governed by Section 206(3) of the Advisers Act. Such transactions described in this paragraph will be effected in accordance with, as applicable, the terms of the Indenture, the Collateral Management Agreement and applicable law, including, where applicable, a requirement that such sale be approved by a qualified independent agent.

Nothing in the Collateral Management Agreement precludes the Collateral Manager or its affiliates from acting as principal, agent or fiduciary for other clients in connection with Collateral Obligations or Eligible Investments simultaneously held by the Issuer or of the type eligible for investment by the Issuer or limiting any relationships the Collateral Manager or any of its affiliates may have with any obligor of any Collateral Obligations. The Collateral Management Agreement requires that all such purchases from or sales to an affiliate of the Collateral Manager or the Collateral Manager's clients (including the Issuer) be made in compliance with the provisions of the Advisers Act and sets forth procedures designed to assure such compliance. In particular, the Collateral Manager may effect transactions for the Issuer in which a Collateral Obligation is sold to or purchased from another investment advisory client or brokerage customer of the Collateral Manager or its affiliate (collectively, "Cross Transactions"). All such Cross Transactions are required to be effected in compliance with applicable law.

Should a conflict of interest actually arise, the Collateral Manager will endeavor to resolve it in a manner which it deems to be fair to the extent possible under the prevailing facts and circumstances and applicable law. The provisions of the Collateral Management Agreement do not override the Collateral Manager's fiduciary and other duties under the Advisers Act. See "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 assumes no responsibility under the Collateral Management Agreement other than to render in good faith the services called for thereunder and under the terms of the Indenture expressly applicable to it.

In certain circumstances, the interests of the Issuer and/or the holders of the Notes with respect to matters as to which the Collateral Manager is advising the Issuer under the Collateral Management Agreement may conflict with the interests of the Collateral Manager and its Affiliates. See "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."

Additional information about the Collateral Manager is available in Part 2 of its Form ADV. A copy of the Collateral Manager's most recent Form ADV is available on the SEC's Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov.

Compensation

As compensation for the performance of its obligations under the Collateral Management Agreement, the Collateral Manager will receive in arrears on each Payment Date (prorated for the related Interest Accrual Period), pursuant to the Collateral Management Agreement and subject to the Priority of Payments, (i) a "Base Management Fee" equal to 0.15% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed during the related Interest Accrual Period) of the Fee Basis Amount measured as of the first day of the Collection Period relating to each Payment Date, plus (ii) a "Subordinated Management Fee" equal to 0.25% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed during the related Interest Accrual Period) of the Fee Basis Amount measured as of the first day of the Collection Period relating to each Payment Date. Each of the Base Management Fee and the Subordinated Management Fee will be payable in accordance with the Priority of Payments on each Payment Date, except in each case to the extent that the Collateral Manager elects, in its sole discretion, to defer or waive such fees in the manner described below. If there are insufficient funds to pay the Base Management Fee or the Subordinated Management Fee in full on any Payment Date, the amount due and unpaid will be deferred and will bear interest at LIBOR (calculated in the same manner as LIBOR in respect of the Floating Rate Notes) plus 0.25% per annum and will be payable as part of the Base Management Fee or the Subordinated Management Fee, as applicable, on such later Payment Date on which funds are available in

accordance with the Priority of Payments. See "Summary of Terms—Priority of Payments" and "Summary of Terms—Management Fees."

In addition to the Base Management Fee and the Subordinated Management Fee, the Collateral Manager will accrue during each Collection Period an incentive management fee (such fee, the "Incentive Management Fee" and, together with the Base Management Fee and the Subordinated Management Fee, the "Management Fees"), payable to the Collateral Manager pursuant to the Collateral Management Agreement and the Priority of Payments and will be in an amount equal to 20.0% of any remaining Interest Proceeds and Principal Proceeds, as applicable, on each Payment Date on and after which the Incentive Management Fee Threshold has been met.

Notwithstanding the foregoing, if the Collateral Manager is removed or resigns, any accrued and unpaid Management Fees or Deferred Management Fees will immediately become due and be payable in accordance with the Priority of Payments on the next Payment Date to the outgoing Collateral Manager; *provided*, that with respect to the Incentive Management Fee, any Incentive Management Fee payable on the Payment Date occurring immediately following the date of such removal or resignation will be payable in accordance with the Priority of Payments on such Payment Date to the outgoing Collateral Manager and the successor Collateral Manager *pro rata* based on the number of days each served as Collateral Manager in the related Collection Period.

The Collateral Manager may in its sole discretion elect to defer payment of all or a portion of the Base Management Fees or the Subordinated Management Fees on any Payment Date by providing written notice to the Trustee of such election at least five Business Days prior to such Payment Date (such amounts, together with any amounts so deferred on prior Payment Dates that remain unpaid, the "Deferred Base Management Fee" or the "Deferred Subordinated Management Fee," as applicable, and, collectively, the "Deferred Management Fees"). For the avoidance of doubt, the payment of the Deferred Base Management Fee is subject to the Priority of Payments, including, without limitation, with reference to the fact that on any Payment Date, payments of the Deferred Base Management Fee that the Collateral Manager may be repaid on such Payment Date shall be equal to the lesser of (a) the amount designated by the Collateral Manager for payment on such Payment Date and (b) the amount available for distribution in excess of the current interest payments on the Rated Notes without any increase in the amount of any Deferred Interest outstanding with respect to any Deferred Interest Notes (excluding any Deferred Base Management Fee elected by the Collateral Manager to be paid on such Payment Date) (the "Deferred Base Management Fee Cap"). The Collateral Manager may elect to receive payment of all or any portion of the Deferred Base Management Fee or the Deferred Subordinated Management Fee on any Payment Date to the extent of funds available in accordance with the Priority of Payments on such Payment Date by providing notice to the Trustee of such election and the amount of such fees to be paid on or before five Business Days preceding such Payment Date. No prior election to defer the payment of all or a portion of the Base Management Fees or the Subordinated Management Fees on a Payment Date will imply a similar election on a subsequent Payment Date.

Without limitation of the foregoing, the Collateral Manager may in its sole discretion also elect to waive payment of all or a portion of the Management Fees (including any Deferred Management Fees) that are due and payable in accordance with the Priority of Payments on any Payment Date by providing written notice to the Trustee of such election at least five Business Days prior to such Payment Date. If the Collateral Manager waives any Management Fee in whole or in part in such manner on any Payment Date, the Interest Proceeds that would otherwise have been applied in accordance with the Priority of Payments to pay the waived Management Fees on such Payment Date will be treated as Interest Proceeds or as Principal Proceeds, as designated by the Collateral Manager.

To the extent they are not paid when due on any Payment Date due to the operation of the Priority of Payments (and not as the result of an elective deferral by the Collateral Manager), interest will accrue on such unpaid Base Management Fees and Subordinated Management Fees, as applicable, from the period commencing on the Payment Date on which it was deferred to (but excluding) the Payment Date on which it is repaid at the LIBOR rate applicable to the Rated Notes for each Interest Accrual Period that such amount is unpaid plus 0.25% and will be payable on such later Payment Date on which funds are available in accordance with the Priority of Payments.

Notwithstanding the foregoing, if the Collateral Manager is removed or resigns, any deferral of accrued and unpaid Management Fees or Deferred Management Fees will be treated as if the outgoing Collateral Manager had given notice to the Trustee of the Collateral Manager's election to receive payment of all of the Deferred Management Fees and will be payable to the outgoing Collateral Manager on the next Payment Date in accordance

with the Priority of Payments and any ongoing discretionary deferral by the outgoing Collateral Manager shall thereafter terminate and have no further force or effect.

The Management Fees (other than the Incentive Management Fee) will be calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable period. See "Summary of Terms—Management Fees."

THE CO-ISSUERS

General

Carlyle US CLO 2016-4, Ltd. (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 21, 2016, in the Cayman Islands with registered number WC-315215 and has an indefinite existence. The Issuer's registered office and the business address of each of the directors of the Issuer is at the offices of Walkers Fiduciary Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands, Attention: The Directors, telephone number (345) 814-7600. The directors of the Issuer are Nadine Watler and Steven Manning. 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 has no prior operating history other than in connection with pre-closing arrangements to facilitate the acquisition of Collateral Obligations in contemplation of the transactions described herein. 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 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 her or the alternate director appointed by her at or prior to its consideration and any vote on it.

As of the Closing Date, the authorized share capital of the Issuer will be U.S.$250 divided into 250 ordinary voting shares of U.S.$1.00 par value per share, 250 of which have been issued (the "Issuer Ordinary Shares"). As of the Closing Date, all of the Issuer Ordinary Shares will be held by Walkers Fiduciary 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 Notes and the Indenture.

Carlyle US CLO 2016-4, 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 Co-Issued Notes. The Co-Issuer was formed on November 2, 2016 in the State of Delaware with registered number 6201103 and has an indefinite existence. The Co-Issuer's registered office is located at the offices of Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711, telephone no. +1 (302) 738-6680, facsimile no. +1 (302) 738-7210. 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 redemption of Warehouse Preferred Shares but before deducting expenses of the offering and discounts (including original issue discount) is set forth below:

	Amount (U.S.$)[1]
Class A-1 Notes	302,500,000
Class A-2 Notes	72,500,000
Class B-1 Notes	25,000,000
Class B-2 Notes	13,000,000
Class C Notes	27,000,000
Class D Notes	20,000,000
Subordinated Notes	48,450,000
Total Notes	508,450,000
Issuer Ordinary Shares	250
Total Equity	250
Total Capitalization	508,450,250

1 Unaudited.

The Co-Issuer has no other liabilities other than the Class A-1 Notes, the Class A-2 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 are restricted to 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 Co-Issued Notes. The Co-Issuers have not issued securities, other than common shares and in the case of the Issuer, the Issuer Ordinary Shares, prior to the date of the Offering Circular and have not listed any securities on any exchange. The Issuer will not 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 shall not engage in any business or activity other than issuing and selling the Co-Issued Notes and any additional rated notes issued pursuant to the Indenture, and other activities incidental thereto, including entering into the Purchase Agreement and the Transaction Documents to which it is a party. Neither of the Co-Issuers will have any subsidiaries (other than any Blocker Subsidiaries, in the case of the Issuer). In general, subject to the credit quality and diversity of the Collateral Obligations and general market conditions and the need (in the judgment of the Collateral Manager) to satisfy the Coverage Tests, the Concentration Limitations and the Collateral Quality Test or to obtain funds for the redemption or payment of the Notes, the Issuer will own the Assets and will receive payments of interest and principal on the Collateral Obligations and Eligible Investments as the principal source of its income. The ability to purchase additional Collateral Obligations and sell Collateral Obligations prior to maturity is subject to significant restrictions under the Indenture. See "Security for the Rated Notes—Sales of Collateral Obligations; Additional Collateral Obligations and Investment Criteria".

Pursuant to the terms of an agreement to be entered into on or prior to the Closing Date among the Issuer, the Collateral Manager and the Collateral Administrator (the "Collateral Administration Agreement"), the Issuer will retain the Bank, 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. If the Collateral Administrator resigns or is removed, the Issuer will appoint a successor.

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.

Walkers Fiduciary Limited or any successor thereto (the "Administrator"), a Cayman Islands licensed trust company, will act as the administrator of the Issuer. The office of the Administrator will serve as the general business office of the Issuer. Through this office and pursuant to the terms of an agreement between the Administrator and the Issuer (the "Administration Agreement"), the Administrator will perform various corporate management functions on behalf of the Issuer, including communications with the general public, and the provision of certain clerical, administrative and other corporate services in the Cayman Islands until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees and other charges payable by the Issuer at rates agreed upon from time to time *plus* expenses.

The activities of the Administrator under the Administration Agreement will be subject to the overview of the Issuer's board of directors. The terms of the Administration Agreement provide that either the Issuer or the Administrator may terminate the Administration Agreement by giving at least 14 days' prior written notice upon the occurrence of certain stated events, including any breach by the other party of its obligations under the Administration Agreement. In addition, the Administration Agreement may be terminated by either the Issuer or the Administrator upon 30 days' prior written notice, in which case termination will not be effective until a replacement Administrator has been appointed. The Administrator's registered office is at the offices of Walkers Fiduciary Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

In General

The following summary describes certain U.S. federal income tax consequences of the purchase, ownership and disposition of the 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 Notes. In particular, special tax considerations that may apply to certain types of taxpayers, including securities dealers, entities taxed as partnerships or partners therein, banks and insurance companies, and subsequent purchasers of Notes, are not addressed. In addition, this summary does not describe tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government. Further, this discussion does not address the tax consequences of any Designated Investor Amounts that may be received by certain investors in Subordinated Notes. In general, the summary assumes that a holder acquires a Note at original issuance (and, in the case of the Rated Notes, at its issue price) and holds such 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 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 Notes in respect of such withholding or deduction.

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

As used in this section, the term "U.S. holder" means a beneficial owner of a Note 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 the Notes.

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

Tax Treatment of the Issuer

Generally. The Issuer will be treated as a foreign corporation for U.S. federal income tax purposes.

United States Federal Income Taxes. The Issuer expects to conduct its affairs so that it will 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, holds or disposes of its assets). As a consequence, the Issuer expects that its net income will not become subject to U.S. federal income tax. There can be no assurance, however, that the Issuer's net income will not become subject to U.S. federal income tax. In this regard, on the Closing Date the Issuer will receive an opinion from Mayer Brown LLP to the effect that, under current law and assuming compliance with the Memorandum and Articles of Association, the Indenture, the Collateral Management Agreement, the guidelines and restrictions attached to the Collateral Management Agreement (the "Operating Guidelines") and other related documents, and although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, revenue ruling, or judicial decision, the Issuer's contemplated activities will not cause it to be engaged in a trade or business within the United States for U.S. federal income tax purposes. You should be aware, however, that the opinion 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 for U.S. federal income tax purposes as a result of unanticipated activities, changes in law, contrary conclusions by the IRS or other causes. In addition, you should be aware that the opinion referred to above will expressly rely on the Collateral

Manager's compliance with the Operating Guidelines, which are intended to prevent the Issuer from engaging in activities that could give rise to a trade or business within the United States for U.S. federal income tax purposes. Although the Collateral Manager has generally undertaken to comply with the Operating Guidelines, the Collateral Manager is permitted to depart from the restrictions generally applicable under the Operating Guidelines if it obtains Tax Advice to the effect that the departure will 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. Any such departures would not be covered by the opinion of Mayer Brown LLP referred to above. Furthermore, the Collateral Manager is not obligated to monitor (or conform the Issuer's activities in order to comply with) changes in law, and accordingly, any such changes could adversely affect whether the Issuer is treated as engaged in a trade or business in the United States. Accordingly, in the absence of the Collateral Manager's actual knowledge at the time an action is taken that such action would cause the Issuer to be treated as engaged in a U.S. trade or business, the Collateral Manager can continue to rely on 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). Finally, the Indenture could be amended in a manner that causes the Issuer to be engaged in a trade or business in the United States for U.S. federal income tax purposes. The opinion of Mayer Brown LLP assumes that the Indenture will not be so amended. If the Issuer were determined to be engaged in a trade or business within the United States for U.S. federal income tax purposes, its income (computed possibly without any allowance for deductions) would be subject to U.S. federal income tax at the usual corporate rate, and possibly to a branch profits tax of 30% as well. The imposition of such taxes would materially affect the Issuer's financial ability to make payments on the Notes.

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 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 issuer of the Collateral Obligation is required to make "gross-up" payments. The Issuer may, however, be subject to withholding or gross income taxes in respect of (i) commitment fees, facility fees, and other similar fees, dividend or substitute dividend payments and (ii) interest and disposition proceeds in respect of U.S. Collateral Obligations issued or materially modified after June 30, 2014 (as discussed in more detail below), and such withholding or gross income taxes may not be grossed up.

Notwithstanding the foregoing, 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.

Taxation in Respect of a Blocker Subsidiary. To reduce the risk that the Issuer will be engaged in a trade or business within the United States for U.S. federal income tax purposes, in certain circumstances set forth in the Indenture, certain Collateral Obligations may be transferred to one or more Blocker Subsidiaries wholly-owned by the Issuer that will be treated as either U.S. or foreign corporations for U.S. federal income tax purposes. Any foreign Blocker Subsidiary may be treated as engaged in a trade or business within the United States for U.S. federal income tax purposes and may be subject to U.S. federal income tax (and possibly a 30% branch profits tax) on a net income basis at normal corporate tax rates, and may file U.S. tax returns and reports (or protective U.S. tax returns and reports), and/or the Blocker Subsidiary may be subject to a 30% U.S. withholding tax on some or all of its income. In addition, U.S. holders of Subordinated Notes (or any other Class of Notes treated as equity for U.S. federal income tax purposes) will not be permitted to use losses recognized by the Blocker Subsidiary to offset gains recognized by the Issuer and may be subject to the adverse PFIC or CFC rules with respect to the Blocker Subsidiary described below under "—Tax Treatment of U.S. Holders of Subordinated Notes". In the case of a U.S. Blocker Subsidiary, the Blocker Subsidiary would be subject to U.S. federal income tax on a net income basis at normal corporate tax rates, and would be required to file U.S. tax returns and reports. In addition, distributions from the Blocker Subsidiary to the Issuer may be subject to a 30% U.S. withholding tax. Prospective investors should consult their tax advisors regarding their consequences if the Issuer organizes a Blocker Subsidiary.

Issuance of Notes. For U.S. federal income tax purposes, the Issuer, and not the Co-Issuer, will be treated as the issuer of the Co-Issued Notes.

Tax Treatment of U.S. Holders of Rated Notes

Status of, and Interest on, the Class A Notes. The Class A Notes will be treated as debt for U.S. federal income tax purposes. U.S. holders of Class A Notes will treat stated interest on the Class A Notes as ordinary income when paid or accrued, in accordance with their tax method of accounting.

Status of, and Interest and Discount on, the Class B Notes, the Class C Notes and the Class D Notes. The Class B Notes and the Class C Notes will be treated as debt for U.S. federal income tax purposes, and the Class D Notes should be treated as debt for U.S. federal income tax purposes. In general, the characterization of an instrument for such purposes as debt or equity by its issuer as of the time of issuance is binding on a holder unless the holder takes an inconsistent position and discloses such position in its tax return. This 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 the Class D Notes constitute equity of the Issuer. Investors should consult their own tax advisors regarding the tax rules that would apply if a Class of Notes were recharacterized as equity by the IRS. In general, if a Class of Notes were treated as equity, the discussion under the headings "—Tax Treatment of U.S. Holders of Subordinated Notes" and "—Reporting Requirements" below and elsewhere of the tax consequences of holding Subordinated Notes would be relevant to holders of that Class as well. Because payments of stated interest on the Deferred Interest Notes are contingent on available funds and subject to deferral, the Deferred Interest Notes will be treated for U.S. federal income tax purposes as having original issue discount ("OID"). The total amount of such discount 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 first price at which a substantial amount of Deferred Interest Notes of the same Class was 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. Accruals of any such additional OID will be based on the projected weighted average life of the Deferred Interest Notes rather than their stated maturity. In the case of Deferred Interest Notes other than the Class B-2 Notes, accruals of OID should be calculated by assuming that interest will be paid over the life of the Deferred Interest Note based on the value of LIBOR used in setting interest for the first portion of the first Interest Accrual Period, and then adjusting the income for the second portion of the first Interest Accrual Period and 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.

Sale and Retirement of the Rated Notes. In general, a U.S. holder of a Rated Note will have a basis in such Rated Note equal to the cost of such Rated Note to such holder, increased by any amount includible in income by such holder as OID and reduced by any payments thereon other than, in the case of the Class A Notes, payments of stated interest. Upon a sale or exchange of the Rated 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 such Rated Note. Such gain or loss will be long-term capital gain or loss if the U.S. holder has held such Rated 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.

Optional Re-Pricing. A U.S. holder that continues to own a Note following a Re-Pricing of such Note (as described in "Description of the Notes—Optional Re-Pricing") may be deemed, under Section 1001 of the Code, to have exchanged a debt instrument with the characteristics of such Note prior to the Re-Pricing for a newly issued debt instrument with the characteristics of such Note after the Re-Pricing. Therefore, as a result of having so participated in the Re-Pricing, such a U.S. holder, among other consequences, may be required to recognize taxable gain during the taxable year in which the Re-Pricing occurs as a result of the deemed exchange, and may recognize short-term capital gain or loss if it sells, exchanges, retires or otherwise disposes of such Note within one year after the Re-Pricing, even if such gain or loss otherwise would have been long-term capital gain or loss. If Notes of a Re-Priced Class are "publicly traded," a U.S. holder may recognize gain or loss equal to the difference between the fair market value of the Note on the Re-Pricing Date and the U.S. holder's adjusted tax basis in the Note. In this case, the issue price of a Note would be its fair market value on the Re-Pricing Date. If the fair market value of a Note

following a Re-Pricing is less than the principal amount of the Note, a U.S. holder may be required to include additional OID in respect of the Note. In addition, the Issuer may be required to recognize cancellation of indebtedness income as a result of the Re-Pricing. In general, a debt instrument is considered "publicly traded" if there are sales transactions, or if there are firm or indicative price quotes available for the debt instrument, within a 31-day period beginning 15 days prior to the completion date of the Re-Pricing and ending 15 days thereafter.

A deemed exchange of the Note for a newly issued debt instrument may alternatively be treated as a tax-free recapitalization if the Note and newly issued debt instrument are both considered to be "securities" under Section 354 of the Code. If a Re-Pricing of a Note is treated as a recapitalization, a U.S. holder will generally not recognize gain or loss upon the deemed exchange and the holder's tax basis in the deemed new debt instrument will be the same as the holder's tax basis in the Notes. However, the timing and amount of income on the Notes may be affected by the deemed exchange. U.S. holders should consult their tax advisers regarding the U.S. federal income tax consequences to them of participating in a Re-Pricing.

Information Regarding OID. Further information regarding OID may be obtained by contacting the Issuer at its registered office as described under "The Co-Issuers".

Contributions. U.S. holders of Rated Notes should consult their own tax advisors concerning the tax consequences to them of contributing cash to the Issuer.

Tax Treatment of U.S. Holders of Subordinated Notes

The Subordinated Notes will be characterized as debt of the Issuer for purposes of Cayman Islands law. However, a strong likelihood exists that the Subordinated Notes will be treated as equity of the Issuer for U.S. federal income tax purposes. The Issuer will treat the Subordinated Notes as equity for U.S. federal income tax purposes. Except where otherwise indicated, this summary also assumes such treatment. No assurance can be given, however, that the IRS will respect this position in light of the Subordinated Notes' status as debt for purposes of Cayman Islands law. In general, the characterization of an instrument for such purposes as debt or equity by its issuer as of the time of issuance is binding on holders (but not the IRS) unless the holder takes an inconsistent position and discloses such position in its tax return.

In general, the timing and character of income under the Subordinated Notes may differ substantially depending on whether the Subordinated Notes are treated for U.S. federal income tax purposes as debt instruments or as equity of the Issuer. Investors should consider the tax consequences of an investment in the Subordinated Notes under either possible characterization.

Investment in a Passive Foreign Investment Company. The Issuer will meet the income and asset tests so as to qualify as a "passive foreign investment company" ("PFIC"). In general, to avoid certain adverse tax rules described below that apply to deferred income from a PFIC, a U.S. holder of Subordinated Notes may want to make an election to treat the Issuer as a "qualified electing fund" ("QEF") with respect to such holder. 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 in which it held Subordinated Notes. If a timely QEF election is made, an electing U.S. holder of Subordinated Notes will be required to include in its ordinary income such holder's *pro rata* share of the Issuer's ordinary earnings and to include in its long term capital gain income such holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed, assuming that the Issuer is not a "controlled foreign corporation" as discussed below. Under Section 1293 of the Code, a U.S. holder's *pro rata* share of the Issuer's ordinary income and net capital gain is the amount which would have been distributed with respect to such holder's Subordinated Notes if, on each day during the taxable year of the Issuer, the Issuer had distributed to each holder of Subordinated Notes a *pro rata* share of that day's ratable share of the Issuer's ordinary earnings and net capital gain for such year. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, its U.S. holders may also be permitted to elect to defer payment of some or all of the taxes on the QEF's undistributed income but will then be subject to an interest charge on the deferred amount. Prospective purchasers of the Subordinated Notes should be aware that the Collateral Obligations may be purchased by the Issuer with substantial original issue discount. As a result, the Issuer may have significant ordinary earnings from such instruments, but the receipt of cash attributable to such earnings may be deferred, perhaps for a substantial period of time. In addition, under certain circumstances, Interest Proceeds may be used to pay principal of the Rated Notes or to purchase additional Collateral Obligations. Furthermore, if the Issuer discharges its debt at a price less than its adjusted issue price (which may include a

deemed discharge arising from a significant modification to the terms of the debt), it could recognize cancellation of debt income equal to that difference, although such income may be deferred if the Issuer is insolvent at the time of the discharge. Thus, absent an election to defer the payment of taxes, U.S. holders that make a QEF election may owe tax on a significant amount of "phantom" income.

In addition, if the Issuer invests in obligations that are not in registered form for U.S. federal income tax purposes, it is possible that a U.S. holder making a QEF election (i) may not be permitted to deduct any losses attributable to such obligations when calculating its share of the Issuer's earnings and (ii) may be required to treat income attributable to such obligations as ordinary income even though the income would otherwise constitute capital gain. It is possible that some portion of the investments of the Issuer will constitute obligations that are not in registered form.

The Issuer will provide to each holder of Subordinated Notes requesting such information (i) all information that a U.S. holder of such Notes making a QEF election is required to obtain for U.S. federal income tax purposes (e.g., the U.S. holder's pro rata share of ordinary income and net capital gain), and (ii) a "PFIC Annual Information Statement" as described in Treasury Regulations section 1.1295–1 (or in any successor IRS release or Treasury regulations), including all representations and statements required by such statement, and will take any other steps it reasonably can to facilitate such election. The Issuer will also provide, upon request, such information to a U.S. holder of Class D Notes that has made a protective QEF election, as described below.

If a U.S. holder of Subordinated Notes does not make a timely QEF election for the year in which it acquired its Subordinated Notes and the PFIC rules are otherwise applicable, such holder will be subject to a special tax at ordinary income tax rates on so-called "excess distributions", including both certain distributions from the Issuer and gain on the sale of Subordinated Notes. The amount of income tax on excess distributions will be increased by an interest charge to compensate for tax deferral calculated as if excess distributions were earned ratably over the period the taxpayer held its Subordinated Notes. In many cases, the tax on excess distributions will be more onerous than the taxes that would apply if a timely QEF election were made. Classification as a PFIC may also have other adverse tax consequences, including in the case of individuals, the denial of a "step up" in the basis of the Subordinated Notes at death.

Where a QEF election is not timely made by a U.S. holder of Subordinated Notes for the year in which it acquired its Subordinated Notes, but is made for a later year, the excess distribution rules can be avoided by making an election to recognize gain from a deemed sale of the Subordinated Notes at the time when the QEF election becomes effective. U.S. holders should consult with their tax counsel regarding the U.S. federal income tax consequences of investing in a PFIC and the desirability of making the QEF election.

As described under "—Tax Treatment of U.S. Holders of Rated Notes—Status of, and Interest and Discount on, the Class B Notes, the Class C Notes and the Class D Notes", the Issuer intends to treat the Class D Notes as indebtedness for U.S. federal income tax purposes, and the Indenture requires holders to treat the Class D Notes as indebtedness for U.S. federal income tax purposes. Nevertheless, the IRS could assert that the Class D Notes are equity in the Issuer for U.S. federal income tax purposes. A U.S. holder of Class D Notes may make a protective QEF election or file protective information returns, although doing so may increase the risk of the treatment of such Class as equity for U.S. federal income tax purposes. U.S. holders of Class D Notes should consult with their tax counsel regarding the desirability of making the QEF election.

U.S. HOLDERS OF SUBORDINATED NOTES SHOULD CONSIDER CAREFULLY WHETHER TO MAKE A QEF ELECTION WITH RESPECT TO THE SUBORDINATED NOTES AND THE CONSEQUENCES OF NOT MAKING SUCH AN ELECTION.

PFIC Reporting Requirements. As discussed in more detail below, generally, a U.S. holder of Subordinated Notes will be required to file an annual report containing such information, with respect to its interest in a PFIC as the IRS may require.

Investment in a Controlled Foreign Corporation. Depending on the degree of ownership of the Subordinated Notes by U.S. Shareholders (as defined below), the Issuer may be considered a controlled foreign corporation ("CFC"). In general, a foreign corporation will be a CFC if more than 50% of the shares of the corporation, measured by combined voting power or value, are held, directly or indirectly, by U.S. Shareholders. A

"U.S. Shareholder" for this purpose is any U.S. person who owns or is treated as owning, under specified attribution rules, 10% or more of the combined voting power of all classes of shares of a corporation. It is possible that the IRS would assert that the Subordinated Notes are voting securities and that U.S. holders owning 10% or more of the Subordinated Notes are U.S. Shareholders. If this argument were successful and more than 50% of the Subordinated Notes were held by such U.S. Shareholders, the Issuer would be treated as a CFC. In addition, if more than 50% of the value of the Issuer were held by U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer were a CFC, subject to certain exceptions, a U.S. Shareholder of the Issuer at the end of a taxable year of the Issuer would be required to recognize ordinary income in an amount equal to that person's *pro rata* share of the "subpart F income" of the Issuer for the year, whether or not such income is distributed currently to the U.S. Shareholder. Among other items, and subject to certain exceptions, "subpart F income" includes interest, gains from the sale of securities and income from certain notional principal contracts (e.g., swaps and caps). It is likely that, if the Issuer were a CFC, substantially all of its income would be subpart F income. If more than 70% of the Issuer's income is subpart F income, then 100% of its income will be so treated. The Issuer's income may include non-cash items, as described under "—Investment in a Passive Foreign Investment Company".

If the Issuer were a CFC, a U.S. Shareholder of the Issuer would be taxable on the subpart F income of the Issuer under the CFC regime and not under the PFIC rules previously described. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains would be treated as ordinary income of the U.S. Shareholder, notwithstanding the fact that generally the character of such gains otherwise would be preserved under the PFIC rules if a QEF election were made. Also, the PFIC rule permitting the deferral of tax on undistributed earnings would not apply.

A holder of Subordinated Notes that is a U.S. Shareholder of the Issuer subject to the CFC rules for only a portion of the time in which it holds Subordinated Notes should consult its own tax advisers regarding the interaction of the PFIC and CFC rules.

Indirect Interests in PFICs and CFCs. If the Issuer holds a security of a non-U.S. corporation that is treated as equity for U.S. federal income tax purposes (such as a Blocker Subsidiary), U.S. holders of Subordinated Notes could be treated as holding an indirect investment in a PFIC or a CFC and could be subject to certain adverse tax consequences (including additional reporting obligations). Prospective purchasers should consult their tax advisors regarding the issues relating to such investments.

Distributions on Subordinated Notes. The treatment of actual cash distributions on the Subordinated Notes, in very general terms, will vary depending on whether a U.S. holder has made a timely QEF election as described above. See "—Investment in a Passive Foreign Investment Company". If a timely QEF election has been made, dividends (which are distributions up to the amount of current and accumulated earnings and profits of the Issuer) allocable to amounts previously taxed pursuant to the QEF election will not be taxable to U.S. holders. Similarly, if the Issuer is a CFC of which the U.S. holder is a U.S. Shareholder, dividends will be allocated first to amounts previously taxed pursuant to the CFC rules and to this extent will not be taxable to U.S. holders. Dividends in excess of such previously taxed amounts will be taxable to U.S. holders as ordinary income upon receipt. Distributions in excess of any current and accumulated earnings and profits will be treated first as a nontaxable return of capital, to the extent of the holder's tax basis in the Subordinated Notes, and then as capital gain. The distributions on the Subordinated Notes do not qualify for the benefit of the reduced U.S. tax rate applicable to certain dividends received by individuals.

In the event that a U.S. holder of Subordinated Notes 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 rules, some or all of any dividends distributed with respect to the Subordinated Notes may be considered excess distributions, taxable as previously described. See "—Investment in a Passive Foreign Investment Company".

Sale, Redemption or other Disposition of Subordinated Notes. In general, a U.S. holder of Subordinated Notes will recognize gain or loss (which will be capital gain or loss, except as discussed below) upon the sale or exchange of Subordinated Notes equal to the difference between the amount realized and such holder's adjusted tax basis in the Subordinated Notes. A U.S. holder's tax basis in Subordinated Notes will generally equal the amount it paid for the Subordinated Notes, increased by amounts taxable to such holder by virtue of a QEF election, or under

the CFC rules, and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or represent a return of capital.

If a U.S. holder does not make a timely QEF election as described above and the PFIC rules are otherwise applicable, any gain realized on the sale or exchange of Subordinated Notes will be treated as an excess distribution and effectively taxed as ordinary income with an interest charge under the special tax rules described above. See "—Investment in a Passive Foreign Investment Company". The pledge of stock of a PFIC may in some circumstances be treated as a disposition of such stock.

If the Issuer were treated as a CFC and a U.S. holder were treated as a U.S. Shareholder therein, then any gain realized by such holder upon the disposition of Subordinated Notes, other than gain constituting an excess distribution under the PFIC rules, would be treated as ordinary income to the extent of the U.S. holder's share of the current and accumulated earnings and profits of the Issuer. In this respect, earnings and profits would not include any amounts previously taxed pursuant to a QEF election or pursuant to the CFC rules.

Medicare Contribution Tax on Net Investment Income. 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 Notes.

Special rules apply in the case of a U.S. holder of Subordinated Notes or any other class of Notes that is treated as equity of the Issuer for federal income tax purposes and is not held in a business of trading financial instruments. As described above under "—Investment in a Controlled Foreign Corporation" and "—Investment in a Passive Foreign Investment Company", such a U.S. holder may be taxable for regular federal income tax purposes on its share of the earnings of the Issuer as those earnings accrue to the Issuer and not when they are distributed (and in that case, such U.S. holder's basis in such Notes is increased by the amount of earnings that have been taxed to such U.S. holder but not distributed). Pursuant to regulations, a U.S. holder may elect to follow a similar approach in measuring NII. Otherwise, post-2012 earnings that are included in income for regular income tax purposes by such a U.S. holder prior to distribution under the CFC rules or PFIC rules for QEFs generally would be included in NII only when distributed (i.e., when those earnings are treated for regular income tax purposes as previously taxed amounts, as described above under "—Distributions on Subordinated Notes"), and the U.S. holder's basis would not be increased to reflect previously taxed undistributed earnings. Such an election by a U.S. holder generally must be made no later than the first taxable year in which the U.S. holder has income from the undistributed earnings of equity interests in CFCs or QEFs and is or would be subject to the tax on NII. The election once made would be irrevocable, and would apply to the taxable year for which it is made and all subsequent taxable years, as well as to all subsequently acquired equity interests in the CFC or QEF (including if the investor exits its interests and later reinvests).

U.S. holders, and in particular U.S. holders of Subordinated Notes or any other class of Notes that is treated as equity of the Issuer for U.S. federal income tax purposes, are urged to consult their tax advisors regarding the effect, if any, of Section 1411 and regulations thereunder on their investment in the Notes in their particular circumstances.

Contributions. A U.S. holder of Subordinated Notes may designate as a Contribution any portion of Interest Proceeds or Principal Proceeds that would otherwise be distributed on its Subordinated Notes. If a U.S. holder of a Subordinated Note makes such a designation, the U.S. holder will be treated for U.S. federal income tax purposes as having received a distribution equal to the amount so designated, and then having made a Contribution to the Issuer. Accordingly, the U.S. holder may owe tax on income that exceeds the cash that it actually receives, as a result of making such a designation.

Potential Treatment of Subordinated Notes as Debt

If, contrary to the above discussion, the Subordinated Notes were treated as debt for U.S. federal income tax purposes, they would be subject to certain regulations governing contingent payment debt instruments. In that event, the timing and character of income, gain or loss recognized with respect to an investment in the Subordinated Notes would be materially different from that summarized above. In general, holders would be required to accrue income on the Subordinated Notes based on the Issuer's normal cost of funds, subject to later adjustment to reflect differences between the accrued and actual income amounts, and all income from the Subordinated Notes (including

gains on sale) would be ordinary interest income. Potential U.S. holders of the Subordinated Notes should, in consultation with their tax advisers, carefully consider the potential U.S. income tax characterization of the Subordinated Notes and the potential consequences thereof.

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

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

A tax-exempt entity may not make a QEF election if the tax-exempt entity would not otherwise be subject to tax on income from the Subordinated Notes.

Tax Treatment of Non-U.S. Holders of the 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—United States Federal Income Taxes", payments on the Notes to a non-U.S. holder, or gain realized on a sale, exchange or redemption of such Notes by such holder, will not be subject to U.S. federal income or withholding tax, as the case may be, unless (i) such non-U.S. holder is subject to backup withholding tax, described under "—Information Reporting and Backup Withholding", as a result of failing to comply with applicable certification procedures to establish that it is not a U.S. holder or (ii) such non-U.S. holder is subject to withholding as described under "—U.S. Foreign Account Tax Compliance Rules" below. A non-U.S. holder will not be considered to be engaged in a trade or business within the United States for U.S. federal income tax purposes solely by reason of holding Notes. If the Issuer were determined to be engaged in a trade or business within the United States for U.S. federal income tax purposes, and had income effectively connected therewith, then interest paid on the Notes to a non-U.S. holder could be subject to a 30% U.S. withholding tax.

Information Reporting and Backup Withholding

Information reporting to the IRS generally will be required with respect to payments on the Notes and proceeds of the sale of the 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 certain identifying information (such as such holder's taxpayer identification number) to the Trustee or other paying agent. Non-U.S. holders generally will be required to comply with applicable certification procedures to establish that they are not U.S. holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding collected from a payment will be allowed as 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 properly furnished to the IRS. U.S. holders should consult their own tax advisers about any additional reporting requirements that may arise as a result of their purchasing, holding or disposing of Notes.

Reporting Requirements

U.S. holders, and in certain cases non-U.S. holders, of the Notes may be subject to information reporting requirements, described below. Depending on, among other matters, the amount of Notes held by a particular investor, more than one reporting requirement may apply to an investor. The failure to comply with these reporting requirements may result in penalties, which may be substantial, and, in the case of Forms 926, 5471, 8621 and 8938, the failure to file a required form will suspend the statute of limitations with respect to any tax return, event, or period to which such information relates. As a result, even if an investor reports all of its taxable income from its investment in such Notes, if the investor fails to file a required information return, the period during which the IRS can assess taxes will remain open, potentially including with respect to items that do not relate to the holder's investment in the Notes. The reporting requirements applicable to the Subordinated Notes would also apply to any

other class of Notes that is treated as equity in the Issuer for U.S. federal income tax purposes. Purchasers of Notes are urged to consult their own tax advisors regarding these reporting requirements, including, in the case of the Class D Notes, the desirability of filing protective information returns.

Specified Foreign Financial Assets (Form 8938). Certain U.S. holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to "specified foreign financial assets" in excess of U.S.$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. holders who fail to report the required information could be subject to substantial penalties. Potential investors are encouraged to consult with their own tax advisors regarding the possible application of this new legislation to an investment in the Notes.

U.S. Transferors of Property to a Foreign Corporation (Form 926). Treasury regulations require reporting for certain transfers of property (including cash) to a foreign corporation by U.S. persons. In general, U.S. holders who acquire Subordinated Notes will be required to file a Form 926 with the IRS and to supply certain information to the IRS. If a U.S. holder fails to comply with the reporting requirements, the U.S. holder may be subject to a penalty equal to 10% of the gross amount paid for the Subordinated Notes, subject to a maximum penalty of U.S.$100,000 (except in cases involving intentional disregard). Purchasers of Subordinated Notes are urged to consult their own tax advisers regarding these reporting requirements.

Ownership or Acquisition of a Foreign Corporation (Form 5471). Any U.S. holder that directly or indirectly owns or acquires a significant portion of the voting power or value of the Issuer's equity (generally 10%, but in some cases more than 50%) is required to comply with certain additional reporting requirements. While it is unclear how the voting power of the Subordinated Notes would be measured for this purpose, a U.S. holder that owns less than 10% (or 50% or less, as applicable) of the voting power, or value of the Issuer (including the Subordinated Notes) should not be required to file this return. In general, a U.S. holder that is deemed to own or acquire the applicable percentage of the voting power or value of the Issuer's equity will be required to file a Form 5471 with the IRS and to supply certain information to the IRS, including with respect to the activities and assets of the Issuer and other holders of the Subordinated Notes. If a U.S. holder fails to comply with the reporting requirements, the U.S. holder may be subject to a penalty, depending on the circumstances, equal to U.S.$10,000 for each failure to comply, subject to a maximum of U.S.$60,000. Purchasers of Subordinated Notes are urged to consult their own tax advisers regarding these reporting requirements.

PFIC Reporting (Form 8621). Subject to certain exceptions, a U.S. holder of Subordinated Notes is required to file an annual information return, currently on Form 8621, with respect to each PFIC in which it owns an interest directly or, in some cases, indirectly (including through certain pass-through entities). If the Issuer owns an interest in a PFIC, such as a foreign Blocker Subsidiary that is a PFIC, holders of Subordinated Notes would be treated as owning a proportionate amount (by value) of the stock of such other PFIC. The Issuer will use reasonable efforts to provide each holder of Subordinated Notes with the information necessary to comply with the holder's reporting obligations with respect to such other PFIC. These PFIC reporting requirements generally do not apply to tax-exempt U.S. holders. U.S. holders should consult their own tax advisors regarding the PFIC reporting requirements.

FBAR (FinCEN Report 114). U.S. holders, and non-U.S. holders with certain minimum contacts with the United States, of Subordinated Notes may be required to report certain information on United States Treasury FinCEN Report 114 (the "FBAR") for any calendar year in which they hold such Notes. The FBAR reports on accounts in the preceding calendar year, is not filed as part of an annual tax return, and the reporting requirements thereunder are not governed by the Code. The FBAR generally must be received by the U.S. Treasury by April 15 (or in the case of certain individuals living abroad, June 15), with the possibility of extension to October 15. Purchasers of Subordinated Notes should consult their own tax advisors regarding these reporting requirements.

Reportable Transactions (Form 8886). Any person that is required to file a U.S. federal income tax return or U.S. federal information return and participates in a "reportable transaction" in a taxable year is required to disclose certain information on IRS Form 8886 (or its successor form) attached to such person's U.S. tax return for such taxable year (and also file a copy of such form with the IRS's Office of Tax Shelter Analysis) and to retain

certain documents related to the transaction. Various penalties and adverse consequences can result from a failure to file. A person that is a U.S. Shareholder may be considered to participate in any reportable transactions entered into by the Issuer. Although none are anticipated, the Issuer could participate in reportable transactions.

Because of the status of the Issuer as a PFIC (and without regard to whether it is a CFC), a transaction in which a person claims a loss deduction in respect of the Subordinated Notes may be considered a reportable transaction if the amount of such loss exceeds certain thresholds (generally U.S.$2,000,000 in one year or U.S.$4,000,000 in any combination of years for individuals, and U.S.$10,000,000 in one year or U.S.$20,000,000 in any combination of years for corporations), regardless of whether such Subordinated Notes were purchased with cash or were otherwise held with a "qualifying basis" (as such term is defined in IRS Revenue Procedure 2013-11). There is an exception for certain mark-to-market losses.

The definition of reportable transaction is technical, and prospective investors in the Notes should consult their own tax advisors concerning any possible disclosure obligations under the reportable transaction rules with respect to their ownership or disposition of the Notes in light of their particular circumstances.

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 Cayman legislation that implements the Cayman-US IGA. The Cayman-US IGA requires, among other things, that the Issuer or its agent collect and provide to the Cayman Islands Tax Information Authority substantial information regarding certain direct and indirect holders of the Notes. In addition, in some cases, future laws or regulations concerning "foreign passthru payments" (as described below) may require withholding on certain payments to certain holders of Notes. The Issuer intends to comply with its obligations under the Cayman-US IGA. However, in some cases, the ability to avoid such withholding tax will depend on factors outside of the Issuer's control. For example, the Issuer may not be considered to comply with FATCA if more than 50% of the Subordinated Notes (and any other classes of Notes treated as equity for U.S. federal income tax purposes) are owned by a person that is, or is affiliated with, a foreign financial institution that is not compliant with FATCA. The Issuer 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-US IGA. Under the terms of the Cayman-US 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 comply with FATCA as a result of factors outside of its control, as described above.

In addition, future guidance under FATCA may subject payments on Subordinated Notes (or other classes of Notes that are treated as equity for U.S. federal income tax purposes), and Rated Notes that are materially modified more than six months after the issuance of such future guidelines, to a withholding tax of 30% if each foreign financial institution that holds any such Note, or through which any such 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 Notes will be required to provide the Issuer and the Trustee or their agents with information necessary to comply the Cayman-US IGA as discussed above. Owners that do not supply required information, or whose ownership of 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 forced transfer of their Notes. There can be no assurance, however, that these measures will be effective, and that the Issuer and owners of the 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 Notes or could reduce such payments. The imposition of withholding taxes in excess of certain thresholds (whether actually imposed or reasonably anticipated) is a Tax Event that allows the Issuer to retire Notes.

CAYMAN ISLANDS 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 Rated Notes and amounts in respect of the Subordinated Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal and other amounts on the Rated Notes or a distribution to any holder of the Subordinated Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;

(ii) no stamp duty is payable in respect of the issue 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:

Carlyle US CLO 2016-4, Ltd. "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 11th day of October 2016.

CLERK OF THE CABINET

The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country other than the United Kingdom. The Cayman Islands has entered into tax information exchange agreements with the United States, the United Kingdom and various other countries.

The United Kingdom signed an intergovernmental automatic information exchange agreement with the Cayman Islands on November 5, 2013, the provisions of which have been implemented in the Cayman Islands pursuant to, in particular, the Tax Information Authority (International Tax Compliance) (United Kingdom) Regulations, 2014. Pursuant to these arrangements with the United Kingdom, the Cayman Islands will, subject to any applicable exemptions, require the Issuer to identify any direct or indirect United Kingdom resident account holders (including debt holders and equity holders) of the Issuer and obtain and provide to the Cayman Islands Tax Information Authority certain information about such United Kingdom resident account holders. Such information

will then automatically be exchanged by the Tax Information Authority of the Cayman Islands with the United Kingdom tax authorities. A holder that is resident in the United Kingdom for tax purposes or is an entity that is identified as having one or more controlling persons that is resident in the United Kingdom for tax purposes will generally be required to provide to the Issuer, or agents on its behalf, information which identifies such United Kingdom tax resident persons and the extent of their respective interests in the Issuer. The Cayman Islands has also committed, along with a substantial number of other countries, to the implementation of the CRS. The Cayman Islands passed legislation in 2015 to give effect to the CRS, which will require "Financial Institutions" to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS. As the OECD initiative develops, further intergovernmental agreements may be entered into by the Cayman Islands. Holders who may be affected should consult their own tax advisers regarding the possible implications of these rules.

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

CERTAIN ERISA AND RELATED CONSIDERATIONS

The U.S. 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) 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 above 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 any Notes it may purchase.

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 to which Section 4975 of the Code applies, such as individual retirement accounts and Keogh plans, including entities whose underlying assets include the assets of such plans (collectively, together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction (each a "prohibited 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 the Code. In addition, the fiduciary of the Plan that is engaged in such a non-exempt prohibited transaction may be subject to penalties under ERISA and the Code.

The Co-Issuers, Citigroup, the Trustee and the Collateral Manager and any of their respective Affiliates may be parties in interest and disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if Notes are acquired or held by a Plan with respect to which the Co-Issuers, Citigroup, the Trustee and the Collateral Manager, 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, in certain cases, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions with certain service providers) and Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to investments by bank collective investment funds), PTCE 84–14 (relating to transactions effected by independent "qualified professional asset managers"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by certain "in-house asset managers"). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving Notes.

Governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as defined in Section 4(b)(4) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to non-U.S., federal, state, local or other applicable laws that are substantially similar to the foregoing provisions of ERISA and the Code ("Similar Laws"). Fiduciaries of any such plans should consult with their counsel before purchasing any Notes.

EACH PURCHASER OF ISSUER-ONLY NOTES IN THE INITIAL OFFERING THEREOF AND EACH PURCHASER OF NOTES IN CERTIFICATED FORM WILL BE REQUIRED TO REPRESENT AND WARRANT, AND EACH PURCHASER (INCLUDING TRANSFEREES) OF A NOTE REPRESENTED BY AN INTEREST IN ANY GLOBAL NOTE WILL BE DEEMED BY SUCH PURCHASE OR ACQUISITION TO HAVE REPRESENTED AND WARRANTED, ON EACH DAY FROM THE DATE ON WHICH THE PURCHASER ACQUIRES SUCH INTEREST THROUGH AND INCLUDING THE DATE ON WHICH THE PURCHASER DISPOSES OF SUCH INTEREST, THAT ITS PURCHASE, HOLDING AND DISPOSITION OF SUCH INTEREST WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR IN A VIOLATION OF ANY SIMILAR LAW) UNLESS AN EXEMPTION IS AVAILABLE AND ALL CONDITIONS HAVE BEEN SATISFIED.

In addition, U.S. Department of Labor regulation, 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA, the "Plan Asset Regulation") describes what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility 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 that equity participation in the entity by Benefit Plan Investors is not "significant". Under the Plan Asset Regulation, an "equity interest" means 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. A "Benefit Plan Investor" means (i) any "employee benefit plan" (as defined in Section 3(3) of ERISA), subject to Title I of ERISA, (ii) any "plan" described in Section 4975(e)(1) of the Code to which Section 4975 of the Code applies, or (iii) any entity whose underlying assets could be deemed to include "plan assets" by reason of an employee benefit plan's or a plan's investment in the entity within the meaning of the Plan Asset Regulation or otherwise (a "Plan Asset Entity"). Such a Plan Asset Entity is considered to hold plan assets only to the extent of the percentage of its equity interests held by Benefit Plan Investors.

The Co-Issuers do not intend to treat the Co-Issued Notes as "equity interests" in the Co-Issuers. This determination is based upon the traditional debt features of the Co-Issued Notes, including the reasonable expectation of purchasers of the Co-Issued Notes that the Co-Issued Notes will be paid when due, traditional default remedies, as well as the absence of equity features. However, the Issuer-Only Notes may be considered "equity interests" in the Co-Issuers for purposes of the Plan Asset Regulation and will not constitute "publicly-offered Notes" for purposes of the Plan Asset Regulation. In addition, the Issuer will not be registered under the Investment Company Act, and it is not likely that the Issuer will qualify as an "operating company" for purposes of the Plan Asset Regulation. Therefore, if equity participation in any Class of Issuer-Only Notes by Benefit Plan Investors is "significant" within the meaning of the Plan Asset Regulation, the assets of the Co-Issuers could be considered to be the assets of any Plans that purchase the Issuer-Only Notes. In such circumstances, in addition to considering the applicability of ERISA and Section 4975 of the Code to the Issuer-Only Notes, a Plan fiduciary considering an investment in the Issuer-Only Notes should consider, among other things, the applicability of ERISA and Section 4975 of the Code to transactions involving any Transaction Party or their respective Affiliates, including whether such transactions might constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or otherwise may result in a breach of fiduciary duty under ERISA.

Under the Plan Asset Regulation, equity participation in an entity by Benefit Plan Investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity is held by Benefit Plan Investors. For purposes of this determination, the value of equity interests held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the entity or that provides investment advice for a fee (direct or indirect) with respect to such assets (or any "affiliate" of such a person (as defined in the Plan Asset Regulation)) is disregarded (any such person with respect to the Co-Issuers, a "Controlling Person").

EACH PROSPECTIVE PURCHASER (INCLUDING TRANSFEREES) OF AN ISSUER-ONLY NOTE WILL BE REQUIRED TO MAKE, OR WILL BE DEEMED TO HAVE MADE, CERTAIN REPRESENTATIONS REGARDING ITS STATUS AS A BENEFIT PLAN INVESTOR OR CONTROLLING PERSON AND OTHER ERISA MATTERS AS DESCRIBED UNDER "TRANSFER RESTRICTIONS" BELOW.

The Issuer intends to limit equity participation by Benefit Plan Investors to less than 25% of each Class of Issuer-Only Notes. Interests in Issuer-Only Notes may be acquired by or transferred to Benefit Plan Investors or Controlling Persons after the Closing Date only in the form of Certificated Notes or in the case of Subordinated Notes, Uncertificated Subordinated Notes. No interest in an Issuer-Only Note will be sold or transferred to purchasers that have represented that they are Benefit Plan Investors or Controlling Persons to the extent that such sale may result in Benefit Plan Investors owning 25% or more of the Aggregate Outstanding Amount of any other Class of Issuer-Only Notes, as determined in accordance with the Plan Asset Regulation and the Indenture, assuming, for this purpose, that all the representations made or deemed to be made by holders of such Notes are true. Each interest in an Issuer-Only Note held as principal by any Transaction Party, any of such party's respective Affiliates and persons that have represented that they are Controlling Persons (in each case other than Benefit Plan

Investors) will be disregarded and will not be treated as outstanding for purposes of determining compliance with such 25% limitation.

PURCHASERS OF ISSUER-ONLY NOTES REPRESENTED BY GLOBAL NOTES AFTER THE CLOSING DATE WILL BE DEEMED BY ITS PURCHASING AND HOLDING OF THE ISSUER-ONLY NOTES (OR INTERESTS THEREIN) TO REPRESENT, WARRANT AND COVENANT THAT, FOR SO LONG AS IT HOLDS A BENEFICIAL INTEREST IN SUCH ISSUER-ONLY NOTES, IT (AND EACH ACCOUNT FOR WHICH IT IS ACQUIRING SUCH ISSUER-ONLY NOTES) IS NOT A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON.

There can be no assurance that there will not be circumstances in which transfers of an interest in an Issuer-Only Note will be restricted in order to comply with the aforementioned limitations. Moreover, there can be no assurance that, despite the restrictions relating to purchases by or transfers to Benefit Plan Investors and Controlling Persons, participation by Benefit Plan Investors in the Issuer-Only Notes will not be "significant".

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold Notes should determine whether, under the general fiduciary standards of investment prudence and diversification and under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in Notes should consult with its counsel to confirm that such investment will not result in a prohibited transaction and will satisfy the other requirements of ERISA and the Code.

The sale of any Notes to a purchaser is in no respect a representation by any of the Co-Issuers, Citigroup, the Trustee and the Collateral Manager or any of their respective Affiliates that such an investment meets all relevant legal requirements with respect to investments by purchasers generally or any particular purchaser, or that such an investment is appropriate for purchasers generally or any particular purchaser.

PLAN OF DISTRIBUTION

The Rated Notes are being offered by Citigroup, as initial purchaser (in such capacity, the "Initial Purchaser"), pursuant to the Purchase Agreement, and certain of the Subordinated Notes are being offered by the Issuer through Citigroup (in such capacity, the "Placement Agent") pursuant to the Placement Agency Agreement. Citigroup is the only Initial Purchaser and Placement Agent.

Pursuant to the Purchase Agreement, the Rated Notes will be offered by the 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, the Placement Agent will use its best efforts to arrange for the issuance of certain of the Subordinated Notes to investors on the Closing Date in negotiated transactions at varying prices. Citigroup may elect to purchase and resell the placed Subordinated Notes on the Closing Date in lieu of them being issued directly to investors.

The Purchase Agreement will provide that the obligations of Citigroup to pay for and accept delivery of the Rated Notes thereunder are subject to certain conditions. The Placement Agency Agreement will provide that the obligation of Citigroup to act as placement agent of the Issuer thereunder is subject to certain conditions.

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

In the Purchase Agreement and the Placement Agency Agreement, Citigroup will each agree that it or one or more of their respective Affiliates will sell or arrange for the sale (as applicable) of Notes only to or with, in each case, (a) purchasers it reasonably believes to be (i) (x) Qualified Institutional Buyers or (y) with respect to Subordinated Notes only, Accredited Investors, and (ii) (x) Qualified Purchasers, (y) with respect to Subordinated Notes only, Knowledgeable Employees or (z) entities owned exclusively by Qualified Purchasers or (with respect to Subordinated Notes only) by Knowledge Employees 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" below. Beneficial interests in a Regulation S Global 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 respective affiliates may have had in the past and may in the future have business relationships and dealings with the Collateral Manager and its affiliates and one or more obligors with respect to Collateral Obligations and their affiliates and may own equity or debt securities issued by such entities or their affiliates. Citigroup and its respective affiliates may have provided and may in the future provide investment banking services to such entities or their affiliates and may have received or may receive compensation for such services.

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

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

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

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

The Co-Issuers have not authorized and do not authorize the making of any offer of Notes through any financial intermediary on their behalf, other than offers made by the Initial Purchaser or the Placement Agent with a view to the final placement of the Notes as contemplated in this Offering Circular. Accordingly, no purchaser of the Notes, other than the Initial Purchaser or the Placement Agent, is authorized to make any further offer of the Notes on behalf of the Co-Issuers and 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"), the Initial Purchaser and the Placement Agent have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the "relevant implementation date"), it has not made and will not make an offer of securities to the public except that, with effect from and including the relevant implementation date, an offer of securities may be offered to the public in the relevant member state at any time:

- to any legal entity that is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of securities shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

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 (and amendments thereto to the extent implemented in the relevant member state) and any relevant implementing measure in each relevant member state.

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 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 of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

TRANSFER RESTRICTIONS

Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, or transfer of the Notes.

The Notes have not been registered under the Securities Act or any state securities or "Blue Sky" laws or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described herein and set forth in the Indenture.

Without limiting the foregoing, by holding a Note, you will acknowledge and agree, among other things, that you understand that neither of the Co-Issuers is registered as an investment company under the Investment Company Act, and that the Co-Issuers are exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) excepts from the provisions of the Investment Company Act those issuers who privately place their securities solely to persons who at the time of purchase are "qualified purchasers" or entities owned exclusively by "qualified purchasers". In general terms, qualified purchaser includes 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). In general terms, knowledgeable employee includes executive officers, directors and certain investment professionals and employees of an issuer and its related investment manager.

Global Notes

Each purchaser of Notes represented by Global Notes will be deemed to have represented and agreed as follows:

(i) (A) In the case of Regulation S Global Notes, it is not a "U.S. person" as defined in Regulation S and is acquiring such Notes in an offshore transaction (as defined in Regulation S) in reliance on the exemption from registration under the Securities Act provided by Regulation S.

(B) In the case of Rule 144A Global Notes, (1) it is both (x) 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 (y) a "qualified purchaser" for purposes of Section 3(c)(7) of the Investment Company Act or an entity owned exclusively by "qualified purchasers"; (2) it is acquiring its interest in such Notes for its own account or for one or more accounts all of the holders of which are Qualified Institutional Buyers and Qualified Purchasers and as to which accounts it exercises sole investment discretion; (3) if it would be an investment company but for the exclusions from the Investment Company Act provided by Section 3(c)(1) or Section 3(c)(7) thereof, (x) all of the beneficial owners of its outstanding securities (other than short-term paper) that acquired such securities on or before April 30, 1996 ("pre-amendment beneficial owners") have consented to its treatment as a "qualified purchaser" and (y) all of the pre-amendment beneficial owners of a company that would be an investment company but for the exclusions from the Investment Company Act provided by Section 3(c)(1) or Section 3(c)(7) thereof and that directly or indirectly owned any of its outstanding securities (other than short-term paper) have consented to its treatment as a "qualified purchaser"; and (4) it is acquiring such Notes for investment and not for sale in connection with any distribution thereof and was not formed for the purpose of investing in such Notes and is not a partnership, common trust fund, special trust or pension, profit sharing or other retirement trust fund or plan in which partners, beneficiaries or participants, as applicable, may designate the particular investments to be made, and it agrees that it will not hold such Notes for the benefit of any other person and will be the sole beneficial owner thereof for all purposes and that, in accordance with the provisions therefor in the Indenture, it will not sell participation interests in such Notes or enter into any other arrangement pursuant to which any other person will be entitled

to a beneficial interest in the distributions on such Notes, and further that all Notes purchased directly or indirectly by it constitute an investment of no more than 40% of its assets.

(ii) In connection with its purchase of such Notes: (A) none of the Transaction Parties or any of their respective Affiliates is acting as a fiduciary or financial or investment advisor for it; (B) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Transaction Parties or any of their respective Affiliates; (C) 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 Transaction Parties or any of their respective Affiliates; (D) it has read and understands the Offering Circular for such Notes; (E) it will hold at least the Minimum Denomination of such Notes; (F) it is a sophisticated investor and is purchasing such 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 (G) it is not purchasing such Notes with a view to the resale, distribution or other disposition thereof in violation of the Securities Act; *provided* that none of the representations in clauses (A) through (C) is made with respect to the Collateral Manager by any Affiliate of the Collateral Manager or any account for which the Collateral Manager or any of its Affiliates acts as investment adviser.

(iii) It 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 it decides to offer, resell, pledge or otherwise transfer such Notes, such Notes may be offered, resold, pledged or otherwise transferred only in accordance with the provisions of the Indenture and the legend on such Notes. It 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. It understands that neither of the Co-Issuers has been registered under the Investment Company Act in reliance on an exemption from registration thereunder.

(iv) It will provide notice to each person to whom it proposes to transfer any interest in such Notes of the transfer restrictions and representations set forth in Section 2.5 of the Indenture, including the Exhibits referenced therein.

(v) It agrees that it will not, prior to the date which is one year (or, if longer, the applicable preference period then in effect) *plus* one day after the payment in full of all Notes, institute against, or join any other Person in instituting against, the Issuer, the Co-Issuer or any Blocker Subsidiary any bankruptcy, reorganization, arrangement, insolvency, winding-up, moratorium or liquidation proceedings, or other similar proceedings under Cayman Islands, U.S. federal or state bankruptcy or similar laws. It further acknowledges and agrees that if it causes a Bankruptcy Filing against the Issuer, the Co-Issuer or any Blocker Subsidiary prior to the expiration of the period specified in the preceding sentence, any claim that it has against the Co-Issuers (including under all Notes of any Class held by it) or with respect to any Assets (including any proceeds thereof) will, notwithstanding anything to the contrary in the Priority of Payments 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 is not a Filing Holder, with such subordination being effective until each Note held by holders that are not Filing Holders (and each claim of each other secured creditor of the Issuer) is paid in full in accordance with the Priority of Payments (after giving effect to such subordination). This agreement will constitute a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code. The Issuer will direct the Trustee to segregate payments and take other reasonable steps to make the subordination agreement effective. In order to give effect to the foregoing, the Issuer will, to the extent necessary, obtain and assign a separate CUSIP or CUSIPs to the Notes of each Class of Notes held by each Filing Holder.

(vi) It understands and agrees that such Notes are limited recourse obligations of the Issuer (and, in the case of Co-Issued Notes, the Co-Issuer), payable solely from proceeds of the Assets in accordance with the Priority of Payments, 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 Issuer (and, in the case of Co-Issued Notes,

the Co-Issuer) thereunder or in connection therewith after such realization shall be extinguished and shall not thereafter revive.

(vii) It acknowledges and agrees that (A) the Issuer has the right to compel any Non-Permitted Holder to sell its interest in such Notes or to sell such interest on behalf of such Non-Permitted Holder and (B) in the case of Re-Pricing Eligible Notes, the Issuer has the right to compel any Non-Consenting Holder to sell its interest in such Notes, to sell such interest on behalf of such Non-Consenting Holder or to redeem such Notes.

(viii) It understands that (A) the Trustee will provide to the Issuer and the Collateral Manager upon reasonable request all information reasonably available to the Trustee in connection with regulatory matters, including any information that is necessary or advisable in order for the Issuer or the Collateral Manager (or its parent or Affiliates) to comply with regulatory requirements, (B) with respect to each Certifying Person, unless such Certifying Person instructs the Trustee otherwise, the Trustee will upon request of the Issuer or the Collateral Manager share with the Issuer and the Collateral Manager the identity of such Certifying Person, as identified to the Trustee by written certification from such Certifying Person, (C) the Trustee will obtain and provide to the Issuer and the Collateral Manager upon request a list of participants in DTC, Euroclear or Clearstream holding positions in the Notes, (D) upon written request, the registrar shall provide to the Issuer, the Collateral Manager, the Initial Purchaser, the Placement Agent or any holder a current list of holders as reflected in the register, and by accepting such information, each holder will be deemed to have agreed that such information will be used for no purpose other than the exercise of its rights under the Indenture and (E) subject to the duties and responsibilities of the Trustee set forth in the Indenture, the Trustee will have no liability for any such disclosure under (A) through (D) or the accuracy thereof.

(ix) It agrees to provide to the Issuer and the Collateral Manager all information reasonably available to it that is reasonably requested by the Collateral Manager in connection with regulatory matters, including any information that is necessary or advisable in order for the Collateral Manager (or its parent or Affiliates) to comply with regulatory requirements applicable to the Collateral Manager from time to time.

(x) It is not purchasing the Notes pursuant to an invitation made to the public in the Cayman Islands.

(xi) It acknowledges and agrees that (A) the Transaction Documents contain limitations on the rights of the holders to institute legal or other proceedings against the Transaction Parties, (B) it will comply with the express terms of the applicable Transaction Documents if it seeks to institute any such proceeding and (C) the Transaction Documents do not impose any duty or obligation on the Issuer or the Co-Issuer or their respective directors, officers, shareholders, members or managers to institute on behalf of any holder, or join any holder or any other person in instituting, any such proceeding.

(xii) It agrees to provide upon request certification acceptable to the Issuer or, in the case of Co-Issued Notes, the Co-Issuers to permit the Issuer or the Co-Issuers, as applicable, to (A) make payments to it without, or at a reduced rate of, withholding, (B) qualify for a reduced rate of withholding in any jurisdiction from or through which the Issuer receives payments on its assets and (C) comply with applicable law. It has read and understands the summary of the U.S. federal income tax considerations contained in the Offering Circular as it relates to such Notes, and it represents that it will treat such Notes for U.S. tax purposes in a manner consistent with the treatment of such Notes by the Issuer described therein and will take no action inconsistent with such treatment, it being understood that this paragraph shall not prevent a holder of Class D Notes from making a protective "qualified electing fund" election or filing protective information returns.

(xiii) It agrees (A) except as prohibited by applicable law, to obtain and provide the Issuer and the Trustee (including their agents and representatives) with information or documentation, and to update or correct such information or documentation, as may be necessary or helpful (in the sole determination of the Issuer or the Trustee or their agents or representatives, as applicable) to achieve Tax Account Reporting Rules Compliance (the obligations undertaken pursuant to this clause (A), the "Holder Reporting Obligations"), (B) that the Issuer and/or the Trustee or their agents or representatives may (1) provide such information and documentation and any other information concerning its investment in such Notes to the Cayman Islands Tax Information Authority, the U.S. Internal Revenue Service and any other relevant tax authority and (2) take such other steps as they deem necessary or helpful to achieve Tax Account Reporting Rules

Compliance, including withholding on "passthru payments" (as defined in the Code), and (C) that if it fails for any reason to comply with its Holder Reporting Obligations or otherwise is or becomes a Non-Permitted Tax Holder, the Issuer will have the right, in addition to withholding on passthru payments, to (1) compel it to sell its interest in such Notes, (2) sell such interest on its behalf in accordance with the procedures specified in Section 2.11(b) of the Indenture and/or (3) assign to such Notes a separate CUSIP or CUSIPs, and, in the case of this subclause (3), to deposit payments on such Notes into a Tax Reserve Account, which amounts will be either (x) released to the holder of such Notes at such time that the Issuer determines that the holder of such Notes complies with its Holder Reporting Obligations and is not otherwise a Non-Permitted Tax Holder or (y) released to pay costs related to such noncompliance (including Taxes imposed by FATCA); *provided* that any amounts remaining in a Tax Reserve Account will be released to the applicable holder (a) on the date of final payment for the Class (or as soon as reasonably practical thereafter) or (b) at the request of the applicable holder on any Business Day after such holder has certified to the Issuer and the Trustee that it no longer holds an interest in any Notes. Any amounts deposited into a Tax Reserve Account in respect of Notes held by a Non-Permitted Tax Holder shall be treated for all other purposes under the Indenture as if such amounts had been paid directly to the holder of such Notes. It agrees to indemnify the Issuer, the Collateral Manager, the Trustee and other beneficial owners of Notes for all damages, costs and expenses that result from its failure to comply with its Holder Reporting Obligations. This indemnification will continue even after it ceases to have an ownership interest in such Notes.

(xiv) In the case of Subordinated Notes, it agrees to provide the Issuer and the Trustee (A) 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 such Notes and (B) any additional information that the Issuer, the Trustee or their agents request in connection with any 1099 reporting requirements, and to update any such information provided in clause (A) or (B) promptly upon learning that any such information previously provided has become obsolete or incorrect or is otherwise required. It acknowledges that the Issuer or the Trustee may provide such information and any other information concerning its investment in such Notes to the U.S. Internal Revenue Service.

(xv) If it is not a United States person within the meaning of Section 7701(a)(30) of the Code, it is not acquiring such Notes as part of a plan to reduce, avoid or evade U.S. federal income tax.

(xvi) In the case of Issuer-Only Notes, if it is a bank organized outside the United States, it (A) is acquiring such Notes as a capital markets investment and will not for any purpose treat such Notes or the assets of the Issuer as loans acquired in its banking business and (B) is not acquiring such Notes as part of a plan having as one of its principal purposes the avoidance of U.S. withholding taxes.

(xvii) In the case of Certificated Notes, it understands that the Issuer is subject to anti-money laundering legislation in the Cayman Islands and that, accordingly, the Issuer may require a detailed verification of the identity of the purchaser or any proposed transferee thereof and the source of the payment used by the purchaser or transferee for purchasing such Certificated Notes.

(xviii) It understands that the laws of other major financial centers may impose similar obligations upon the Issuer. It is not a person with whom dealings are restricted or prohibited under any law relating to economic sanctions or anti-money laundering of the United States, the European Union, Switzerland or any other applicable jurisdiction, and its purchase of such Notes will not result in the violation of any such law by any Transaction Party, whether as a result of the identity of it or its beneficial owners, their source of funds or otherwise.

(xix) (A) Its acquisition, holding and disposition of such Notes will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or in a violation of any Similar Law or other applicable law) unless an exemption is available and all conditions have been satisfied.

(B) In the case of Issuer-Only Notes, unless otherwise specified in a signed investor representation letter in connection with the Closing Date, for so long as it holds a beneficial interest in such Notes, it is not a Benefit Plan Investor or a Controlling Person.

(C) It understands that the representations made in this clause (xix) will be deemed made on each day from the date of its acquisition of an interest in such Notes, through and including the date on which it disposes of such interest. If any such representation becomes untrue, or if there is a change in its status as a Benefit Plan Investor or a Controlling Person, it will immediately notify the Trustee. It agrees to indemnify and hold harmless the Issuer, the Trustee, the Initial Purchaser, the Placement Agent and the Collateral Manager and their respective Affiliates from any cost, damage, or loss incurred by them as a result of any such representation being untrue.

Certificated Notes and Uncertificated Subordinated Notes

If you are a purchaser or transferee of Certificated Notes or Uncertificated Subordinated Notes after the Closing Date (including by way of a transfer of an interest in a Global Note to you as a transferee acquiring Certificated Notes or Uncertificated Subordinated Notes), no such purchase or transfer will be recorded or otherwise recognized unless you have provided the Issuer and the Trustee with a Transfer Certificate. Purchasers of the Issuer-Only Notes on the Closing Date will be required to provide Citigroup or the Issuer with an investor letter containing representations and agreements substantially similar to those set forth in the Transfer Certificate and the representations and agreements set forth above under "Global Notes".

Each purchaser or transferee of Notes understands that the Issuer is subject to anti-money laundering legislation in the Cayman Islands. Accordingly, if Notes are issued in certificated form, the Issuer may, except in relation to certain categories of institutional investors, require a detailed verification of the identity of the purchaser of such Certificated Notes or any proposed transferee thereof and the source of the payment used by such purchaser or transferee for purchasing such Certificated Notes. The laws of other major financial centers may impose similar obligations upon the Issuer.

Legends

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

(a) with respect to Rated Notes:

> THIS NOTE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE INDENTURE REFERRED TO BELOW. THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND NEITHER OF THE CO-ISSUERS HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS NOTE AND INTERESTS HEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT (A)(1) TO A QUALIFIED PURCHASER (FOR PURPOSES OF THE INVESTMENT COMPANY ACT) THAT THE SELLER REASONABLY BELIEVES IS ALSO A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF 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 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, PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES

ACT, OR (2) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 (AS APPLICABLE) OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE INDENTURE, AND IN EACH CASE WHICH MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION, (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION AND (C) IN A MINIMUM DENOMINATION FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT. EACH PURCHASER OF THIS NOTE WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN SECTION 2.5 OF THE INDENTURE, OR, IF REQUIRED UNDER THE INDENTURE, MUST DELIVER A TRANSFER CERTIFICATE IN THE FORM PROVIDED IN THE INDENTURE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE CO-ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY NON-PERMITTED HOLDER (AS DEFINED IN THE INDENTURE) TO SELL ITS INTEREST IN THE NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH NON-PERMITTED HOLDER.

(b) with respect to Subordinated Notes:

THIS NOTE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE INDENTURE REFERRED TO BELOW. THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND NEITHER OF THE CO-ISSUERS HAS BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THIS NOTE AND INTERESTS HEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT (A)(1) TO A QUALIFIED PURCHASER (FOR PURPOSES OF THE INVESTMENT COMPANY ACT) OR A KNOWLEDGEABLE EMPLOYEE (AS DEFINED IN RULE 3c-5 UNDER THE INVESTMENT COMPANY ACT) THAT THE SELLER REASONABLY BELIEVES IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF REGULATION D UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR (2) TO A QUALIFIED PURCHASER (FOR PURPOSES OF THE INVESTMENT COMPANY ACT) THAT THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF 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 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, PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, OR (3) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 (AS APPLICABLE) OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE INDENTURE, AND IN EACH CASE WHICH MAY BE EFFECTED

WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION, (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION AND (C) IN A MINIMUM DENOMINATION FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT. EACH PURCHASER OF THIS NOTE WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN SECTION 2.5 OF THE INDENTURE, OR, IF REQUIRED UNDER THE INDENTURE, MUST DELIVER A TRANSFER CERTIFICATE IN THE FORM PROVIDED IN THE INDENTURE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. THE ISSUER HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY NON-PERMITTED HOLDER (AS DEFINED IN THE INDENTURE) TO SELL ITS INTEREST IN THE NOTES, OR MAY SELL SUCH INTEREST ON BEHALF OF SUCH NON-PERMITTED HOLDER. THIS NOTE MAY BE PURCHASED BY A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON (EACH, AS DEFINED IN THE INDENTURE) ONLY SUBJECT TO CERTAIN CONDITIONS AND LIMITATIONS AS SET FORTH IN THE INDENTURE.

(c) in addition, the Re-Pricing Eligible Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THE ISSUER ALSO HAS THE RIGHT, UNDER THE INDENTURE, TO COMPEL ANY HOLDER THAT DOES NOT CONSENT TO A RE-PRICING WITH RESPECT TO THIS NOTE PURSUANT TO THE APPLICABLE TERMS OF THE INDENTURE TO SELL ITS INTEREST IN THIS NOTE, TO SELL SUCH INTEREST ON BEHALF OF SUCH HOLDER OR TO REDEEM THIS NOTE.

(d) in addition, the Rated Notes (other than the Class A 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 THE ISSUER AT ITS REGISTERED OFFICE.

(e) in addition, the Class D Notes will bear a legend substantially to the following effect unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE MAY BE PURCHASED BY A BENEFIT PLAN INVESTOR OR A CONTROLLING PERSON (EACH, AS DEFINED IN THE INDENTURE) ONLY SUBJECT TO CERTAIN CONDITIONS AND LIMITATIONS AS SET FORTH IN THE INDENTURE.

Non-Permitted Holders

Any transfer of a beneficial interest in any Note to a Non-Permitted Holder will be null and void and any such purported transfer of which the Issuer, the Co-Issuer or the Trustee has notice may be disregarded by the Issuer, the Co-Issuer and the Trustee for all purposes.

If any Non-Permitted Holder becomes the beneficial owner of any Note or an interest in any Note, the Issuer shall, promptly after discovery that such Person is a Non-Permitted Holder by the Issuer, the Co-Issuer or the Trustee (and notice to the Issuer, if either of the Co-Issuer or the Trustee makes the discovery), send notice (with a copy to the Collateral Manager) to such Non-Permitted Holder 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 Person fails to transfer its Notes (or the required portion of its Notes), the Issuer will have the right to sell such Notes to a purchaser selected by the Issuer. The Issuer (or its agent) will request such Person to provide (within 10 days after such request) the names of prospective purchasers, and the Issuer (or its agent) will solicit bids from any such identified prospective purchasers and may also solicit bids from one or more brokers or other market professionals that regularly deal in securities similar to the Notes. The Issuer agrees that it will accept the highest of such bids, subject to the bidder satisfying the transfer restrictions set forth in the Indenture. If the procedure above does not result in any bids from qualified investors, the Issuer may select a purchaser by any other means determined by it in its sole discretion. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale will be remitted to the Non-Permitted Holder. The terms and conditions of any such sale will be determined in the sole discretion of the Issuer, and none of the Issuer, the Collateral Manager or the Trustee will 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.

The Trustee will promptly notify the Issuer and the Collateral Manager if the Trustee obtains actual knowledge that any holder or beneficial owner of an interest in such Notes is a Non-Permitted Holder.

Cayman Islands Placement Provisions

Citigroup has agreed that it has not made and will not make any invitation to the public in the Cayman Islands in accordance with Section 175 of the Companies Law (as amended) of the Cayman Islands to subscribe for the Notes, and this document has not been and will not be issued or passed to any such person for such purposes.

LISTING AND GENERAL INFORMATION

1. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its Global Exchange Market. There can be no assurance that any such listing will be approved or maintained.

2. For the term of the Notes, copies of the Memorandum of Association and Articles of Association of the Issuer, the Certificate of Formation and Limited Liability Company Agreement of the Co-Issuer, the Indenture, the Collateral Management Agreement and the Collateral Administration Agreement will be available in electronic form for inspection at the principal office of the Issuer at c/o Walkers Fiduciary Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands, telephone number (345) 814-7600, Attention: The Directors, and the offices of the Trustee at 1 Iron Street, Boston, Massachusetts 02210, Attention: Structured Trust and Analytics, and copies thereof may be obtained upon request.

3. Since incorporation, or in the case of the Co-Issuer, formation, and as of the date hereof, neither the Issuer nor the Co-Issuer has commenced trading, prepared any financial statements, established any accounts or declared any dividends, except for the transactions described herein. Neither the Issuer nor the Co-Issuer has any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptance credits, hire purchase agreements, guarantee or other contingent liabilities, other than the Notes and other transactions described herein.

4. Neither the Issuer nor the Co-Issuer is, or has since incorporation, or in the case of the Co-Issuer, formation, been, involved in any legal, 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 legal, 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 Co-Issued Notes is expected to be authorized by the manager of the Co-Issuer by resolutions passed on the Closing Date.

6. The Issuer is not required by Cayman Islands law and the Issuer does not intend to publish annual reports and accounts, nor has it done so as of the date hereof. The Co-Issuer is not required by Delaware law, and the Co-Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof. The Indenture, however, requires the Issuer to provide the Trustee with written confirmation, on an annual basis, that to the best of its knowledge following review of the activities of the prior year, no Event of Default has occurred and is continuing or, if one has, specifying the same. The Co-Issuers do not intend to provide to the public post-issuance transaction information regarding the securities to be admitted to trading or the performance of the underlying collateral.

7. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of the Irish Stock Exchange or to trading on its Global Exchange Market.

8. 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.

9. The Co-Issuers do not intend to provide post-issuance transaction information regarding the Notes or the Collateral Obligations.

10. The Notes sold in offshore transactions in reliance on Regulation S under the Securities Act and represented by the Regulation S Global Notes have been accepted for clearance through Clearstream and Euroclear. The Notes sold to persons that are Qualified Institutional Buyers and Qualified Purchasers in reliance on Rule 144A under the Securities Act and represented by Rule 144A Global Notes have been

accepted for clearance through DTC. The CUSIP Numbers, Common Codes and International Notes Identification Numbers (ISIN), as applicable, for the Notes are as follows:

Rule 144A		
	CUSIP	ISIN
Class A-1 Notes	143109 AA4	US143109AA48
Class A-2 Notes	143109 AC0	US143109AC04
Class B-1 Notes	143109 AE6	US143109AE69
Class B-2 Notes	143109 AJ5	US143109AJ56
Class C Notes	143109 AG1	US143109AG18
Class D Notes	14311V AA4	US14311VAA44
Subordinated Notes	14311V AC0	US14311VAC00

Regulation S			
	Common Code	CUSIP	ISIN
Class A-1 Notes	151509975	G2001K AA1	USG2001KAA19
Class A-2 Notes	151509983	G2001K AB9	USG2001KAB91
Class B-1 Notes	151510043	G2001K AC7	USG2001KAC74
Class B-2 Notes	151509991	G2001K AE3	USG2001KAE31
Class C Notes	151510019	G2001K AD5	USG2001KAD57
Class D Notes	151510027	G2001L AA9	USG2001LAA91
Subordinated Notes	151510035	G2001L AB7	USG2001LAB74

Accredited Investor		
	CUSIP	ISIN
Subordinated Notes*	14311V AD8	US14311VAD82

* To be issued as a definitive note.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for the Co-Issuers and Citigroup by Cleary Gottlieb Steen & Hamilton LLP and for the Collateral Manager by Mayer Brown LLP. Certain matters with respect to Cayman Islands law will be passed upon for the Issuer by Walkers.

GLOSSARY OF CERTAIN DEFINED TERMS

"17g-5 Website" means the Issuer's website, which shall initially be located at https://www.structuredfn.com, or such other address as the Issuer may provide to the Trustee, the Collateral Administrator, the Collateral Manager and the Rating Agencies.

"Accounts" means each of: (i) the Payment Account, (ii) the Collection Account, (iii) the Ramp-Up Account, (iv) the Revolver Funding Account, (v) the Expense Reserve Account, (vi) the Custodial Account, (vii) the Interest Reserve Account and (viii) the Contribution Account.

"Accredited Investor" means any person that, at the time of its acquisition, purported acquisition or proposed acquisition of Notes, is an "accredited investor" within the meaning of Rule 501(a) under Regulation D under the Securities Act that is not also a Qualified Institutional Buyer.

"Adjusted Collateral Principal Amount" means, as of any date of determination:

(a) the Aggregate Principal Balance of the Collateral Obligations (other than Defaulted Obligations, Discount Obligations and Deferring Securities); *plus*

(b) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds; *plus*

(c) (A) if any Class A-1 Notes are outstanding, the lesser of (i) the sum of the S&P Collateral Value of all Defaulted Obligations and Deferring Securities and (ii) the sum of the Moody's Collateral Value of all Defaulted Obligations and Deferring Securities or (B) if no Class A-1 Notes are outstanding, the sum of the Moody's Collateral Value of all Defaulted Obligations and Deferring Securities; *provided* that this clause (c) 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 product of (i) the ratio of the purchase price, excluding accrued interest, expressed as a dollar amount, over the Principal Balance of the Discount Obligation as of the date of acquisition and (ii) the current Principal Balance of such Discount Obligation; *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 or Discount Obligation or 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, 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) 0.02% per annum (prorated for the related Interest Accrual Period on the basis of a 360-day year and the actual number of days elapsed) 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 and twelve 30-day months) or, with respect to this clause (b), if an Event of Default has occurred and is continuing U.S.$300,000 or such higher amount as may be agreed between the Trustee and a Majority of the Controlling Class; *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) of the

Priority of Interest Proceeds, clause (A) of the Priority of Principal Proceeds and clause (A) of the Special 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; *provided*, *further*, that Special Petition Expenses shall be paid without regard to the Administrative Expense Cap and shall be excluded from the foregoing calculations.

"Administrative Expenses" include fees, expenses (including indemnities) and other amounts due or accrued with respect to any Payment Date (including, with respect to any Payment Date, any such amounts that were due and not paid on any prior Payment Date) and payable in the following order by the Issuer or the Co-Issuer: first, to the Trustee pursuant to the Indenture, second, to the Bank (in each of its capacities other than in clause *first*) including as Collateral Administrator pursuant to the Collateral Administration Agreement or as paying agent to any investment vehicle established to facilitate the initial issuance of the Notes, third, to the payment of Special Petition Expenses, fourth, on a *pro rata* basis, the following amounts (excluding indemnities) to the following parties:

(i) the Independent accountants, agents (other than the Collateral Manager) and counsel of the Issuer for fees and expenses;

(ii) the Rating Agencies for fees and expenses (including any annual fee, amendment fees and surveillance fees) in connection with any rating of the Rated 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, including without limitation reasonable expenses of the Collateral Manager (including (x) actual fees incurred and paid by the Collateral Manager for its accountants, agents, counsel and administration of the Issuer, (y) reasonable costs and expenses incurred in connection with the Collateral Manager's management of the Collateral Obligations, Eligible Investments and other assets of the Issuer (including, without limitation, costs and expenses incurred with respect to potential investments by the Issuer, even if such investment is not made by or on behalf of the Issuer, and brokerage commissions) and (z) data services fees of up to $100,000 per annum, which shall be allocated among the Issuer and other clients of the Collateral Manager to the extent such expenses are incurred in connection with the Collateral Manager's activities on behalf of the Issuer and such other clients) actually incurred and paid in connection with the Collateral Manager's management of the Collateral Obligations, but excluding the Management Fees;

(iv) the Administrator pursuant to the Administration Agreement;

(v) any expenses in connection with a Refinancing or Re-Pricing (as reserved for pursuant to the Indenture);

(vi) the Retention Holder for reasonable costs and expenses associated with the formation, establishment and ongoing operations of the Retention Holder; and

(vii) any other Person in respect of any other fees or expenses permitted under the Indenture and the documents delivered pursuant to or in connection with the Indenture (including any expenses related to Tax Account Reporting Rules Compliance, any Blocker Subsidiary, the payment of facility rating fees and all legal and other fees and expenses incurred in connection with the purchase or sale of any Collateral Obligations and any other expenses incurred in connection with the Collateral Obligations) and the Notes, including but not limited to, Petition Expenses not constituting Special Petition Expenses, 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 fifth, 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 Rated 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.

"Aggregate Outstanding Amount" means, with respect to any of the Notes as of any date, the aggregate unpaid principal amount of such Notes outstanding (including any Deferred Interest previously added to the principal amount of any Class of Rated Notes that remains unpaid) on such date.

"Aggregate Principal Balance" means, when used with respect to all or a portion of the Collateral Obligations or the Assets, the sum of the Principal Balances of all or of such portion of the Collateral Obligations or Assets, respectively.

"Approved Index List" means the nationally recognized indices specified in a schedule to the Indenture as amended from time to time by the Collateral Manager to delete any index or add any additional nationally recognized index that is reasonably comparable to the then-current indexes, with prior notice of any amendment to Moody's in respect of such amendment and a copy of any such amended Approved Index List to the Collateral Administrator.

"Asset Comparison AUP Report" means an accountants' report that recalculates and compares with respect to each Collateral Obligation, by reference to such sources as shall be specified in such accountants' report, the Obligor, Principal Balance, coupon/spread, stated maturity, Moody's Default Probability Rating, S&P Rating and country of Domicile.

"Bankruptcy Exchange" means the exchange of a Defaulted Obligation (without the payment of any additional funds other than reasonable and customary transfer costs) for another debt obligation issued by another obligor which, but for the fact that such debt obligation is a Defaulted Obligation or a Credit Risk Obligation, would otherwise qualify as a Collateral Obligation.

"Bankruptcy Law" means the federal Bankruptcy Code, Title 11 of the United States Code, as amended from time to time, Part V of the Companies Law (as amended) of the Cayman Islands, the Companies Winding-Up Rules (2008) of the Cayman Islands, the Bankruptcy Law (1997 Revision) of the Cayman Islands, and the Foreign Bankruptcy Proceedings (International Cooperation) Rules 2008 of the Cayman Islands, each as amended from time to time.

"Blocker Subsidiary" means an entity treated at all times as a corporation for U.S. federal income tax purposes, 100% of the equity interests in which are owned directly or indirectly by the Issuer.

"Bond" means a debt obligation or debt security (that is not a loan) that is issued by a corporation, limited liability company, partnership or trust.

"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; *provided* 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) with a Moody's Rating of "Caa1" or lower.

"Calculation Agent" means the calculation agent appointed by the Issuer, initially the Collateral Administrator, for purposes of determining LIBOR for each Interest Accrual Period.

"Cayman-UK IGA" means the intergovernmental agreement between the Cayman Islands and the United Kingdom signed on November 5, 2013 (including any implementing legislation, rules, regulations and guidance notes), as the same may be amended from time to time.

"Cayman-US IGA" means the intergovernmental agreement between the Cayman Islands and the United States signed on November 29, 2013 (including any implementing legislation, rules, regulations and guidance notes), as the same may be amended from time to time.

"CCC Collateral Obligation" means a Collateral Obligation (other than a Defaulted Obligation) 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:

(a) so long as any Class A-1 Notes are outstanding, the greater of:

(i) the excess of the Aggregate Principal Balance of all CCC Collateral Obligations over an amount equal to 7.5% of the Collateral Principal Amount as of the current Determination Date; and

(ii) the excess of the Aggregate 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; or

(b) if no Class A-1 Notes are outstanding, the excess of the Aggregate 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 Aggregate Principal Balance of such Collateral Obligations as of such Determination Date) shall be deemed to constitute such CCC/Caa Excess.

"Certificated Note" means any Notes issued in the form of a definitive, fully registered form without coupons registered in the name of the owner or nominee thereof, duly executed by the applicable issuer and authenticated by the Trustee as provided in the Indenture.

"Certifying Person" means any beneficial owner of Notes certifying its ownership to the Trustee, substantially in the form set forth in the Indenture.

"CFR" means, with respect to an obligor of a Collateral Obligation, if such obligor has a corporate family rating by Moody's, then such corporate family rating; provided, if such obligor does not have a corporate family rating by Moody's but any entity in the obligor's corporate family does have a corporate family rating, then the CFR is such corporate family rating.

"CGM" means Carlyle GMS CLO Management L.L.C.

"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 Rated Notes, all of the Rated Notes having the same Interest Rate, Stated Maturity and designation and (b) the Subordinated Notes, all of the Subordinated Notes. For purpose of exercising any rights to consent, give direction or otherwise vote, any *pari passu* Classes of Rated Notes that are entitled to vote on a matter will vote together as a single Class, except as expressly provided herein.

"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 the Highest Ranking S&P Class (for which purpose *pari passu* Classes will be treated as a single class):

(a) prior to the S&P CDO Formula Election Date, the maximum percentage of defaults, at any time, that the Current Portfolio or the Proposed Portfolio, as applicable, can sustain, as determined by S&P, through application of the S&P CDO Monitor chosen by the Collateral Manager in accordance with the Indenture 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 of Notes in full; and

(b) on and after the S&P CDO Formula Election Date, the rate equal to the value calculated based on the formula contained in the definition of S&P CDO BDR.

"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 Mezzanine 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 Mezzanine Secured Deferrable Floating Rate Notes issued pursuant to the Indenture.

"Class Default Differential" means, with respect to the Highest Ranking S&P Class (for which purpose *pari passu* Classes will be treated as a single class), at any time, the rate calculated by subtracting the Class Scenario Default Rate for such Class of Notes at such time from (x) prior to the S&P CDO Formula Election Date, the Class Break-Even Default Rate and (y) on and after the S&P CDO Formula Election Date, the S&P CDO Adjusted BDR, in each case, for such Class of Notes at such time.

"Class Scenario Default Rate" means, with respect to the Highest Ranking S&P Class (for which purpose *pari passu* Classes will be treated as a single class), at any time:

(a) prior to the S&P CDO Formula Election Date, 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, determined by application by the Collateral Manager and the Collateral Administrator of the S&P CDO Monitor at such time; and

(b) on and after the S&P CDO Formula Election Date, the rate equal to the value calculated based on the formula contained in the definition of S&P CDO SDR.

"Closing Date" means December 1, 2016.

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

"Co-Issued Notes" means the Class A-1 Notes, the Class A-2 Notes, the Class B Notes and the Class C Notes.

"Co-Issuer" means Carlyle US CLO 2016-4, LLC.

"Co-Issuers" means the Issuer together with the Co-Issuer.

"Collateral Administration Agreement" means an agreement dated as of the Closing Date among the Issuer, the Collateral Manager and the Collateral Administrator, as amended from time to time.

"Collateral Administrator" means the Bank, 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 dated as of the Closing Date 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, as amended from time to time in accordance with the terms of the Collateral Management Agreement and the Indenture.

"Collateral Manager" means Carlyle GMS CLO Management L.L.C., 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 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) plus (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 or a Tax 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; and then the Subordinated Notes.

"Controlling Class Condition" means a condition that is satisfied if either (a) all of the Class A-1 Notes issued on the Closing Date have been redeemed, refinanced or repaid in full or (b) with respect to any event or action that is conditioned upon or otherwise subject to the satisfaction of the Controlling Class Condition, a Majority of the Class A-1 Notes has consented in writing to such event or action.

"Coverage Tests" means the Overcollateralization Ratio Test and the Interest Coverage Test, each as applied to each specified Class(es) of Rated Notes.

"Cov-Lite Loan" means a Loan that: (a) does not contain any financial covenants; or (b) requires the underlying obligor to comply with one or more Incurrence Covenants, but does not require the underlying obligor to comply with a Maintenance Covenant. Notwithstanding the foregoing, from and after the satisfaction of the Controlling Class Condition, Cov-Lite Loan means a Senior Secured Loan that: (x) does not contain any financial covenants or (y) requires the underlying obligor to comply with an Incurrence Covenant, but does not require the underlying obligor to comply with a Maintenance Covenant; *provided* that, for all purposes other than the definition of S&P Recovery Rate, a loan described in clause (x) or (y) above which either contains a cross default provision to, or is *pari passu* with, another loan of the same underlying obligor that requires the underlying obligor to comply with a Maintenance Covenant shall be deemed not to be a Cov-Lite Loan.

"CR Assessment": The counterparty risk assessment published by Moody's.

"Credit Improved Criteria" means the criteria that will be met if (a) with respect to any Collateral Obligation the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more positive, or less negative, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List plus 0.25% over the same period, (b) with respect to a Fixed Rate Obligation only, there has been a decrease in the difference between its yield compared to the yield on the United States Treasury security of the same duration of more than 7.5% since the date of purchase or (c) the Sale Proceeds (excluding Sale Proceeds that constitute Interest Proceeds) of such Collateral Obligation would be at least 101% of its purchase price.

"Credit Improved Obligation" means any Collateral Obligation which, in the Collateral Manager's judgment exercised in accordance with the Collateral Management Agreement, has significantly improved in credit quality after it was acquired by the Issuer, which improvement may (but need not) be evidenced by one of the following: (a) such Collateral Obligation satisfies the Credit Improved Criteria, (b) such Collateral Obligation has been upgraded at least one rating subcategory by either Rating Agency or has been placed and remains on credit watch with positive implication by either Rating Agency, (c) the issuer of such Collateral Obligation has raised equity capital or other capital subordinated to the Collateral Obligation, or (d) the issuer of such Collateral Obligation has, in the Collateral Manager's reasonable commercial judgment, shown improved results or possesses less credit risk, in each case since such Collateral Obligation was acquired by the Issuer; *provided* that during a Restricted Trading Period, in addition to the foregoing, a Collateral Obligation will qualify as a Credit Improved Obligation only if (i) it has been upgraded by any Rating Agency at least one rating subcategory or has been placed and remains on a credit watch with positive implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Improved Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Improved Obligation.

"Credit Risk Criteria" means the criteria that will be met with respect to any Collateral Obligation if (a) the change in price of such Collateral Obligation during the period from the date on which it was acquired by the Issuer to the date of determination by a percentage either is more negative, or less positive, as the case may be, than the percentage change in the average price of any index specified on the Approved Index List less 0.25% over the same period, (b) with respect to a Fixed Rate Obligation only, there has been an increase in the difference between its yield compared to the yield on the United States Treasury security of the same duration of more than 7.5% since the date of purchase or (c) the Market Value of such Collateral Obligation has decreased by at least 2.00% of the price paid by the Issuer of such Collateral Obligation.

"Credit Risk Obligation" means any Collateral Obligation that, in the Collateral Manager's judgment exercised in accordance with the Collateral Management Agreement, has a significant risk of declining in credit quality or price; *provided* that, during a Restricted Trading Period, a Collateral Obligation will qualify as a Credit Risk Obligation for purposes of sales of Collateral Obligations only if, in addition to the foregoing, (i) such Collateral Obligation has been downgraded by any Rating Agency at least one rating subcategory or has been placed and remains on a credit watch with negative implication by Moody's or S&P since it was acquired by the Issuer, (ii) the Credit Risk Criteria are satisfied with respect to such Collateral Obligation or (iii) a Majority of the Controlling Class votes to treat such Collateral Obligation as a Credit Risk Obligation.

"CRR Regulation" means the credit risk retention requirements imposed by Section 15G of the Securities Exchange Act of 1934 as implemented by the Interagency Final Rule entitled "Credit Risk Retention" included in Securities and Exchange Commission Release No. 34-73407 and issued on October 22, 2014.

"Current Pay Obligation" means any Collateral Obligation (other than a DIP Collateral Obligation) that would otherwise be treated as a Defaulted Obligation but as to which no payments are due and payable that are unpaid and with respect to which the Collateral Manager has certified to the Trustee (with a copy to the Collateral Administrator) in writing that it believes, in its reasonable business judgment, that (a) the issuer or obligor of such Collateral Obligation will continue to make scheduled payments of interest (and/or fees, as applicable, in the case of a Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation) thereon and will pay the principal thereof by maturity or as otherwise contractually due, (b) if the issuer or obligor is subject to a bankruptcy proceeding, it has been the subject of an order of a bankruptcy court that permits it to make the scheduled payments on such Collateral Obligation and all payments authorized by the bankruptcy court have been paid in cash when due, (c) the Collateral Obligation has a Market Value of at least 80.0% of its par value and (d) if the Rated Notes are then rated by Moody's (A) has a Moody's Rating of at least "Caa1" and a Market Value of at least 80.0% of its par value or (B) has a Moody's Rating of at least "Caa2," or had such rating immediately before such rating was withdrawn, and its Market Value is at least 85.0% of its par value (Market Value being determined, solely for the purposes of clauses (c) and (d), without taking into consideration clause (iii) of the definition of the term Market Value).

"Current Portfolio" means at any time, the portfolio of Collateral Obligations and Eligible Investments representing Principal Proceeds (determined in accordance with "Security for the Rated Notes—Collateral Assumptions" to the extent applicable), then held by the Issuer.

"Defaulted Obligation" means any Collateral Obligation included in the Assets as to which:

(a) a default as to the payment of principal and/or interest has occurred and is continuing with respect to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater, but in no case beyond the passage of any grace period applicable thereto);

(b) a default known to the Collateral Manager as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same issuer which is senior or *pari passu* in right of payment to such Collateral Obligation (without regard to any grace period applicable thereto, or waiver or forbearance thereof, after the passage (in the case of a default that in the Collateral Manager's judgment, as certified to the Trustee in writing, is not due to credit-related causes) of five Business Days or seven calendar days, whichever is greater (but in no case beyond the passage of any grace period applicable

thereto); *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) the issuer or others have instituted proceedings to have the issuer adjudicated as bankrupt or insolvent or placed into receivership and such proceedings have not been stayed or dismissed within 60 days of filing or such issuer has filed for protection under Chapter 11 of the United States Bankruptcy Code;

(d) either (i) such Collateral Obligation has an S&P Rating of "CC" or below or "D" or "SD" or (ii) the Obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD" or, in each case, had such rating immediately before it was withdrawn by S&P or Moody's, as applicable;

(e) such Collateral Obligation is *pari passu* in right of payment as to the payment of principal and/or interest to another debt obligation of the same obligor which has an S&P Rating of "CC" or below or "D" or "SD" or had such rating immediately before such rating was withdrawn or the obligor on such Collateral Obligation has a "probability of default" rating assigned by Moody's of "D" or "LD" or had such rating immediately before it was withdrawn;

(f) a default with respect to which the Collateral Manager has received notice or has knowledge that a default has occurred under the Underlying Instruments and any applicable grace period has expired and the holders of such Collateral Obligation have accelerated the repayment of the Collateral Obligation (but only until such acceleration has been rescinded) in the manner provided in the Underlying Instrument;

(g) the Collateral Manager has in its reasonable commercial judgment otherwise declared such debt obligation to be a Defaulted Obligation;

(h) such Collateral Obligation is a Participation Interest with respect to which the Selling Institution has defaulted in any respect in the performance of any of its payment obligations under the Participation Interest; or

(i) such Collateral Obligation is a Participation Interest in a loan that would, if such loan were a Collateral Obligation, constitute a Defaulted Obligation or with respect to which the Selling Institution has an S&P Rating of "CC" or below or "D" or "SD" or has a "probability of default" rating assigned by Moody's of "D" or "LD" or had such rating before such rating was withdrawn;

provided that (x) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to clauses (b) through (e) and (i) above if such Collateral Obligation (or, in the case of a Participation Interest, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a Current Pay Obligation (*provided* that the Aggregate Principal Balance of Current Pay Obligations exceeding 7.5% of the Collateral Principal Amount will be treated as Defaulted Obligations) and (y) a Collateral Obligation shall not constitute a Defaulted Obligation pursuant to any of clauses (b), (c), (d), (e) and (i) if such Collateral Obligation (or, in the case of a Participation Interest, the underlying Senior Secured Loan, Second Lien Loan or Unsecured Loan) is a DIP Collateral Obligation.

Each obligation 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 received in connection with a Distressed Exchange shall be deemed to be an Equity Security.

"Deferrable Security" means a Collateral Obligation (not including any Partial Deferring Security) which by its terms permits the deferral or capitalization of payment of accrued, unpaid interest.

"Deferred Interest" means: (i) with respect to the Class B Notes, any payments 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 the Class A-1 Notes or the Class A-2 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 the Class A-1 Notes, the Class A-2 Notes or the Class B Notes are outstanding on such Payment Date; and (iii) with respect to the Class D Notes, any payment of interest due on the Class D Notes on any Payment Date to the extent sufficient funds are not available to make such payment in accordance with the Priority of Payments on such Payment Date, but only if one or more senior Classes of Notes are outstanding on such Payment Date.

"Deferring Security" means a Deferrable Security that is deferring the payment of interest due thereon 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 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.

"Designated Investor" means one or more investors in Subordinated Notes designated by the Issuer to the Trustee on or before the Closing Date.

"Designated Investor Amount" means in connection with each Payment Date, for each Designated Investor, its allocated share (based on the percentage applicable to such Designated Investor as specified by the Issuer to the Trustee on or before the Closing Date) of the sum of (x) an amount equal to 0.07% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed during the related Interest Accrual Period) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Dates plus (y) any Designated Investor Amount remaining unpaid from any prior Payment Date and interest thereon calculated at LIBOR (calculated in the same manner as LIBOR in respect of the Notes) plus 0.25% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed during the applicable period).

"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 Loan or Participation Interest in a Loan which was purchased (as determined without averaging prices of purchases on different dates) for less than 85.0% of its Principal Balance, if such Collateral Obligation has a Moody's Rating lower than "B3", or 80.0% of its Principal Balance, if such Collateral Obligation has a Moody's Rating of "B3" or higher; *provided* that:

(w) such Collateral Obligation shall cease to be a Discount Obligation at such time as the Market Value (expressed as a percentage of the par amount of such Collateral Obligation) determined for such Collateral Obligation on each day during any period of 30 consecutive days since the acquisition by the Issuer of such Collateral Obligation, equals or exceeds 90% on each such day in the case of a Loan or Participation Interest in a Loan;

(x) any Collateral Obligation that would otherwise be considered a Discount Obligation, but that is purchased in accordance with the Investment Criteria with the proceeds of sale of a Collateral Obligation that was not a Discount Obligation at the time of its purchase, so long as such purchased Collateral Obligation (A) is purchased or committed to be purchased within five Business Days of such sale, (B) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) equal to or greater than the sale price (expressed as a percentage of the par amount) of the sold Collateral Obligation, (C) is purchased at a purchase price (expressed as a percentage of the par amount of such Collateral Obligation) not less than 65%; and (D) has a Moody's Default Probability Rating equal to or greater than

the Moody's Default Probability Rating of the sold Collateral Obligation, will not be considered to be a Discount Obligation;

(y) clause (x) above in this proviso shall not apply to any such Collateral Obligation at any time on or after the acquisition by the Issuer of such Collateral Obligation if, as determined at the time of such acquisition, the Aggregate Principal Balance of all Collateral Obligations to which such clause (x) has been applied since the Closing Date is more than 10% of the Target Initial Par Amount; and

(z) clause (x) above in this proviso shall not apply to any such Collateral Obligation at any time on or after the acquisition by the Issuer of such Collateral Obligation if, as determined at the time of acquisition by the Issuer of such Collateral Obligation, the Aggregate Principal Balance of all Collateral Obligations to which such clause (x) applies on such date of determination is more than 7.5% of the Collateral Principal Amount.

"Distressed Exchange" means, in connection with any Collateral Obligation, a distressed exchange or other debt restructuring has occurred, as reasonably determined by the Collateral Manager, pursuant to which the 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 obligor 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).

"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) or (c) below, its country of organization;

(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); or

(c) if its payment obligations are guaranteed by a person or entity organized in the United States, then the United States; *provided* that (x) in the commercially reasonable judgment of the Collateral Manager, such guarantee is enforceable in the United States and the related Collateral Obligation is supported by U.S. revenue sufficient to service such Collateral Obligation and all obligations senior to or *pari passu* with such Collateral Obligation and (y) such guarantee satisfies the Domicile Guarantee Criteria.

"Domicile Guarantee Criteria" means the following criteria:

(a) the guarantee is one of payment and not of collection;

(b) the guarantee provides that the guarantor agrees to pay the guaranteed obligations on the date due and waives demand, notice and marshaling of assets;

(c) the guarantee provides that the guarantor's right to terminate or amend the guarantee is appropriately restricted;

(d) the guarantee is unconditional, irrespective of value, genuineness, validity, or enforceability of the guaranteed obligations; the guarantee provides that the guarantor waives any other circumstance or condition that would normally release a guarantor from its obligations; and the guarantor also waives the right of set-off and counterclaim;

(e) the guarantee provides that it reinstates if any guaranteed payment made by the primary obligor is recaptured as a result of the primary obligor's bankruptcy or insolvency; and

(f) in the case of cross-border transactions, the risk of withholding tax with respect to payments by the guarantor is addressed if necessary.

"DTC" means The Depository Trust Company, its nominee and their respective successors.

"Effective Date" means the earlier to occur of (a) the Effective Date Cut-Off 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.

"Effective Date Accountants' Report" means the Asset Comparison AUP Report and the Test Recalculation AUP Report.

"Effective Date Cut-Off" means March 15, 2017.

"Effective Date Ratings Confirmation" means confirmation from (a) Moody's of its initial rating of each Class of the Rated Notes that it rated or satisfaction of the Moody's Effective Date Rating Condition and (b) S&P of its initial rating of each Class of the Rated Notes that it rated or satisfaction of the S&P Effective Date Rating Condition.

"Effective Date Report" means a report prepared by the Collateral Administrator in accordance with the Collateral Administration Agreement (A) identifying the issuer, Principal Balance, coupon/spread, stated maturity, Moody's Default Probability Rating, S&P Rating, Moody's industry classification, S&P industry classification and country of Domicile with respect to each Collateral Obligation as of the Effective Date and the information provided by the Issuer with respect to every other asset included in the Assets, by reference to such sources as shall be specified therein, and (B) calculating as of the Effective Date the level of compliance with, or satisfaction or non-satisfaction of the Effective Date Tests.

"Effective Date Requirements" means requirements that are satisfied if, within 10 Business Days after the Effective Date (i) the Issuer has provided, or (at the Issuer's expense) caused the Collateral Manager or the Collateral Administrator to provide, to S&P, the S&P Excel Default Model Input File of the portfolio used to determine that the S&P CDO Monitor Test is satisfied; (ii) the Issuer has caused the Collateral Administrator to compile and make available to each Rating Agency the Effective Date Report; and (iii) the Issuer has provided to the Trustee the Effective Date Accountants' Report.

"Effective Date Tests" mean (1) the Target Initial Par Condition, (2) the Overcollateralization Ratio Test, (3) the Concentration Limitations and (4) the Collateral Quality Test (excluding the S&P CDO Monitor Test and the Minimum Weighted Average S&P Recovery Rate Test).

"Eligible Custodian" means a custodian that satisfies, mutatis mutandis, the eligibility requirements in the Indenture that are applicable to an entity acting as Trustee under the Indenture.

"Eligible Investment Required Ratings" are (a) if such obligation (i) has both a long-term and a short-term credit rating from Moody's, such ratings are "A1" or higher (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) if such obligation has a short-term credit rating of at least "A-1" (or, in the absence of a short-term credit rating, "AA-" or better) from S&P.

"Eligible Investments" means (a) cash or (b) any U.S. Dollar denominated investment that, at the time it is delivered to the Trustee (directly or through an intermediary or bailee), (x) matures (or are redeemable at par) not later than the earlier of (A) the date that is 60 days after the date of delivery thereof (or such shorter period required under the Indenture), and (B) the Business Day immediately preceding the Payment Date immediately following the date of delivery, and (y) is both a "cash equivalent" for purposes of the loan securitization exclusion under the Volcker Rule and is one or more of the following obligations or securities including investments for which the Bank or an Affiliate of the Bank provides services and receives compensation therefor:

(i) (A) direct Registered obligations (1) of the United States of America or (2) the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or (B) Registered obligations (1) of any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America or (2) the timely payment of principal and interest on which is fully and expressly guaranteed by such agency or instrumentality, in each case so long as the obligors or such 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 Bank) or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days of issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company at the time of such investment or contractual commitment providing for such investment have the Eligible Investment Required Ratings; or

(iii) shares or other securities of non-U.S. registered money market funds which funds have, at all times, credit ratings of "Aaa-mf" by Moody's and "AAAm" by S&P;

provided that Eligible Investments shall not include (a) any interest-only security, any security purchased at a price in excess of 100% of the par value thereof or any security whose repayment is subject to substantial non-credit related risk as determined in the sole judgment of the Collateral Manager, (b) any security whose rating assigned by S&P includes an "f," "p," "sf" or "t" subscript or whose rating assigned by Moody's includes an "sf" subscript, (c) any security that is subject to an Offer, (d) any other security the payments on which are subject to withholding tax (other than withholding taxes imposed under FATCA) unless the issuer or obligor or other Person (and guarantor, if any) is required to make "gross-up" payments that cover the full amount of any such withholding taxes, (e) any security secured by real property, (f) any Structured Finance Obligation or (g) such obligation or security is represented by a certificate of interest in a grantor trust and (h) such obligation or security was acquired other than in a manner consistent with the Operating Guidelines.

"Eligible Reinvestment Amounts" means Unscheduled Principal Payments and Sale Proceeds of Credit Risk Obligations.

"Equity Security" means any security or debt obligation which at the time of acquisition, conversion or exchange, does not satisfy the requirements of a Collateral Obligation and is not an Eligible Investment.

"Excess CCC/Caa Adjustment Amount" means, as of any date of determination, an amount equal to the excess, if any, of:

(a) the Aggregate Principal Balance of all Collateral Obligations included in the CCC/Caa Excess; *over*

(b) the sum of the Market Values of all Collateral Obligations included in the CCC/Caa Excess.

"Excess Par Amount" means an amount, as of any Determination Date, equal to (i) the Collateral Principal Amount less (ii) the Reinvestment Target Par Balance; provided, that such amount will not be less than zero.

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

"FATCA" means Sections 1471 through 1474 of the Code and any applicable intergovernmental agreement entered into in respect thereof, and any related provisions of law, court decisions, or administrative guidance (including the Cayman-US IGA).

"Fee Basis Amount" means, as of any date of determination, the sum of (a) the Aggregate Principal Balance of the Collateral Obligations, (b) without duplication, the Aggregate Principal Balance of the Defaulted Obligations, (c) without duplication, the amounts on deposit in the Collection Account and the Ramp-Up Account (including Eligible Investments therein) representing Principal Proceeds and (d) the aggregate amount of all Principal Financed Accrued Interest.

"First Lien Last Out Loan" means 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; and (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.

"Fixed Rate Notes" means any Class of Notes that accrues interest at a fixed rate for so long as such Class of Notes accrues interest at a fixed rate.

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

"Floating Rate Notes" means any Class of Notes that accrues interest at a floating rate for so long as such Class of Notes accrues interest at a floating rate.

"Floating Rate Obligation" means any Collateral Obligation that bears a floating rate of interest.

"Global Note" means any Rule 144A Global Note, Temporary Global Note or Regulation S Global Note.

"Group I Country" means The Netherlands, Australia, New Zealand and the United Kingdom.

"Group II Country" means Germany, Sweden and Switzerland.

"Group III Country" means Austria, Belgium, Denmark, Finland, France, Iceland, Liechtenstein, Luxembourg and Norway.

"Highest Ranking S&P Class" means any Class that is outstanding rated by S&P with respect to which there is no Priority Class that is outstanding.

"Incentive Management Fee Threshold" means the threshold that will be satisfied on any Payment Date if the holders of the Subordinated Notes have received an annualized internal rate of return (computed using the "XIRR" function in Microsoft® Excel or an equivalent function in another software package and based on the respective dates of issuance and an aggregate purchase price for the Subordinated Notes of 100% of their initial principal amount) of at least 12.0%, on the outstanding investment in the Subordinated Notes as of such Payment Date (or such greater percentage threshold as the Collateral Manager may specify in its sole discretion on or prior to the first Payment Date following the Effective Date by written notice to the Issuer and the Trustee), after giving effect to all payments made or to be made in respect of the Subordinated Notes on such Payment Date. For purposes of calculating the Incentive Management Fee Threshold, (i) any distribution to a holder of a Subordinated Note that is directed by such holder (with the prior written consent of a Majority of the Subordinated Notes and the Collateral Manager) to be contributed to the Issuer as a Contribution (from Interest Proceeds or Principal Proceeds to be distributed to such holder but not from a cash contribution by such holder) will be included in the calculation above as if such distribution was made to such holder directly and (ii) any distribution to a holder of a Subordinated Note as a return of a Contribution will not be included in the calculation above.

"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.

When used with respect to any accountant, "Independent" 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.

"Index Maturity" means a term of three months; *provided* that for the period from the Closing Date to the First Interest Determination End Date, LIBOR will be determined by interpolating linearly (and rounding to five decimal places) between the rate for the next shorter period of time for which rates are available and the rate for the next longer period of time for which rates are available. If at any time the three month rate is applicable but not available, LIBOR will be determined by interpolating linearly (and rounding to five decimal places) between the rate for the next shorter period of time for which rates are available and the rate for the next longer period of time for which rates are available.

"Interest Accrual Period" means (i) with respect to the initial Payment Date, the period from and including the Closing Date to but excluding such Payment Date; and (ii) with respect to each succeeding Payment Date, the period from and including the immediately preceding Payment Date to but excluding the following Payment Date until the principal of the Rated 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 Fixed Rate Notes, the Payment Date will be assumed to be the 20th day of the relevant month (without regard to whether such day is a Business Day).

"Interest Coverage Ratio" means, for any designated Class or Classes of Rated 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 the Priority of Interest Proceeds; and

C = Interest due and payable on the Rated Notes of such Class or Classes and each Class of Rated Notes that rank senior to or *pari passu* with such Class or Classes (excluding Deferred Interest, but including any interest on Deferred Interest with respect to the Class B Notes, the Class C Notes and the Class D Notes) on such Payment Date.

"Interest Only Security" means any obligation or security that does not provide in the related Underlying Instruments for the payment or repayment of a stated principal amount in one or more installments on or prior to its stated maturity.

"Interest Proceeds" means, with respect to any Collection Period or Determination Date, without duplication, the sum of:

(i) all payments of interest and delayed compensation (representing compensation for delayed settlement) received in cash by the Issuer during the related Collection Period on the Collateral Obligations and Eligible Investments, including the accrued interest received in connection with a sale thereof during the related Collection Period, less any such amount that represents Principal Financed Accrued Interest;

(ii) all principal and interest payments received by the Issuer during the related Collection Period on Eligible Investments purchased with Interest Proceeds;

(iii) all amendment and waiver fees, late payment fees and other fees and commissions received by the Issuer during the related Collection Period other than (A) fees and commissions received in connection with the purchase of Collateral Obligations or Eligible Investments, in connection with a Distressed Exchange, in connection with Defaulted Obligations or in connection with the extension of the maturity or the reduction of principal of a Collateral Obligation or Eligible Investment and (B) such other fees and commissions which the Collateral Manager elects to treat as Principal Proceeds upon written notice to the Trustee;

(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) (A) any amounts deposited in the Collection Account from the Expense Reserve Account and/or Interest Reserve Account that are designated as Interest Proceeds pursuant to the Indenture in respect of the related Determination Date, (B) any amounts deposited in the Collection Account from the Ramp-Up Account that are designated as Interest Proceeds pursuant to the Indenture and (C) any Principal Proceeds in the Collection Account that are designated as Interest Proceeds pursuant to the Indenture;

(vi) any amounts designated by the Collateral Manager as Interest Proceeds in connection with a direction by a Majority of the Subordinated Notes to designate Principal Proceeds up to the Excess Par Amount as Interest Proceeds for payment on the Redemption Date of a Refinancing of the Rated Notes in whole but not in part;

(vii) any Contribution directed by the applicable Contributor to be deposited into the Collection Account as Interest Proceeds; and

(viii) any Supplemental Reserve Amounts treated as Interest Proceeds pursuant to the definition thereof;

provided that (1) any amounts received in respect of any Defaulted Obligation will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections in respect of such Defaulted Obligation since it became a Defaulted Obligation equals the outstanding Principal Balance of such Collateral Obligation at the time it became a Defaulted Obligation and (2) (x) any amounts received in respect of any Defaulted Obligation that was exchanged for an Equity Security that is held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds) until the aggregate of all collections (including proceeds received upon the disposition of the Equity Security received in the exchange) in respect of such Defaulted Obligation since the time it became a Defaulted Obligation equals the outstanding Principal Balance of the Collateral Obligation, at the time it became a Defaulted Obligation and (y) any amounts received in respect of any other asset held by a Blocker Subsidiary will constitute Principal Proceeds (and not Interest Proceeds).

"Interest Rate" means, with respect to each Class of Notes (other than the Subordinated Notes), (i) the applicable per annum stated interest rate payable on such Class with respect to each Interest Accrual Period (or, for the first Interest Accrual Period, the related portion thereof) as indicated under "Summary of Terms—Principal Terms of the Notes" for the Rated Notes and (ii) if a Re-Pricing has occurred with respect to such Class of Notes (other than the Class A-1 Notes and the Subordinated Notes), will be the applicable Re-Pricing Rate.

"Interest Reserve Amount" means approximately U.S. $750,000.

"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.

"Investment Criteria Adjusted Balance" means, with respect to each Collateral Obligation, the Principal Balance of such Collateral Obligation; *provided* that the Investment Criteria Adjusted Balance of any:

(i) Deferring Security will be (A) so long as any Class A-1 Notes are outstanding, the lesser of the (x) S&P Collateral Value of such Deferring Security and (y) Moody's Collateral Value of such Deferring Security or (B) if no Class A-1 Notes are outstanding, the Moody's Collateral Value of such Deferring Security;

(ii) Discount Obligation will be the product of the (x) purchase price (expressed as a percentage of par and, for the avoidance of doubt, without averaging) and (y) Principal Balance of such Discount Obligation; and

(iii) Collateral Obligation included in the CCC/Caa Excess will be the Market Value of such Collateral Obligation;

provided further that the Investment Criteria Adjusted Balance for any Collateral Obligation that satisfies more than one of the definitions of Deferring Security or Discount Obligation or is included in the CCC/Caa Excess will be the lowest amount determined pursuant to clauses (i), (ii) and (iii) above.

"Irish Listing Agent" means Walkers Listing Services Limited.

"Issuer" means Carlyle US CLO 2016-4, Ltd.

"Issuer-Only Notes" means the Class D Notes and the Subordinated Notes.

"Junior Class" means, with respect to a particular Class of Notes, each Class of Notes that is subordinated to such Class, as indicated in "Summary of Terms—Principal Terms of the Notes" and "Description of the Notes—The Subordinated Notes".

"Knowledgeable Employee" has the meaning set forth in Rule 3c-5 promulgated under the Investment Company Act.

"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 ("LOC Agent Bank") issues or will issue a letter of credit ("LC") for or on behalf of a borrower pursuant to an Underlying Instrument, (ii) in the event that the LC 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 the LC 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 Rated Notes—Account Requirements" and (c) the collateral posted by the Issuer is invested in Eligible Investments.

"LIBOR" means, with respect to the Floating Rate Notes for any Interest Accrual Period (or, for the first Interest Accrual Period, the relevant portion thereof), will equal the greater of (i) zero and (ii)(a) the rate appearing on the Reuters Screen for deposits with the Index Maturity or (b) if such rate is unavailable at the time LIBOR is to be determined, LIBOR shall be determined on the basis of the rates at which deposits in U.S. Dollars are offered by four major banks in the London market selected by the Calculation Agent after consultation with the Collateral Manager (the "Reference Banks") at approximately 11:00 a.m., London time, on the Interest Determination Date to prime banks in the London interbank market for a period approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the Aggregate Outstanding Amount of the Rated Notes. The Calculation Agent will request the principal London office of each Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR shall be the arithmetic mean of such quotations (rounded upward to the next higher 1/100,000). If fewer than two quotations are provided as requested, LIBOR with respect

to such period will be the arithmetic mean of the rates quoted by three major banks in New York, New York selected by the Calculation Agent after consultation with the Collateral Manager at approximately 11:00 a.m., New York time, on such Interest Determination Date for loans in U.S. Dollars to leading European banks for a term approximately equal to such Interest Accrual Period and an amount approximately equal to the amount of the 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.

"Maintenance Covenant" means a covenant by any borrower to comply with one or more financial covenants during each reporting period (but not more frequently than quarterly), whether or not such borrower has taken any specified action.

"Majority" means, with respect to any Class or Classes, the holders of more than 50% of the Aggregate Outstanding Amount of the Notes of such Class or Classes.

"Manager Notes" means, as of any date of determination, (a) all Notes held on such date by (i) the Collateral Manager, (ii) any Affiliate of the Collateral Manager, or (iii) any account, fund, client or portfolio managed or advised on a discretionary basis by the Collateral Manager or any of its Affiliates and (b) all Notes as to which economic exposure is held on such date (whether through any derivative financial transaction or otherwise) by any Person identified in the foregoing clause (a), in each case only to the extent the Collateral Manager directs the exercise of voting power with respect to such 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 (with notice to the Rating Agencies); or

(ii) if a price described in clause (i) is not available,

(A) the average of the bid prices determined by three broker-dealers 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; *provided* that the aggregate principal balance of Collateral Obligations held by the Issuer at any one time with Market Values determined pursuant to this clause (ii)(C) may not exceed 5% of the Collateral Principal Amount; 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 and determined by the Collateral Manager consistent with the manner in which it would determine the market value of an asset for purposes of other funds or accounts managed by it; *provided*, *however*, 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)(y) for more than 30 days; 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 in accordance with clause (i) or (ii), 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; 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.

"Matrix Combination" means the applicable "row/column combination" of the Minimum Diversity Score/Maximum Rating/ Minimum Spread Matrix chosen by the Collateral Manager (or by interpolating between two adjacent rows and/or two adjacent columns, as applicable).

"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 the Trustee (with a copy to the Collateral Manager), any Business Day requested by either Rating Agency and (v) the Effective Date.

"Middle Market Loan" means any loan made pursuant to Underlying Instruments governing the issuance of indebtedness having an aggregate principal amount (whether drawn or undrawn) of less than U.S.$150,000,000.

"Minimum Denominations" means, with respect to the Notes, U.S.$250,000 and integral multiples of U.S.$1.00 in excess thereof.

"Minimum Diversity Score/Maximum Rating/Minimum Spread Matrix" means the following table used to determine the Matrix Combination 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							Recovery Rate Modifier	Spread Modifier
	30	40	50	60	70	80	90		
2.05%	1560	1620	1653	1686	1719	1752	1770	45	0.025%
2.25%	1740	1795	1828	1861	1894	1927	1960	45	0.040%
2.45%	1865	1940	1986	2031	2072	2110	2143	55	0.045%
2.65%	1956	2056	2114	2171	2220	2263	2296	55	0.045%
2.85%	2038	2171	2241	2310	2367	2415	2425	65	0.045%
3.05%	2120	2286	2369	2450	2470	2485	2505	65	0.100%
3.25%	2205	2362	2457	2538	2607	2655	2688	70	0.105%
3.45%	2290	2438	2545	2625	2699	2742	2775	75	0.105%

Minimum Weighted Average Spread (%)	Minimum Diversity Score							Recovery Rate Modifier	Spread Modifier
	30	40	50	60	70	80	90		
3.65%	2375	2514	2632	2713	2791	2829	2862	75	0.105%
3.85%	2460	2590	2720	2800	2860	2916	2949	75	0.145%
4.05%	2536	2676	2806	2882	2960	2997	3034	80	0.160%
4.25%	2613	2763	2893	2964	3037	3078	3120	80	0.165%
4.45%	2689	2849	2979	3046	3113	3159	3205	80	0.165%
4.65%	2765	2935	3065	3128	3190	3240	3290	80	0.185%
4.85%	2830	2993	3123	3193	3262	3315	3365	85	0.185%
5.05%	2895	3050	3180	3258	3335	3390	3440	85	0.190%
5.25%	2960	3108	3238	3322	3407	3464	3514	85	0.205%
5.45%	3025	3165	3295	3387	3479	3539	3589	85	0.215%

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Moody's Collateral Value" means, on any date of determination, with respect to any Defaulted Obligation or Deferring Security, the lesser of (i) the Moody's Recovery Amount of such Defaulted Obligation or Deferring Security as of such date and (ii) the Market Value of such Defaulted Obligation or Deferring Security as of such date.

"Moody's Counterparty Criteria" are, with respect to any Participation Interest 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 with Selling Institutions, 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 with any single Selling Institution 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 (at or below)	Aggregate Percentage Limit	Individual Percentage Limit
Aaa	20%	20%
Aa1	20%	10%
Aa2	20%	10%
Aa3	15%	10%
A1	10%	5%
A2 and P-1 (both)	5%	5%
A3	0%	0%

"Moody's Credit Estimate" has the meaning specified in Annex A hereto.

"Moody's Effective Date Rating Condition" means a condition that is satisfied if a Passing Report has been delivered to Moody's. If Moody's (i) makes a public announcement or informs the Issuer, the Collateral Manager or the Trustee that its practice is not to give confirmations of ratings in connection with the Effective Date, or (ii) Moody's no longer constitutes a Rating Agency under the Indenture, the requirement for satisfaction of the Moody's Effective Date Rating Condition will not apply.

"Moody's Rating" has the meaning specified in Annex A hereto.

"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.

"Non-Consenting Balance" means the Aggregate Outstanding Amount of the Notes of any Re-Priced Class that have not consented to the proposed Re-Pricing.

"Non-Emerging Market Obligor" means an obligor that is Domiciled in the United States or any country that has a country ceiling for foreign currency bonds of at least "Aa2" by Moody's.

"Non-Permitted ERISA Holder" means any Person that is or becomes the beneficial owner of an interest in any Note who has made or is deemed to have made a prohibited transaction representation or a Benefit Plan Investor, Controlling Person or Similar Law representation required by the Indenture or by its investor representation letter that is subsequently shown to be false or misleading or whose beneficial ownership otherwise results in Benefit Plan Investors owning 25% or more of the Aggregate Outstanding Amount of any other Class of Issuer-Only Notes as determined in accordance with the Plan Asset Regulation and the Indenture, assuming, for this purpose, that all the representations made (or, in the case of Global Notes, deemed to be made) by holders of such Notes are true.

"Non-Permitted Holder" means (i) any U.S. person that is not a Qualified Institutional Buyer (or, solely in the case of Subordinated Notes held in the form of Certificated Notes, an Accredited Investor) and a Qualified Purchaser (or an entity owned exclusively by Qualified Purchasers) or a Knowledgeable Employee (or an entity owned exclusively by knowledgeable Employees) or that does not have an exemption available under the Securities Act and the Investment Company Act that becomes the holder or beneficial owner of an interest in any Note, (ii) any Non-Permitted ERISA Holder or (iii) any Non-Permitted Tax Holder.

"Non-Permitted Tax Holder" means any holder or beneficial owner (i) that fails to comply with its Holder Reporting Obligations or (ii) (x) if the Issuer reasonably determines that such holder's or beneficial owner's direct or indirect acquisition, holding or transfer of an interest in any Note would cause the Issuer to be unable to achieve Tax Account Reporting Rules Compliance or (y) that is or that the Issuer is required to treat as a "nonparticipating FFI" or a "recalcitrant account holder" of the Issuer, in each case as defined in FATCA (or any Person of similar status under applicable Tax Account Reporting Rules).

"Non-Recourse Obligation" means an obligation that falls into any one of the following types of specialized lending, except any obligation that is assigned either a CFR by Moody's or, so long as any Class A-1 Notes are outstanding, a rating by S&P pursuant to clause (a)(i) of the definition of S&P Rating:

(i) *Project Finance*: a method of funding in which the lender looks primarily to the revenues generated by a single project, both as the source of repayment and as security for the exposure. Repayment depends primarily on the project's cash flow and on the collateral value of the project's assets, such as power plants, chemical processing plants, mines, transportation infrastructure, environment, and telecommunications infrastructure.

(ii) *Object Finance*: a method of funding the acquisition of physical assets (e.g. ships, aircraft, satellites, railcars, and fleetings) where the repayment of the exposure is dependent on the cash flows generated by the specific assets that have been financed and pledged or assigned to the lender. A primary source of these cash flows might be rental or lease contracts with one or several third parties.

(iii) *Commodities Finance*: a structured short term lending to finance reserves, inventories, or receivables of exchange traded commodities (e.g. crude oil, metals, or crops), where the exposure will be repaid from the proceeds of the sale of the commodity and the borrower has no independent capacity to repay the exposure. This is the case when the borrower has no other activities and no other material assets on its balance sheet.

(iv) *Income producing real estate*: a method of providing funding to real estate (such as, office buildings to let, retail space, multifamily residential buildings, industrial or warehouse space, and hotels) where the prospects for repayment and recovery on the exposure depend primarily on the cash flows generated by the asset. The primary source of these cash flows would generally be lease or rental payments or the sale of the asset.

(v) *High volatility commercial real estate*: a financing any of the land acquisition, development and construction phases for properties of those types in such jurisdictions, where the source of repayment at origination of the exposure is either the future uncertain sale of property or cash flows whose source of repayment is substantially uncertain (e.g. the property has not yet been leased to the occupancy rate prevailing in that geographic market for that type of commercial real estate).

"Note Interest Amount" means with respect to any Class of Rated Notes and any Payment Date, the amount of interest for the related Interest Accrual Period payable in respect of each U.S.$100,000 Aggregate Outstanding Amount of such Class of Rated Notes.

"Notes" means the Rated Notes and the Subordinated Notes.

"OECD" means the Organisation for Economic Co-operation and Development.

"Offer" means a tender offer, voluntary redemption, exchange offer, conversion or other similar action.

"Offering Documents" means the indicative term sheet for the Notes; certain specified drafts of this Offering Circular; the preliminary 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 Rated 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 Amount on such date of the Rated Notes of such Class(es), each class of Rated Notes senior to such Class and each *pari passu* Class or Classes of Rated Notes.

"Partial Deferring Securities" means a Collateral Obligation on which the interest, in accordance with its related underlying instrument, is currently being (i) partly paid in cash (with a minimum cash payment of (a) in the case of Floating Rate Obligations, LIBOR plus 1.00% and (b) in the case of Fixed Rate Obligations, the zero-coupon swap rate in a fixed/floating interest rate swap with a term equal to five years, in each case required under its Underlying Instruments) and (ii) partly deferred, or paid by the issuance of additional debt securities identical to such debt security or through additions to the principal amount thereof.

"Partial Redemption Date" means any day on which a Partial Redemption occurs.

"Participation Interest" means a participation interest in a loan originated by a bank or financial institution that, at the time of acquisition, or the Issuer's commitment to acquire the same, satisfies each of the following criteria: (i) such participation would constitute a Collateral Obligation were it acquired directly, (ii) the Selling Institution is a lender on the loan, (iii) the aggregate participation in the loan granted by such Selling Institution to any one or more participants does not exceed the principal amount or commitment with respect to which the Selling Institution is a lender under such loan, (iv) such participation does not grant, in the aggregate, to the participant in such participation a greater interest than the Selling Institution holds in the loan or commitment that is the subject of the participation, (v) the entire purchase price for such participation is paid in full (without the benefit of financing from the Selling Institution or its affiliates) at the time of the Issuer's acquisition (or, to the extent of a participation in the unfunded commitment under a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, at the time of the funding of such loan), (vi) the participation provides the participant all of the economic benefit and risk of the whole or part of the loan or commitment that is the subject of the loan participation and (vii) such participation is documented under a Loan Syndications and Trading Association, Loan Market Association or

similar agreement standard for loan participation transactions among institutional market participants. For the avoidance of doubt, a Participation Interest shall not include a sub-participation interest in any loan.

"Passing Report" means, an Effective Date Report in the event (x) the Effective Date Report has been delivered to the Rating Agencies and it shows each Effective Date Test was satisfied and (y) the Trustee has received the Effective Date Accountants' Report and completed with the Collateral Manager the comparisons described in clause (d) of "Use of Proceeds – Effective Date" indicating that the information in the Effective Date Report is accurate in all material respects.

"Paying Agent" means any Person authorized by the Issuer to pay the principal of or interest on any Notes on behalf of the Issuer as specified in the Indenture.

"Payment Date" means the 20th day of January, April, July and October of each year (or, if such day is not a Business Day, the next succeeding Business Day), commencing in April 2017, any Redemption Date (other than a Redemption Date relating to a Refinancing or a Re-Pricing Date) and the Stated Maturity.

"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.

"Petition Expenses" means 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 a Bankruptcy Filing. Petition Expenses will be paid by the Issuer as Administrative Expenses unless paid on behalf of the applicable entity.

"Placement Agency Agreement" means the agreement dated as of the Closing Date among the Issuer and Citigroup, as placement agent of certain of the Subordinated Notes, as amended from time to time.

"Placement Agent" means Citigroup, in its capacity as placement agent of certain of the Subordinated Notes under the Placement Agency Agreement.

"Prepaid Obligation" means a Collateral Obligation as to which Unscheduled Principal Payments are received after the Reinvestment Period.

"Principal Balance" means, subject to certain conditions set forth in the Indenture, with respect to (a) any Asset other than a Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as of any date of determination, the outstanding principal amount of such Asset (excluding any capitalized interest) and (b) any Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation, as of any date of determination, the outstanding principal amount of such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation (excluding any capitalized interest), plus (except as expressly set forth in the Indenture) any undrawn commitments that have not been irrevocably reduced or withdrawn with respect to such Revolving Collateral Obligation or Delayed Drawdown Collateral Obligation; *provided*, that for all purposes the Principal Balance of (1) any Equity Security or interest only strip shall be deemed to be zero and (2) any Defaulted Obligation that is not sold or terminated within three years after becoming a Defaulted Obligation shall be deemed to be zero.

"Principal Financed Accrued Interest" means, (a) with respect to any Collateral Obligation owned or purchased by the Issuer on the Closing Date, any unpaid interest on such Collateral Obligation that accrued prior to the Closing Date that was owing to the Issuer and remained unpaid as of the Closing Date and (b) with respect to any Collateral Obligation purchased after the Closing Date, the amount of Principal Proceeds, if any, applied towards the purchase of accrued interest on such Collateral Obligation.

"Principal Proceeds" means, with respect to any Collection Period or Determination Date, all amounts received by the Issuer during the related Collection Period that do not constitute Interest Proceeds, Refinancing Proceeds and any amounts that have been designated as Principal Proceeds pursuant to the terms of the Indenture.

"Priority Class" means, with respect to any specified Class of Notes, each Class of Notes that ranks senior to such Class, as indicated in "Summary of Terms—Principal Terms of the Notes" and "Description of the Notes—The Subordinated 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 dated as of the Closing Date among the Co-Issuers and Citigroup, as initial purchaser of the Rated Notes, as amended from time to time.

"Qualified Broker/Dealer" means any of Bank of America, N.A., The Bank of Montreal, The Bank of New York Mellon, The Royal Bank of Scotland plc, Barclays Bank plc, BNP Paribas, Broadpoint Securities Inc., Canadian Imperial Bank of Commerce, Cantor Fitzgerald, Citadel Securities, Citibank, N.A., Credit Agricole S.A., Credit Suisse, Deutsche Bank AG, FBR Capital Markets, Gleacher & Company Securities, Inc., Goldman Sachs & Co., HSBC Bank, JPMorgan Chase Bank, N.A., Knight/Libertas, Lazard Ltd., Macquarie Bank, Mizuho Bank, Ltd., Morgan Stanley & Co., Natixis, Nomura Securities Inc., Northern Trust Company, Oppenheimer & Co. Inc., Royal Bank of Canada, Scotia Bank, Société Générale, 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 with experience in the relevant market so designated by the Collateral Manager with notice to the Rating Agencies.

"Qualified Institutional Buyer" means any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of Notes, is a qualified institutional buyer within the meaning of Rule 144A.

"Qualified Purchaser" means any Person that, at the time of its acquisition, purported acquisition or proposed acquisition of Notes, is a qualified purchaser within the meaning of the Investment Company Act.

"Rated Notes" means the Class A-1 Notes, the Class A-2 Notes, the Class B Notes, the Class C Notes, the Class D Notes.

"Rating Agency" means each of Moody's and S&P, in each case for so long as it assigns a rating at the request of the Issuer to the Class or Classes to which it assigned a rating on the Closing Date.

"Rating Agency Confirmation" means (i) confirmation in writing (which may be in the form of a press release) from each Rating Agency that a proposed action or designation will not cause the then-current ratings of any Class of Rated Notes to be reduced or withdrawn. If either Rating Agency (i) makes a public announcement or informs the Issuer, the Collateral Manager or the Trustee that (x) it believes Rating Agency Confirmation is not required with respect to an action or (y) its practice is to not give such confirmations, or (ii) no longer constitutes a Rating Agency under the Indenture or if no Class of Rated Notes rated by such Rating Agency are Outstanding, the requirement for Rating Agency Confirmation with respect to such Rating Agency will not apply. Any requirement for Rating Agency Confirmation from a Rating Agency in respect of any supplemental indenture requiring the consent of all holders of Notes will not apply if such holders have been advised prior to consenting to such amendment that the current ratings of the Rated Notes of such Rating Agency may be reduced or withdrawn as a result of such amendment.

"Record Date" means, with respect to the Global Notes, the date one day prior to the applicable Payment Date and, with respect to the Certificated Notes and Uncertificated Subordinated Notes, the last Business Day of the month immediately preceding 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 Class of Rated Notes to be redeemed or re-priced (x) 100% of the Aggregate Outstanding Amount of such Class, *plus* (y) accrued and unpaid interest thereon (including interest on any accrued and unpaid Deferred Interest, in the case of the Deferred Interest Notes) to the Redemption Date or Re-Pricing Redemption Date, as applicable and (b) for each Subordinated Note, its proportional share (based on the Aggregate Outstanding Amount of the Subordinated Notes) of the proceeds of the remaining Assets (after giving

effect to the Optional Redemption or Tax Redemption of the Rated Notes in whole or after all of the Rated Notes have been repaid in full, payment in full of (and/or creation of a reserve for) all expenses (including all Management Fees and Administrative Expenses) of the Co-Issuers) and payment of all other amounts senior to such Notes that is distributable to the Subordinated Notes, in accordance with the Priority of Payments; *provided* that holders of 100% of the Aggregate Outstanding Amount of any Class of Rated Notes may elect to receive less than 100% of the Redemption Price that would otherwise be payable to the holders of such Class of Rated Notes in any Optional Redemption (including a Refinancing) in which all outstanding Classes of Rated Notes will be redeemed.

"Refinancing Proceeds" means the cash proceeds from the Refinancing.

"Registered" means, with respect to a Collateral Obligation or Eligible Investment, in registered form for U.S. federal income tax purposes and issued after July 18, 1984.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Global Note" means any Note sold to non-"U.S. persons" in an "offshore transaction" (each as defined in Regulation S) in reliance on Regulation S and issued in the form of a permanent global security in definitive, fully registered form without interest coupons.

"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: (i) the Adjusted Collateral Principal Amount is maintained or increased, (ii) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments constituting Principal Proceeds is greater than or equal to the Reinvestment Target Par Balance, or (iii) the Aggregate Principal Balance of the Collateral Obligations and Eligible Investments constituting Principal Proceeds is maintained or increased.

"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 Amount of the Notes through the payment of Principal Proceeds or Interest Proceeds plus (ii) the aggregate amount of Principal Proceeds that result from the issuance of any additional notes under and in accordance with the Indenture (after giving effect to such issuance of any additional notes).

"Related Obligation" means an obligation issued by the Collateral Manager, any of its Affiliates that are collateralized debt obligation funds or any other Person that is a collateralized debt obligation fund whose investments are primarily managed by the Collateral Manager or any of its Affiliates.

"Re-Pricing Eligible Notes" has the meaning specified on the "Summary of Terms—Principal Terms of the Notes."

"Re-Pricing Redemption" means, in connection with a Re-Pricing, the redemption by the Issuer of the Notes of the Re-Priced Class(es) held by Non-Consenting Holders.

"Re-Pricing Redemption Date" means any Business Day on which a Re-Pricing Redemption occurs.

"Required S&P Credit Estimate Information" means The 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.

"Restricted Trading Period" means the period (a) while any Class A-1 Notes are outstanding during which either the Moody's rating or the S&P rating of the Class A-1 Notes is one or more subcategories below its rating on the Closing Date or has been withdrawn and not reinstated or (b) while any Class A-2 Notes, Class B Notes, Class C Notes or Class D Notes are outstanding during which the Moody's rating of such Notes is two or more subcategories below its rating on the Closing Date or has been withdrawn and not reinstated, *provided* that such period will not be a Restricted Trading Period (so long as such Moody's rating or S&P rating, as applicable, has not been further downgraded, withdrawn or put on watch for potential downgrade) (x) (i) if after giving effect to any sale of the relevant Collateral Obligation, the Aggregate Principal Balance of the Collateral Obligations (excluding the Collateral Obligations being sold) and Eligible Investments constituting Principal Proceeds (including, without duplication, the anticipated net proceeds of such sale) will be at least equal to the Reinvestment Target Par Balance, (ii) the Coverage Tests are satisfied, and (iii) the Collateral Quality Test (other than the Weighted Average Life

Test) is satisfied or (y) upon the direction of a Majority of the Controlling Class, which direction shall remain in effect until a further downgrade or withdrawal of such Moody's or S&P rating, as applicable, that, disregarding such direction, would cause the condition set forth above to be true; *further provided* that no Restricted Trading Period will restrict any sale of a Collateral Obligation entered into by the Issuer at a time when a Restricted Trading Period was not in effect, regardless of whether such sale has settled.

"Reuters Screen" means Reuters Page LIBOR01 (or such other page that may replace that page on such service for the purpose of displaying comparable rates) as reported by Bloomberg Financial Markets Commodities News as of 11:00 a.m., London time, on the Interest Determination Date.

"Revolving Collateral Obligation" means any Collateral Obligation (other than a Delayed Drawdown Collateral Obligation) that is a loan (including, without limitation, revolving loans, including funded and unfunded portions of revolving credit lines and letter of credit facilities (other than Letter of Credit Reimbursement Obligations), 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.

"Rule 144A Global Note" means any Note sold in reliance on Rule 144A and issued in the form of a permanent global security in definitive, fully registered form without interest coupons.

"S&P" means S&P Global Ratings, an S&P Global Inc. business, and any successor thereto.

"S&P Asset Specific Recovery Rating" means, with respect to any Collateral Obligation, the corporate recovery rating assigned by S&P (i.e., the S&P Recovery Rate) to such Collateral Obligation.

"S&P CDO Adjusted BDR" means the value calculated based on the following formula (or such other published formula by S&P that the Collateral Manager provides to the Collateral Administrator):

BDR * (A/B) + (B-A) / (B * (1-WARR)) where

Term	Meaning
BDR	S&P CDO BDR
A	Target Initial Par Amount
B	Collateral Principal Amount (excluding the Aggregate Principal Balance of the Collateral Obligations other than S&P CLO Specified Assets) *plus* the S&P Collateral Value of the Collateral Obligations other than S&P CLO Specified Assets
WARR	S&P Weighted Average Recovery Rate for the Class A Notes

"S&P CDO BDR" means the value calculated based on the following formula (or such other published formula by S&P that the Collateral Manager provides to the Collateral Administrator):

C0 + (C1 * WAS) + (C2 * WARR), where

Term	Meaning
C0	0.104138
C1	3.735055
C2	1.033191
WAS	Weighted Average Floating Spread
WARR	S&P Weighted Average Recovery Rate for the Class A Notes

"S&P CDO Formula Election Date" means the date designated by the Collateral Manager upon at least five Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator as the date on which the Issuer will begin to utilize the S&P CDO Adjusted BDR; provided that an S&P CDO Formula Election Date may only occur once.

"S&P CDO Formula Election Period" means (a) If an S&P CDO Formula Election Date does not occur in connection with the Effective Date, the period from and after the S&P CDO Formula Election Date (if any) and (b) if an S&P CDO Formula Election Date does occur in connection with the Effective Date, the period from the Effective Date until the occurrence of S&P CDO Model Election Date (if any).

"S&P CDO Model Election Date" means the date designated by the Collateral Manager upon at least five Business Days' prior written notice to S&P, the Trustee and the Collateral Administrator as the date on which the Issuer will begin to utilize the S&P CDO Monitor; provided that an S&P CDO Model Election Date may only occur once.

"S&P CDO Model Election Period" means (a) If an S&P CDO Formula Election Date does not occur in connection with the Effective Date, the period from the Effective Date until the occurrence of the S&P CDO Formula Election Date (if any) and (b) if an S&P CDO Formula Election Date does occur in connection with the Effective Date, the period from and after the S&P CDO Model Election Date.

"S&P CDO Monitor" means the 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 S&P Weighted Average Recovery Rate for the Highest Ranking S&P Class) 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 Trustee and the Collateral Administrator. Inputs for the S&P CDO Monitor will be chosen by the Collateral Manager (with notice to the Collateral Administrator) and associated with either (x) a recovery rate for the Highest Ranking S&P Class from the S&P Recovery Rate Matrix, a "Weighted Average Life Value" from the S&P Weighted Average Life Matrix and a "Weighted Average Floating Spread" from the S&P Weighted Average Floating Spread Matrix or (y) a weighted average recovery rate for the Highest Ranking S&P Class, a weighted average life and a weighted average floating spread selected by the Collateral Manager (with notice to the Collateral Administrator) and, prior to the S&P CDO Formula Election Date, confirmed by S&P. The weighted average recovery rate applicable as of any date of determination pursuant to clause (x) or (y) above is referred to as the "S&P CDO Monitor Recovery Rate". The weighted average floating spread applicable as of any date of determination pursuant to clause (x) or (y) above is referred to as the "S&P Minimum Floating Spread". The "S&P CDO Monitor Weighted Average Life" means, as of any date of determination (a) prior to the S&P CDO Formula Election Date, the weighted average life applicable as of any date of determination pursuant to clause (x) or (y) of the definition of "S&P CDO Monitor" above and (b) on or after the S&P CDO Formula Election Date, the S&P Weighted Average Life.

"S&P CDO SDR" means the value calculated based on the following formula (or such other published formula by S&P that the Collateral Manager provides to the Collateral Administrator):

0.329915 + (1.210322 * EPDR) – (0.586627 * DRD) + (2.538684 / ODM) + (0.216729 / IDM) + (0.0575539 / RDM) – (0.0136662 * WAL) where:

Term	Meaning
EPDR	S&P Expected Default Rate
DRD	S&P Default Rate Dispersion
ODM	S&P Obligor Diversity Measure
IDM	S&P Industry Diversity Measure
RDM	S&P Regional Diversity Measure
WAL	S&P Weighted Average Life

For purposes of this calculation, the following definitions will apply:

"S&P Default Rate" means, with respect to a Collateral Obligation, the default rate as determined in accordance with Annex B hereto by reference to the number of years to maturity of such Collateral Obligation; *provided* that if the number of years to maturity of such Collateral Obligation is not an integer, the default rate will be determined by interpolating between the rate for the next shorter maturity and the rate for the next longer maturity.

"S&P Default Rate Dispersion" means the value calculated by multiplying the Principal Balance for each S&P CLO Specified Asset by the absolute value of the difference between the S&P Default Rate and the S&P Expected Default Rate, then summing the total for the portfolio, then dividing this result by the Aggregate Principal Balance of the S&P CLO Specified Assets.

"S&P Effective Date Adjustments" means, in connection with determining whether the S&P CDO Monitor Test is satisfied in connection with the Effective Date if an S&P CDO Formula Election Date has occurred, the following adjustments will apply: (i) in calculating the Weighted Average Floating Spread, the Aggregate Funded Spread will be calculated without regard to the proviso to the definition thereof and (ii) in calculating the S&P CDO Adjusted BDR, the Collateral Principal Amount will exclude the amount of Principal Proceeds that is permitted to be designated as Interest Proceeds pursuant to the definition of Designated Principal Proceeds.

"S&P Expected Default Rate" means the value calculated by multiplying the Principal Balance of each S&P CLO Specified Asset by the S&P Default Rate, then summing the total for the portfolio, and then dividing this result by the Aggregate Principal Balance of all of the S&P CLO Specified Assets.

"S&P Industry Diversity Measure" means the value calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets within each S&P industry classification (as defined in the Indenture), then dividing each of these amounts by the Aggregate Principal Balance of the S&P CLO Specified Assets from all the industries, squaring the result for each industry, then taking the reciprocal of the sum of these squares.

"S&P Obligor Diversity Measure" means the value calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets from each Obligor and its Affiliates, then dividing each of these amounts by the Aggregate Principal Balance of S&P CLO Specified Assets from all the Obligors in the portfolio, squaring the result for each Obligor, then taking the reciprocal of the sum of these squares.

"S&P Regional Diversity Measure" means the value calculated by determining the Aggregate Principal Balance of the S&P CLO Specified Assets within each Standard & Poor's region categorization (see "CDO Evaluator 7.1 Parameters Required To Calculate S&P Portfolio Benchmarks," published September 13, 2016, or such other published table by S&P that the Collateral Manager provides to the Collateral Administrator), then dividing each of these amounts by the Aggregate Principal Balance of the S&P CLO Specified Assets from all regions in the portfolio, squaring the result for each region, then taking the reciprocal of the sum of these squares.

"S&P Weighted Average Life" means the value calculated by determining the number of years between the current date and the maturity date of each S&P CLO Specified Asset, then multiplying each S&P CLO Specified Asset's Principal Balance by its number of years, summing the results of all S&P CLO Specified Assets, and dividing this amount by the Aggregate Principal Balance of all S&P CLO Specified Assets.

"S&P CLO Specified Assets" means Collateral Obligations with an S&P Rating equal to or higher than "CCC-".

"S&P Collateral Value" means, with respect to any Defaulted Obligation or Deferring Security, (i) as of any Measurement Date during the first 30 days in which the obligation is a Defaulted Obligation or Deferring Security, the S&P Recovery Amount of such Defaulted Obligation or Deferring Security as of such Measurement Date or (ii) as of any Measurement Date after the 30-day period referred to in clause (i), the lesser of (A) the S&P Recovery

Amount of such Defaulted Obligation or Deferring Security as of such Measurement Date and (B) the Market Value of such Defaulted Obligation or Deferring Security as of such Measurement Date.

"S&P Effective Date Rating Condition" means a condition that is satisfied if in connection with the Effective Date, an S&P CDO Formula Election Date is designated by the Collateral Manager and the Collateral Manager (on behalf of the Issuer) certifies to S&P that (a) the Effective Date Requirements have been satisfied and (b) the S&P CDO Monitor Test is satisfied.

"S&P Excel Default Model Input File" means a Microsoft Excel file that provides all of the inputs required to determine whether the S&P CDO Monitor Test has been satisfied and a Microsoft Excel file including, at a minimum, the following data with respect to each Collateral Obligation: CUSIP number (if any), name of Obligor, coupon, spread (if applicable), legal final maturity date, average life, principal balance, identification as a Cov-Lite Loan or otherwise, the settlement date and purchase price (including with respect to assets the Issuer has committed to purchase but have not yet settled), S&P industry classification (as defined in the Indenture), S&P Recovery Rate, LoanX ID and the LIBOR floor (if any).

"S&P Industry Classification": means the S&P Industry Classifications set forth in Annex C hereto, and such industry classifications shall be updated at the option of the Collateral Manager if S&P publishes revised industry classifications.

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

(a) with respect to a Collateral Obligation that is not a DIP Collateral Obligation, (i) 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 will 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) or (ii) if there is no issuer credit rating of the issuer by S&P but (A) if there is a senior unsecured rating on any obligation or security of the issuer, the S&P Rating of such Collateral Obligation will equal such rating; (B) if there is a senior secured rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation will be one subcategory below such rating; and (C) if there is a subordinated rating on any obligation or security of the issuer, then the S&P Rating of such Collateral Obligation will be one subcategory above such rating if such rating is higher than "BB+," and will be two subcategories above such rating if such rating is "BB+" or lower;

(b) with respect to any Collateral Obligation that is a DIP Collateral Obligation, the S&P Rating thereof will be the credit rating assigned to such issue by S&P, or if such DIP Collateral Obligation was assigned a point-in-time rating by S&P that was withdrawn, such withdrawn rating may be used for 12 months after the assignment of such rating (provided that if any such Collateral Obligation that is a DIP Collateral Obligation is newly issued and the Collateral Manager expects an S&P credit rating within 90 days, the S&P Rating of such Collateral Obligation shall be "CCC-" until such credit rating is obtained from S&P); or

(c) if the S&P Rating is not determined pursuant to clauses (a) or (b), then the S&P Rating shall be the S&P equivalent of the Moody's Default Probability Rating of such obligation or issuer except that the S&P Rating of such obligation will be (A) one subcategory below the S&P equivalent of the Moody's Default Probability Rating if such Moody's Default Probability Rating is "Baa3" or higher and (B) two subcategories below the S&P equivalent of the Moody's Default Probability Rating if such Moody's Default Probability Rating is "Ba1" or lower; or

(d) if the S&P Rating is not determined pursuant to clauses (a), (b) or (c), 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 Required S&P Credit Estimate Information in respect of such application) to S&P for a credit estimate which will be its S&P Rating; provided that, until the receipt from S&P of such estimate, such Collateral Obligation will have an S&P

Rating as determined by the Collateral Manager in its sole discretion if the Collateral Manager certifies to the Trustee that it believes that such S&P Rating determined by the Collateral Manager is commercially reasonable and will be at least equal to such rating; provided, further, that if such Required S&P Credit Estimate Information is not submitted within such 30-day period, then, pending receipt from S&P of such estimate, the Collateral Obligation will have (1) the S&P Rating as determined by the Collateral Manager for a period of up to 90 days after 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 such confirmed or updated credit estimate will expire on the 12 month anniversary of such confirmation or update, unless confirmed or updated prior thereto;

(e) if the S&P Rating is not determined pursuant to clauses (a), (b), (c) or (d) with respect to a DIP Collateral Obligation, the S&P Rating of such Collateral Obligation will be "CCC-"; and

(f) if the S&P Rating is not determined pursuant to clauses (a), (b), (c), (d) or (e) 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 (i) the Collateral Manager expects the Obligor in respect of such Collateral Obligation to continue to meet its payment obligations under such Collateral Obligation, (ii) such Obligor is not currently in reorganization or bankruptcy, (iii) such Obligor has not defaulted on any of its debts during the immediately preceding two year period and (iv) at any time that more than 10% of the Collateral Principal Amount consists of Collateral Obligations with S&P Ratings determined pursuant to this clause (f), the Issuer will submit all available Required S&P Credit Estimate Information in respect of such Collateral Obligations to S&P;

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 subcategory 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 subcategory below such assigned rating.

"S&P Recovery Amount" means with respect to any Collateral Obligation, an amount equal to the product of:

(a) the S&P Recovery Rate; and

(b) the Principal Balance of such Collateral Obligation.

"S&P Recovery Rate" means, with respect to a Collateral Obligation, the recovery rate determined in the manner set forth in Annex B hereto.

"S&P Recovery Rate Matrix" means the matrix below:

S&P Recovery Rate Matrix

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
1	35.00%
2	35.05%
3	35.10%
4	35.15%
5	35.20%
6	35.25%
7	35.30%
8	35.35%
9	35.40%
10	35.45%
11	35.50%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
12	35.55%
13	35.60%
14	35.65%
15	35.70%
16	35.75%
17	35.80%
18	35.85%
19	35.90%
20	35.95%
21	36.00%
22	36.05%
23	36.10%
24	36.15%
25	36.20%
26	36.25%
27	36.30%
28	36.35%
29	36.40%
30	36.45%
31	36.50%
32	36.55%
33	36.60%
34	36.65%
35	36.70%
36	36.75%
37	36.80%
38	36.85%
39	36.90%
40	36.95%
41	37.00%
42	37.05%
43	37.10%
44	37.15%
45	37.20%
46	37.25%
47	37.30%
48	37.35%
49	37.40%
50	37.45%
51	37.50%
52	37.55%
53	37.60%
54	37.65%
55	37.70%
56	37.75%
57	37.80%
58	37.85%
59	37.90%
60	37.95%
61	38.00%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
62	38.05%
63	38.10%
64	38.15%
65	38.20%
66	38.25%
67	38.30%
68	38.35%
69	38.40%
70	38.45%
71	38.50%
72	38.55%
73	38.60%
74	38.65%
75	38.70%
76	38.75%
77	38.80%
78	38.85%
79	38.90%
80	38.95%
81	39.00%
82	39.05%
83	39.10%
84	39.15%
85	39.20%
86	39.25%
87	39.30%
88	39.35%
89	39.40%
90	39.45%
91	39.50%
92	39.55%
93	39.60%
94	39.65%
95	39.70%
96	39.75%
97	39.80%
98	39.85%
99	39.90%
100	39.95%
101	40.00%
102	40.05%
103	40.10%
104	40.15%
105	40.20%
106	40.25%
107	40.30%
108	40.35%
109	40.40%
110	40.45%
111	40.50%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
112	40.55%
113	40.60%
114	40.65%
115	40.70%
116	40.75%
117	40.80%
118	40.85%
119	40.90%
120	40.95%
121	41.00%
122	41.05%
123	41.10%
124	41.15%
125	41.20%
126	41.25%
127	41.30%
128	41.35%
129	41.40%
130	41.45%
131	41.50%
132	41.55%
133	41.60%
134	41.65%
135	41.70%
136	41.75%
137	41.80%
138	41.85%
139	41.90%
140	41.95%
141	42.00%
142	42.05%
143	42.10%
144	42.15%
145	42.20%
146	42.25%
147	42.30%
148	42.35%
149	42.40%
150	42.45%
151	42.50%
152	42.55%
153	42.60%
154	42.65%
155	42.70%
156	42.75%
157	42.80%
158	42.85%
159	42.90%
160	42.95%
161	43.00%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
162	43.05%
163	43.10%
164	43.15%
165	43.20%
166	43.25%
167	43.30%
168	43.35%
169	43.40%
170	43.45%
171	43.50%
172	43.55%
173	43.60%
174	43.65%
175	43.70%
176	43.75%
177	43.80%
178	43.85%
179	43.90%
180	43.95%
181	44.00%
182	44.05%
183	44.10%
184	44.15%
185	44.20%
186	44.25%
187	44.30%
188	44.35%
189	44.40%
190	44.45%
191	44.50%
192	44.55%
193	44.60%
194	44.65%
195	44.70%
196	44.75%
197	44.80%
198	44.85%
199	44.90%
200	44.95%
201	45.00%
202	45.05%
203	45.10%
204	45.15%
205	45.20%
206	45.25%
207	45.30%
208	45.35%
209	45.40%
210	45.45%
211	45.50%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
212	45.55%
213	45.60%
214	45.65%
215	45.70%
216	45.75%
217	45.80%
218	45.85%
219	45.90%
220	45.95%
221	46.00%
222	46.05%
223	46.10%
224	46.15%
225	46.20%
226	46.25%
227	46.30%
228	46.35%
229	46.40%
230	46.45%
231	46.50%
232	46.55%
233	46.60%
234	46.65%
235	46.70%
236	46.75%
237	46.80%
238	46.85%
239	46.90%
240	46.95%
241	47.00%
242	47.05%
243	47.10%
244	47.15%
245	47.20%
246	47.25%
247	47.30%
248	47.35%
249	47.40%
250	47.45%
251	47.50%
252	47.55%
253	47.60%
254	47.65%
255	47.70%
256	47.75%
257	47.80%
258	47.85%
259	47.90%
260	47.95%
261	48.00%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
262	48.05%
263	48.10%
264	48.15%
265	48.20%
266	48.25%
267	48.30%
268	48.35%
269	48.40%
270	48.45%
271	48.50%
272	48.55%
273	48.60%
274	48.65%
275	48.70%
276	48.75%
277	48.80%
278	48.85%
279	48.90%
280	48.95%
281	49.00%
282	49.05%
283	49.10%
284	49.15%
285	49.20%
286	49.25%
287	49.30%
288	49.35%
289	49.40%
290	49.45%
291	49.50%
292	49.55%
293	49.60%
294	49.65%
295	49.70%
296	49.75%
297	49.80%
298	49.85%
299	49.90%
300	49.95%
301	50.00%
302	50.05%
303	50.10%
304	50.15%
305	50.20%
306	50.25%
307	50.30%
308	50.35%
309	50.40%
310	50.45%
311	50.50%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
312	50.55%
313	50.60%
314	50.65%
315	50.70%
316	50.75%
317	50.80%
318	50.85%
319	50.90%
320	50.95%
321	51.00%
322	51.05%
323	51.10%
324	51.15%
325	51.20%
326	51.25%
327	51.30%
328	51.35%
329	51.40%
330	51.45%
331	51.50%
332	51.55%
333	51.60%
334	51.65%
335	51.70%
336	51.75%
337	51.80%
338	51.85%
339	51.90%
340	51.95%
341	52.00%
342	52.05%
343	52.10%
344	52.15%
345	52.20%
346	52.25%
347	52.30%
348	52.35%
349	52.40%
350	52.45%
351	52.50%
352	52.55%
353	52.60%
354	52.65%
355	52.70%
356	52.75%
357	52.80%
358	52.85%
359	52.90%
360	52.95%
361	53.00%

S&P CDO Monitor Recovery Rates (%)	
Case	**Class A-1**
362	53.05%
363	53.10%
364	53.15%
365	53.20%
366	53.25%
367	53.30%
368	53.35%
369	53.40%
370	53.45%
371	53.50%
372	53.55%
373	53.60%
374	53.65%
375	53.70%
376	53.75%
377	53.80%
378	53.85%
379	53.90%
380	53.95%
381	54.00%
382	54.05%
383	54.10%
384	54.15%
385	54.20%
386	54.25%
387	54.30%
388	54.35%
389	54.40%
390	54.45%
391	54.50%
392	54.55%
393	54.60%
394	54.65%
395	54.70%
396	54.75%
397	54.80%
398	54.85%
399	54.90%
400	54.95%
401	55.00%

"S&P Weighted Average Floating Spread Matrix" means any spread between 2.05% and 5.45% in 0.10% increments.

"S&P Weighted Average Life Matrix" means the matrix below:

Weighted Average Life Matrix

Case	Weighted Average Life Values
1	8.00
2	7.75
3	7.50
4	7.25
5	7.00
6	6.75
7	6.50
8	6.25
9	6.00
10	5.75
11	5.50
12	5.25
13	5.00
14	4.75
15	4.50
16	4.25
17	4.00
18	3.75
19	3.50
20	3.25

"S&P Weighted Average Recovery Rate" means, as of any date of determination, the number, expressed as a percentage and determined for the Highest Ranking S&P Class, obtained by summing the products obtained by multiplying the Principal Balance of each Collateral Obligation (excluding any Defaulted Obligation) by its corresponding recovery rate as determined in accordance with Annex B hereto, dividing such sum by the Aggregate Principal Balance of all Collateral Obligations (excluding any Defaulted Obligation), and rounding to the nearest tenth of a percent.

"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 Rated 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 and (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.

"Secured Parties" means collectively the holders of the Rated Notes, the Trustee, the Collateral Manager, the Administrator, the Collateral Administrator and the Bank in each of its other capacities under the Transaction Documents.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Securities Intermediary" has the meaning specified in Article 8 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, a Senior Secured Floating Rate Note or a 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 first priority 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 first priority 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 and (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.

"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.

"Special Petition Expenses" means Petition Expenses in an amount up to $250,000 in the aggregate (such limit to be in effect throughout the transaction and until the dissolution of the Issuer).

"Sponsor" means, in relation to the Issuer, its "Sponsor" under the CRR Regulation.

"Stated Maturity" means October 20, 2027 or, if such date is not a Business Day, the next succeeding Business Day.

"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, mortgage-backed securities and other similar investments generally considered to be repackaged securities (including, without limitation, repackagings of a single financial asset).

"Subordinated Notes" means the Subordinated Notes issued pursuant to the Indenture.

"Substitute Obligation" means Collateral Obligations purchased after the Reinvestment Period with Eligible Reinvestment Amounts.

"Supermajority" means, with respect to any Class, the holders of at least 66-2/3% of the Aggregate Outstanding Amount of the Notes of such Class.

"Supplemental Reserve Amount" means the amount of Interest Proceeds retained in the Collection Account on such Payment Date and treated as Principal Proceeds, at the option of the Collateral Manager with the consent of a Majority of Subordinated Notes, to be reinvested in Collateral Obligations during the Reinvestment Period or Eligible Investments or, with the consent of a Majority of the Subordinated Notes, to repurchase Rated Notes pursuant to written direction of the Collateral Manager delivered to the Trustee, which amount will not exceed an aggregate amount for all applicable Payment Dates of $5,000,000 (unless the Issuer receives the written consent of a Majority of the Subordinated Notes); *provided*, that any Supplemental Reserve Amount retained in the Collection Account may be treated as Interest Proceeds if (a) the Collateral Manager in its discretion determines as of any Payment Date that such portion will no longer be reinvested or held for reinvestment and (b) each Overcollateralization Ratio Test would be satisfied after such treatment.

"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.$500,000,000.

"Target Initial Par Condition" means a condition satisfied as of the Effective Date if the Aggregate Principal Balance of Collateral Obligations that are held by the Issuer and that the Issuer has committed to purchase on such date, together with the amount of any proceeds of prepayments, maturities or redemptions of Collateral Obligations purchased by the Issuer prior to such date (other than any such proceeds that have been reinvested or are designated for reinvestment in Collateral Obligations held by the Issuer or that the Issuer has committed to purchase on the Effective Date), will equal or exceed the Target Initial Par Amount; *provided* that for purposes of this definition, any Collateral Obligation that becomes a Defaulted Obligation prior to the Effective Date shall be treated as having a Principal Balance equal to the lesser of its Moody's Collateral Value and its S&P Collateral Value.

"Tax" means any tax, levy, impost, duty, charge, assessment, deduction, withholding or fee of any nature (including interest, penalties and additions thereto) imposed by any governmental taxing authority.

"Tax Account Reporting Rules" means FATCA, and any other laws, intergovernmental agreements, administrative guidance or official interpretations, adopted or entered into on, before or after the date of the Indenture, by one or more governments providing for the collection of financial account information and the automatic exchange of such information between or among governments for purposes of improving tax compliance, including but not limited to the Cayman-UK IGA, and any laws, intergovernmental agreements or other guidance adopted pursuant to the global standard for automatic exchange of financial account information issued by the OECD.

"Tax Account Reporting Rules Compliance" means compliance with Tax Account Reporting Rules as necessary to avoid (a) fines, penalties, or other sanctions imposed on the Issuer, an Blocker Subsidiary, or any of their directors, or (b) the withholding or imposition of tax from or in respect of payments to or for the benefit of the Issuer or a Blocker Subsidiary.

"Tax Advice" means written advice from tax counsel of nationally recognized standing in the United States experienced in transactions of the type being addressed that (i) is based on knowledge by the person giving the advice of all relevant facts and circumstances of the Issuer and transaction (which are described in the advice or in a

written description referred to in the advice which may be provided by the Issuer or Collateral Manager) and (ii) is intended by the person rendering the advice to be relied upon by the Issuer in determining whether to take a given action.

"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 withholding tax on (1) amendment, waiver, consent and extension fees and (2) commitment fees and other similar fees in respect of Revolving Collateral Obligations and Delayed Drawdown Collateral Obligations) and such obligor is not required to pay to the Issuer such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Taxes, whether assessed against such obligor or the Issuer) will equal the full amount that the Issuer would have received had no such deduction or withholding occurred or (ii) any jurisdiction imposes net income, profits or similar Tax on the Issuer.

"Tax Jurisdiction" means the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, Jersey, Curaçao or St. Maarten.

"Tax Reserve Account" means a segregated non-interest bearing account established at the direction of the Issuer in the name of the Issuer, no funds of which are to be released except at the written direction of the Issuer.

"Temporary Global Note" means any Co-Issued Note sold to non-"U.S. persons" in an "offshore transaction" (each as defined in Regulation S) in reliance on Regulation S and issued in the form of a temporary global security in definitive, fully registered form without interest coupons.

"Test Recalculation AUP Report" means an accountants' report that recalculates the Effective Date Tests.

"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%
A- and below	0%	0%

provided that a Selling Institution having an S&P credit rating of "A" must also have a short-term S&P rating of "A-1" otherwise its Aggregate Percentage Limit and Individual Percentage Limit shall be 0%.

"Transaction Documents" means the Indenture; the Collateral Management Agreement; the Collateral Administration Agreement; the account agreement among the Issuer, the intermediary and the Trustee dated the Closing Date; and the Administration Agreement.

"Transaction Party" means each of the Issuer, the Co-Issuer, the Initial Purchaser, the Placement Agent, the Collateral Administrator, the Trustee, the Registrar, the Administrator and the Collateral Manager.

"Trustee" means State Street Bank and Trust Company, in its capacity as Trustee under the Indenture, and any successor thereto.

"Trustee's Website" means the Trustee's internet website, which shall initially be located at www.my.statestreet.com, or such other address as the Trustee may provide to the Issuer, the Collateral Manager and the Rating Agencies.

"U.S. Risk Retention Requirements" means Section 15G of the Exchange Act and any applicable implementing regulations.

"U.S. Risk Retention Requirements Effective Date" means December 24, 2016, or such other date that the U.S. Risk Retention Requirements have become effective with respect to CLOs, as determined by the applicable regulators.

"Uncertificated Subordinated Note" means any Subordinated Note registered in the name of the owner or nominee thereof not evidenced by either a Certificated Note or a Global Note.

"Underlying Instrument" means the 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.

"Volcker Rule" means Section 13 of the Bank Holding Company Act of 1956, as amended, and any applicable implementing regulations.

"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

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

ANNEX A

MOODY'S RATING DEFINITIONS

Moody's Credit Estimate": With respect to any Collateral Obligation, as of any date of determination, an estimated credit rating for such Collateral Obligation (or, if such credit estimate is the Moody's Rating Factor, the credit rating corresponding to such Moody's Rating Factor) provided or confirmed by Moody's; *provided* that (a) if Moody's has been requested by the Issuer, the Collateral Manager or the issuer of such Collateral Obligation to assign or renew an estimate with respect to such Collateral Obligation but such rating estimate has not been received, pending receipt of such estimate, the Moody's Rating or Moody's Default Probability Rating of such Collateral Obligation shall be (1) "B3" if the Collateral Manager certifies to the Trustee and the Collateral Administrator that the Collateral Manager believes that such estimate shall be at least "B3" and if the Aggregate Principal Balance of Collateral Obligations determined pursuant to this subclause (1) does not exceed 5% of the Collateral Principal Amount or (2) otherwise, "Caa1"; and (b) with respect to a Collateral Obligation's credit estimate which has not been renewed, the Moody's Credit Estimate will be (1) within 13-15 months of issuance of such credit estimate, one subcategory lower than the estimated rating and (2) after 15 months of such issuance, "Caa3."

"Moody's Default Probability Rating": With respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) With respect to a Collateral Obligation other than a DIP Collateral Obligation:

(i) if the obligor of such Collateral Obligation has a corporate family rating by Moody's, such rating;

(ii) if not determined pursuant to clause (i) above, if the senior unsecured debt of the obligor of such Collateral Obligation has a public rating by Moody's (a "Moody's Senior Unsecured Rating"), such Moody's Senior Unsecured Rating;

(iii) if not determined pursuant to clause (i) or (ii) above, if the senior secured debt of the obligor has a public rating by Moody's, the Moody's rating that is one subcategory lower than such rating;

(iv) if not determined pursuant to clause (i), (ii) or (iii) above, the Collateral Manager may elect to use a Moody's Credit Estimate to determine the Moody's Rating Factor for such Collateral Obligation for purposes of the Maximum Moody's Rating Factor Test;

(v) if the Moody's Default Probability Rating is not determined pursuant to clause (i), (ii) or (iii) above (and a Moody's Rating Factor is not determined pursuant to clause (iv) above), the Moody's Derived Rating, if any; or

(vi) if the Moody's Default Probability Rating is not determined pursuant to clause (i), (ii), (iii) or (v) above (and a Moody's Rating Factor is not determined pursuant to clause (iv) above), the Moody's Default Probability Rating will be "Caa3."

(b) With respect to a DIP Collateral Obligation:

(i) the rating which is one subcategory below the facility rating (whether public or private) of such DIP Collateral Obligation rated by Moody's; or

(ii) with respect to any DIP Collateral Obligation if not determined pursuant to clause (i) above, a rating of "Caa3."

For purposes of determining a Moody's Default Probability Rating, if an obligor does not have a Moody's corporate family rating, the Moody's corporate family rating will be the Moody's corporate family rating of any entity in the obligor's corporate family as designated by the Collateral Manager.

"Moody's Derived Rating": With respect to a Collateral Obligation, as of any date of determination, the Moody's Rating or the Moody's Default Probability Rating determined in the manner set forth below:

(a) If another obligation of the obligor is rated by Moody's, then by adjusting the rating of the related Moody's rated obligations of the related obligor by the number of rating subcategories according to the table below:

Obligation Category of Rated Obligation	Rating of Rated Obligation	Number of Subcategories Relative to Rated Obligation Rating
Senior secured obligation	greater than or equal to B2	-1
Senior secured obligation	less than B2	-2
Subordinated obligation	greater than or equal to B3	+1
Subordinated obligation	less than B3	0

(b) If not determined pursuant to clause (a) above, by using any one of the methods provided below:

(i) pursuant to the table below:

Type of Collateral Obligation	S&P Rating (Public and Monitored)	Collateral Obligation Rated by S&P	Number of Subcategories Relative to Moody's Equivalent of S&P Rating
Not Structured Finance Obligation	≥BBB-	Not a Loan or Participation Interest in Loan	-1
Not Structured Finance Obligation	≤BB+	Not a Loan or Participation Interest in Loan	-2
Not Structured Finance Obligation		Loan or Participation Interest in Loan	-2

(ii) 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"), the rating of such parallel security will at the election of the Collateral Manager be determined in accordance with the table set forth in subclause (i) above, and the Moody's Derived Rating for purposes of the definition of Moody's Rating and Moody's Default Probability Rating (as applicable) of such Collateral Obligation will be determined in accordance with the methodology set forth in clause (a) above (for such purposes treating the parallel security as if it were rated by Moody's at the rating determined pursuant to this subclause (ii));

provided that the Aggregate Principal Balance of Collateral Obligations determined pursuant to this subclause (b) does not exceed 10% of the Aggregate Principal Balance of all Collateral Obligations.

"Moody's Rating": With respect to any Collateral Obligation, as of any date of determination, the rating determined in accordance with the following methodology:

(a) With respect to a Collateral Obligation that is a Senior Secured Loan:

(i) if Moody's has assigned such Collateral Obligation a rating (including pursuant to a Moody's Credit Estimate), such rating;

(ii) if not determined pursuant to clause (i), if the obligor of such Collateral Obligation has a corporate family rating by Moody's (including pursuant to a Moody's Credit Estimate), the Moody's rating that is one subcategory higher than such corporate family rating;

(iii) if not determined pursuant to clause (i) or (ii), if the obligor of such Collateral Obligation has a Moody's Senior Unsecured Rating, the Moody's rating that is two subcategories higher than such Moody's Senior Unsecured Rating;

(iv) if not determined pursuant to clause (i), (ii) or (iii), the Moody's Derived Rating, if any; or

(v) if not determined pursuant to clause (i), (ii), (iii) or (iv), "Caa3."

(b) With respect to a Collateral Obligation that is not a Senior Secured Loan:

(i) if Moody's has assigned such Collateral Obligation a rating (including pursuant to a Moody's Credit Estimate), such rating;

(ii) if not determined pursuant to clause (i), if the obligor of such Collateral Obligation has a Moody's Senior Unsecured Rating, such Moody's Senior Unsecured Rating;

(iii) if not determined pursuant to clause (i) or (ii), if the obligor of such Collateral Obligation has a corporate family rating by Moody's (including pursuant to a Moody's Credit Estimate), the Moody's rating that is one subcategory lower than such corporate family rating;

(iv) if not determined pursuant to clause (i), (ii) or (iii), if the subordinated debt of the obligor of such Collateral Obligation has a public rating from Moody's, the Moody's rating that is one subcategory higher than such rating;

(v) if not determined pursuant to clause (i), (ii), (iii) or (iv), the Moody's Derived Rating, if any; or

(vi) if not determined pursuant to clause (i), (ii), (iii), (iv) or (v), "Caa3."

For purposes of determining a Moody's Rating, if an obligor does not have a Moody's corporate family rating, the Moody's corporate family rating will be the Moody's corporate family rating of any entity in the obligor's corporate family as designated by the Collateral Manager.

ANNEX B

S&P RECOVERY RATE AND DEFAULT RATE TABLES

Section 1 S&P Recovery Rate.

(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**						
	Range from Published Reports*	**"AAA"**	**"AA"**	**"A"**	**"BBB"**	**"BB"**	**"B" and below**
1+	100	75%	85%	88%	90%	92%	95%
1	90-99	65%	75%	80%	85%	90%	95%
2	80-89	60%	70%	75%	81%	86%	89%
2	70-79	50%	60%	66%	73%	79%	79%
3	60-69	40%	50%	56%	63%	67%	69%
3	50-59	30%	40%	46%	53%	59%	59%
4	40-49	27%	35%	42%	46%	48%	49%
4	30-39	20%	26%	33%	39%	39%	39%
5	20-29	15%	20%	24%	26%	28%	29%
5	10-19	5%	10%	15%	19%	19%	19%
6	0-9	2%	4%	6%	8%	9%	9%
		Recovery rate					

* From S&P's published reports. If a recovery range is not available for a given loan with a recovery rating of '2' through '5'; the lower range for the applicable recovery rating should be assumed.

(ii) If (x) a Collateral Obligation does not have an S&P Recovery Rating, and such Collateral Obligation is a senior unsecured loan or second lien loan 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 (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+	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					

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+	10%	12%	14%	16%	18%	20%
1	10%	12%	14%	16%	18%	20%
2	10%	12%	14%	16%	18%	20%
3	5%	7%	9%	10%	11%	12%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
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 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 and B

S&P Recovery Rating of the Senior Secured Debt Instrument	**All Initial Liability Ratings**
1+	8%
1	8%
2	8%
3	5%
4	2%
5	-%
6	-%
	Recovery rate

For Collateral Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	**All Initial Liability Ratings**
1+	5%
1	5%
2	5%
3	2%
4	-%
5	-%
6	-%
	Recovery rate

(b) If a recovery rate cannot be determined using clause (a), the recovery rate shall be determined using the following table.

Recovery rates for obligors Domiciled in Group A, B or C:

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	39%	42%	46%	49%	60%	63%
Group C	17%	19%	27%	29%	31%	34%
Senior Secured Loans (Cov-Lite Loans)						
Group A	41%	46%	49%	53%	63%	67%
Group B	32%	35%	39%	41%	50%	53%
Group C	17%	19%	27%	29%	31%	34%
Unsecured Loans, Second Lien Loans and First Lien Last Out Loans						
Group A	18%	20%	23%	26%	29%	31%
Group B	13%	16%	18%	21%	23%	25%
Group C	10%	12%	14%	16%	18%	20%
Subordinated loans						
Group A, B and C	8%	8%	8%	8%	8%	8%
Recovery rate						
Group A: *Australia, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Japan, Luxembourg, The Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, U.K., U.S.*						
Group B: *Brazil, Dubai International Finance Centre, Italy, Mexico, South Africa, Turkey, United Arab Emirates*						
Group C: *Kazakhstan, Russian Federation, Ukraine, others*						

* Solely for the purpose of determining the S&P Recovery Rate for such loan, no loan will constitute a "Senior Secured Loan" unless such loan (a) is secured by a valid first priority security interest in collateral, (b) in the Collateral Manager's commercially reasonable judgment (with such determination being made in good faith by the Collateral Manager at the time of such loan's purchase and based upon information reasonably available to the Collateral Manager at such time and without any requirement of additional investigation beyond the Collateral Manager's customary credit review procedures), is secured by specified collateral that has a value not less than an amount equal to the sum of (i) the aggregate principal amount of all loans senior or *pari passu* to such loans and (ii) the outstanding principal balance of such loan, which value may be derived from, among other things, the enterprise value of the issuer of such loan, excluding any loan secured primarily by equity or goodwill and (c) is not secured primarily by common stock or other equity interests (*provided* that the terms of this footnote may be amended or revised at any time by a written agreement of the Issuer, the Collateral Manager and the Trustee (without the consent of any holder of any Note), subject to Rating Agency Confirmation from S&P only, in order to conform to S&P then-current criteria for such loans).

Section 2. Default Rate Matrix

Collateral Obligation rating categories	Tenor (years)	0	1	2	3	4	5	6	7	8	9	10
	AAA	0	3.25E-05	0.000157	0.000415	0.000848	0.001497	0.002404	0.003606	0.005139	0.007037	0.009327
	AA+	0	8.32E-05	0.00037	0.000913	0.001763	0.002964	0.004559	0.006584	0.00907	0.012041	0.015519
	AA	0	0.000177	0.000736	0.001723	0.003178	0.005137	0.007634	0.010693	0.014331	0.018562	0.023388
	AA-	0	0.000494	0.001399	0.002768	0.004649	0.007082	0.0101	0.013728	0.017982	0.022871	0.028394
	A+	0	0.001004	0.002574	0.004745	0.007553	0.011024	0.015179	0.020029	0.025573	0.031802	0.038701
	A	0	0.001983	0.004525	0.007705	0.011588	0.016218	0.021622	0.027805	0.034759	0.042462	0.05088
	A-	0	0.003053	0.006673	0.011	0.016135	0.02214	0.029039	0.036829	0.045478	0.054938	0.065147
	BBB+	0	0.004037	0.008929	0.014842	0.02186	0.030004	0.039242	0.049505	0.060704	0.072732	0.085478
	BBB	0	0.004616	0.010917	0.018957	0.028678	0.039947	0.052585	0.066391	0.08116	0.096695	0.112812
	BBB-	0	0.005243	0.01446	0.027021	0.042297	0.059694	0.078677	0.098774	0.119592	0.140802	0.162142
	BB+	0	0.010516	0.024997	0.042967	0.063757	0.086645	0.110954	0.13609	0.161569	0.187006	0.212111
	BB	0	0.021095	0.046443	0.074759	0.104884	0.135868	0.166978	0.197674	0.227579	0.256447	0.284127
	BB-	0	0.026002	0.058721	0.095363	0.1337	0.172146	0.209665	0.245636	0.279728	0.311806	0.341854
	B+	0	0.032212	0.075975	0.123791	0.171639	0.217484	0.260411	0.300111	0.336603	0.370063	0.400734
	B	0	0.078481	0.14782	0.20935	0.263966	0.312463	0.355596	0.394064	0.428498	0.45945	0.487397
	B-	0	0.108821	0.200102	0.276168	0.339567	0.392721	0.437706	0.4762	0.509515	0.538665	0.564428
	CCC+	0	0.156886	0.280398	0.374298	0.445855	0.501353	0.545408	0.58123	0.611024	0.636306	0.658134
	CCC	0	0.20495	0.346227	0.444862	0.516028	0.56923	0.610357	0.64313	0.669956	0.692431	0.711636
	CCC-	0	0.253013	0.401048	0.498232	0.566449	0.616614	0.654916	0.685123	0.709632	0.730012	0.747318

Collateral Obligation rating categories	Tenor (years)	11	12	13	14	15	16	17	18	19	20
	AAA	0.012036	0.015185	0.01879	0.022864	0.027414	0.032445	0.037957	0.043945	0.050402	0.057317
	AA+	0.019516	0.024042	0.029099	0.034686	0.040796	0.047419	0.05454	0.062142	0.070205	0.078706
	AA	0.02881	0.034818	0.041401	0.04854	0.056214	0.064398	0.073065	0.082185	0.091727	0.101658
	AA-	0.034545	0.041309	0.048667	0.056593	0.06506	0.074036	0.083485	0.093374	0.103664	0.114319
	A+	0.046245	0.054404	0.063142	0.072422	0.082203	0.092442	0.103097	0.114125	0.125483	0.137131
	A	0.059969	0.069681	0.079964	0.090761	0.102017	0.113677	0.125687	0.137994	0.150551	0.163312
	A-	0.076035	0.087526	0.099545	0.112016	0.124868	0.138033	0.151447	0.165052	0.178796	0.192632
	BBB+	0.09883	0.11268	0.126926	0.141477	0.156248	0.171165	0.186162	0.201182	0.216177	0.231106
	BBB	0.129347	0.146157	0.163118	0.180128	0.197098	0.21396	0.230656	0.247142	0.263382	0.279351
	BBB-	0.183406	0.204435	0.225111	0.2455	0.26509	0.284293	0.302938	0.321013	0.338517	0.355457
	BB+	0.236673	0.260547	0.283637	0.305888	0.327274	0.347792	0.367453	0.38628	0.404301	0.421552
	BB	0.310543	0.33567	0.359519	0.382126	0.403541	0.423823	0.443036	0.461245	0.478514	0.494906
	BB-	0.369934	0.396148	0.420617	0.443472	0.46484	0.484843	0.503597	0.521206	0.537769	0.553372
	B+	0.428882	0.454761	0.478611	0.500647	0.52106	0.540019	0.557672	0.574151	0.589568	0.604025
	B	0.512744	0.535834	0.556956	0.576354	0.594234	0.610772	0.626116	0.640396	0.653721	0.666186
	B-	0.587403	0.608057	0.626752	0.643779	0.659369	0.673709	0.686956	0.699236	0.710659	0.721316
	CCC+	0.677257	0.694214	0.709405	0.723128	0.735614	0.747042	0.757555	0.76727	0.776282	0.78467
	CCC	0.728321	0.743019	0.756115	0.767895	0.778574	0.788321	0.797265	0.805514	0.813152	0.82025
	CCC-	0.762276	0.775397	0.787047	0.797496	0.806947	0.815554	0.823441	0.830704	0.83742	0.843656

Collateral Obligation rating categories	Tenor (years)	21	22	23	24	25	26	27	28	29	30
	AAA	0.064677	0.072467	0.080667	0.089259	0.09822	0.107529	0.117161	0.127094	0.137302	0.147762
	AA+	0.087621	0.096923	0.106587	0.116584	0.126887	0.137468	0.148299	0.159353	0.170604	0.182024
	AA	0.111947	0.12256	0.133465	0.144629	0.156023	0.167615	0.179376	0.191279	0.203298	0.215406
	AA-	0.125301	0.136575	0.148104	0.159855	0.171794	0.18389	0.196113	0.208436	0.220831	0.233274
	A+	0.14903	0.16114	0.173428	0.185858	0.198399	0.211023	0.2237	0.236408	0.249122	0.261821
	A	0.176232	0.189275	0.202402	0.215581	0.228783	0.24198	0.255149	0.268267	0.281317	0.29428
	A-	0.206517	0.220414	0.234289	0.248114	0.261863	0.275516	0.289052	0.302456	0.315715	0.328817
	BBB+	0.245932	0.260627	0.275166	0.28953	0.303702	0.317669	0.331422	0.344952	0.358254	0.371325
	BBB	0.295028	0.310399	0.325456	0.340193	0.354608	0.3687	0.382472	0.395927	0.40907	0.421905
	BBB-	0.371843	0.38769	0.403014	0.417834	0.432169	0.446038	0.45946	0.472454	0.485039	0.497234
	BB+	0.438067	0.453885	0.469042	0.483574	0.497518	0.510905	0.523769	0.536139	0.548043	0.559508
	BB	0.510479	0.52529	0.539391	0.55283	0.565653	0.577902	0.589615	0.600828	0.611574	0.621882
	BB-	0.568096	0.582012	0.595186	0.607676	0.619536	0.630814	0.641554	0.651795	0.661573	0.670921
	B+	0.61761	0.630403	0.642471	0.653877	0.664677	0.67492	0.684649	0.693905	0.702723	0.711136
	B	0.677876	0.688862	0.699209	0.708973	0.718204	0.726947	0.735242	0.743123	0.750623	0.757772
	B-	0.731286	0.740636	0.749425	0.757705	0.765521	0.772912	0.779916	0.786562	0.79288	0.798894
	CCC+	0.792502	0.799834	0.806716	0.81319	0.819294	0.82506	0.830518	0.835692	0.840606	0.84528
	CCC	0.826869	0.833058	0.838861	0.844315	0.849452	0.854301	0.858887	0.863232	0.867355	0.871275
	CCC-	0.849465	0.854892	0.859977	0.864752	0.869248	0.873488	0.877496	0.881292	0.884892	0.888313

ANNEX C

S&P INDUSTRY CLASSIFICATIONS

1.	1020000	Energy Equipment & Services
2.	1030000	Oil, Gas & Consumable Fuels
3.	2020000	Chemicals
4.	2030000	Construction Materials
5.	2040000	Containers & Packaging
6.	2050000	Metals & Mining
7.	2060000	Paper & Forest Products
8.	3020000	Aerospace & Defense
9.	3030000	Building Products
10.	3040000	Construction & Engineering
11.	3050000	Electrical Equipment
12.	3060000	Industrial Conglomerates
13.	3070000	Machinery
14.	3080000	Trading Companies & Distributors
15.	3110000	Commercial Services & Supplies
16.	3210000	Air Freight & Logistics
17.	3220000	Airlines
18.	3230000	Marine
19.	3240000	Road & Rail
20.	3250000	Transportation Infrastructure
21.	4011000	Auto Components
22.	4020000	Automobiles
23.	4110000	Household Durables
24.	4120000	Leisure Products
25.	4130000	Textiles, Apparel & Luxury Goods
26.	4210000	Hotels, Restaurants & Leisure
27.	4310000	Media
28.	4410000	Distributors
29.	4420000	Internet and Catalog Retail
30.	4430000	Multiline Retail
31.	4440000	Specialty Retail
32.	5020000	Food & Staples Retailing
33.	5110000	Beverages
34.	5120000	Food Products
35.	5130000	Tobacco
36.	5210000	Household Products
37.	5220000	Personal Products
38.	6020000	Health Care Equipment & Supplies
39.	6030000	Health Care Providers & Services
40.	6110000	Biotechnology
41.	6120000	Pharmaceuticals
42.	7011000	Banks
43.	7020000	Thrifts & Mortgage Finance
44.	7110000	Diversified Financial Services
45.	7120000	Consumer Finance
46.	7130000	Capital Markets
47.	7210000	Insurance
48.	7310000	Real Estate Management & Development
49.	7311000	Real Estate Investment Trusts (REITs)
50.	8020000	Internet Software & Services
51.	8030000	IT Services
52.	8040000	Software
53.	8110000	Communications Equipment
54.	8120000	Technology Hardware, Storage & Peripherals
55.	8130000	Electronic Equipment, Instruments & Components
56.	8210000	Semiconductors & Semiconductor Equipment
57.	9020000	Diversified Telecommunication Services
58.	9030000	Wireless Telecommunication Services
59.	9520000	Electric Utilities
60.	9530000	Gas Utilities
61.	9540000	Multi-Utilities
62.	9550000	Water Utilities
63.	9551701	Diversified Consumer Services
64.	9551702	Independent Power and Renewable Electricity Producers
65.	9551727	Life Sciences Tools & Services
66.	9551729	Health Care Technology
67.	9612010	Professional Services

PF1	Project finance: Industrial equipment
PF2	Project finance: Leisure and gaming
PF3	Project finance: Natural resources and mining
PF4	Project finance: Oil and gas
PF5	Project finance: Power
PF6	Project finance: Public finance and real estate
PF7	Project finance: Telecommunications
PF8	Project finance: Transport

PRINCIPAL OFFICE OF ISSUER
Carlyle US CLO 2016-4, Ltd.
c/o Walkers Fiduciary Limited
Cayman Corporate Centre
27 Hospital Road, George Town
Grand Cayman KY1-9008, Cayman Islands

PRINCIPAL OFFICE OF CO-ISSUER
Carlyle US CLO 2016-4, LLC
c/o Puglisi & Associates
850 Library Avenue, Suite 204
Newark, Delaware 19711

TRUSTEE AND PAYING AGENT
State Street Bank and Trust Company
1 Iron Street
Boston, Massachusetts 02210

COLLATERAL MANAGER
Carlyle GMS CLO Management L.L.C.
520 Madison Avenue
New York, New York 10022

IRISH LISTING AGENT
Walkers Listing Services Limited
The Anchorage
17-19 Sir John Rogerson's Quay
Dublin 2, Ireland

LEGAL ADVISORS

To the Co-Issuers, the Initial Purchaser and the Placement Agent as to United States law
Cleary Gottlieb Steen & Hamilton LLP
2000 Pennsylvania Avenue NW
Washington, District of Columbia 20006

To the Issuer as to Cayman Islands law
Walkers
190 Elgin Avenue
George Town, Grand Cayman KY1-9001
Cayman Islands

To the Collateral Manager as to United States law
Mayer Brown LLP
71 South Wacker Drive
Chicago, Illinois 60606