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December 17, 2015

We are pleased to release our third quarter 2015 Nontraded BDC Industry Report. Our hope is that our research provides you with information and education that allows you to evaluate nontraded investments from a fact-based perspective. As a firm that strives to provide independent, valuable, transparent and useful research, we will continue our expansion of research efforts and education to the alternative investment community. We thank our subscribers for their support of Blue Vault.

With over $21 billion in assets under management, nontraded BDCs continue to grow as a major part of the nontraded alternative investment universe. The nontraded BDC structure continues to be a popular vehicle for investors to get exposure to private equity type investments as well as for asset managers to raise continuous capital to invest in different opportunities and time periods.

As always, we appreciate your support and welcome any comments, suggestions or questions on the report. Our goal is that Blue Vault will allow you to be better educated and make more informed investment decisions. We are always looking for new ways to enhance the reports and add value to our subscribers.

Our Best Regards,

Stacy Chitty
Managing Partner
Blue Vault

Jared Schneider
Managing Partner
Blue Springs Capital
Table of Contents

DISCLOSURE AND DISCLAIMERS
2015-2016 Publication Schedule .................................................. 1
Metric Definitions and Explanations .............................................. 2
  Portfolio Details ................................................................. 2
  Public Offering Price (POP) and Current Distribution Rate ........ 2
  Net Asset Value (NAV) Per Share ......................................... 2
  Gross Offering Proceeds .................................................... 2
  Historical Distribution ...................................................... 2
  Sources of Distributions .................................................... 2
  Portfolio Yields .................................................................. 3
  Portfolio by Asset Type .................................................... 3
  Portfolio Concentration - Top Five Industries ......................... 3
  Performance Returns ...................................................... 3
  Floating Rate vs. Fixed Rate Investments ............................. 3
  Key Statistics .................................................................. 4
The History of Business Development Companies (BDCs) .......... 5
Nontraded BDC Industry Highlights and Capital Market Overview ... 6
Full-Cycle Event Details: FS Investment Corporation ................. 8
BDC Industry Summary and Comparison Tables
  BDC Overall Industry Summary .......................................... 9
  BDC Fund Offerings Summary .......................................... 10
  BDC Fee Comparison ...................................................... 11
  BDC Performance Summary ............................................. 12
Open BDC ............................................................................ 13
  Carey Credit Income Fund ............................................... 13
  CION Investment Corporation .......................................... 14
  Corporate Capital Trust, Inc. ............................................ 15
  Credit Suisse Park View BDC, Inc. ..................................... 16
  FS Energy & Power Fund ................................................ 17
  FS Investment Corporation III ........................................... 18
  HMS Income Fund Inc. .................................................... 19
  Sierra Income Corporation ................................................ 20
Effective Nontraded BDCs with Limited Operating Results
(Under $50mm in Assets) .......................................................... 21
  Business Development Corporation of America II .................. 21
  Corporate Capital Trust II .................................................. 21
  FS Investment Corporation IV ............................................. 21
  Griffin-Benefit Street Partners BDC ....................................... 21
  NexPoint Capital ............................................................. 21
  VII Peaks Co-Optivest Income BDC II, Inc.* ......................... 21
  Terra Income Fund ........................................................... 21
  Triton Pacific Investment Corporation .................................. 21
Closed BDC ............................................................................ 22
  Business Development Corporation of America ..................... 22
  FS Investment Corporation II ............................................... 23
Additonal BDC Notes ............................................................. 24
## 2015-2016 Publication Schedule

<table>
<thead>
<tr>
<th></th>
<th>SEC 10-Q/10-K Release Date</th>
<th>Review Publication Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Vault Brief</td>
<td>Year End 2015 Estimates</td>
<td>March 4, 2016</td>
</tr>
<tr>
<td>(2015 BDC Year-in-Review)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A Portfolio Details
Includes a summary of the portfolio holdings for the current period as reported on the BDC’s balance sheet. Items categorized as investments include debt investments, preferred equity, common equity, and other short-term investments. Cash and Cash Equivalents include cash on the balance sheet and other cash-like liquid assets.

This section also includes a current overview of the BDC’s investment strategy as it relates to the types of investments it makes, the industries the fund is focused on, and the size of companies the fund plans to invest in. Specifics found in this section include number of portfolio companies and the investment management advisor. Also included is whether the company employs a Total Return Swap (TRS) and the value of the assets in the TRS.

Total Return Swap (TRS) – An investment vehicle designed to give the fund additional interest payments and capital gains without having to purchase the assets and hold on the balance sheet. Cash collateral and payments to the institution holding the investments are typically required. The fund essentially “borrows” the TRS portfolio without the full risk of purchasing the investments outright.

Net Taxable Income – The tax-basis of earnings, which includes net investment income, realized capital gains, unrealized gains on TRS Assets and foreign exchange and other derivatives. Taxable income is reported on an investor’s 1099 to reconcile distributions to taxable income, capital gains and return of capital.

The initial offering date is defined as the date the BDC was considered “effective” by the SEC and began raising money in its public offering. The number of months indicates how long the BDC has been raising capital and the anticipated offering close date is the date the BDC anticipates closing the BDC to new investments. The current price per share and reinvestment price per share are based on either the most recent offering price or the most recent price published.

B Public Offering Price (POP) and Current Distribution Rate
The price at which shares are offered to the public. The offering price changes whenever a material change in the Net Asset Value (NAV) occurs. Current distribution rate is annualized.

C Net Asset Value (NAV) Per Share
The sum of the fair value of the total assets minus the total liabilities divided by the total number of shares outstanding. This number is reported publicly at least every quarter.

D Gross Offering Proceeds
Defined as the sales of nontraded BDC shares plus shares purchased through dividend reinvestment.

E Historical Distribution
Historical distribution shows the per share distribution amount in dollars.

F Sources of Distributions
Note – comparisons may differ due to the fact that some funds use GAAP numbers and some use tax numbers for showing sources of distributions. In funds showing taxable income sources of distributions, unpaid and not yet earned incentive fees may show as “Other” for sources of distributions.

Net Investment Income (NII) – Income earned from investments during the quarter or year less investment and operating expenses. Expense support or the reimbursement of expense support may be subtracted from or added, respectively, to operating expenses. This portion of income is the most sustainable portion and should represent where the majority of distributions are coming from.

Net Realized Gains (Capital Gains) – Gains or losses from investments that were sold in the quarter or year. Although it is an important component of income to the fund, realized gains can be unpredictable and will not be consistent from quarter to quarter.

Expense Support – Expenses paid for by the advisor, sponsor or affiliated holding company during the quarter or year. Typically expense support is given at the beginning of the fund’s lifecycle and tapers off as the fund begins to make
Metric Definitions and Explanations

investments and generate income and capital gains. These expenses are typically reimbursed to the sponsor or advisor over time. This number may also include fee waivers by the fund.

**Portfolio Yields**

**Return on Equity (ROE)** – Calculated as the annualized Net Change in Assets from Operations (GAAP earnings measure), a line item that includes net investment income, realized and unrealized gains/losses, divided by the average total equity year-to-date.

**Yield on Equity** – Calculated as the annualized total investment income for the quarter divided by average equity for the period.

**Yield on Portfolio** – Calculated as the annualized total investment income for the quarter divided by the average total dollar amount of investments for the period.

**Portfolio by Asset Type**
The percentage of investments that appear as senior debt, subordinated debt, preferred stock or common stock as it relates to total investment assets. The priority of repayment refers to the priority each investor receives in repayment in the event of bankruptcy. This is sometimes referred to as the capital stack.

**Capital Stack**

<table>
<thead>
<tr>
<th>Priority</th>
<th>Senior Debt</th>
<th>Subordinated Debt</th>
<th>Preferred Equity</th>
<th>Common Equity</th>
</tr>
</thead>
</table>

**Portfolio Concentration - Top Five Industries**
The top five industries that the fund holds in its portfolio (through companies in those respective industries) and the represented percentage of portfolio for the most recent quarter and previous year. This metric gives an understanding of whether the fund is overly concentrated in one or more industries.

**Performance Returns**

**Annualized Return** – Calculated as the total return for the period converted into an annual rate. An example is a quarterly total return of 3% times four quarters equals 12% annualized rate. The annualized rate is subject to change based on future periods.

**S&P/LSTA US Leveraged Loan Index** – Capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. The index seeks to mirror the market-weighted performance of the largest institutional leveraged loans. This index can be used to compare floating rate debt performance.

**Bank of America Merrill Lynch High Yield Master II** – A commonly used benchmark index for high yield corporate bonds. It is administered by Merrill Lynch. The Master II is a measure of the broad high yield market, unlike the Merrill Lynch BB/B Index, which excludes lower-rated securities. This index can be used to compare fixed rate/high yield debt performance.

**Floating Rate vs. Fixed Rate Investments**
Calculated as the total dollar amount of floating rate debt investments divided by the total dollar amount of debt investments. The same calculation is done for fixed rate debt investments. Generally for debt investors, fixed rate debt is preferred during times of falling interest rates and floating rate debt is preferred during times of rising interest rates. This section does not cover equity and other securities.
### Metric Definitions and Explanations

**Floating Rate Debt** – Debt that has a variable rate that changes based on changes in key interest rate indicators such as LIBOR, Fed Funds rate, Prime rate, Treasury yields, etc. The debt will many times be quoted as the indicator plus a spread amount. An example would be LIBOR + 250, which means the current LIBOR rate plus 2.50% is the current interest rate. Additionally, many floating rate loans have a floor which sets the minimum interest rate.

**Fixed Rate Debt** – Debt that has a fixed interest rate for a set period of time.

**Key Statistics**

**Fund Operating Expense Ratio** – Calculated as the operating expenses (not including interest expenses) for the fund year-to-date divided by average net assets year-to-date starting with the beginning balance of the year. This ratio measures operational efficiency and impact of management fees and administrative expenses on the fund.

**Interest Coverage Ratio** – Calculated as the sum of Net Investment Income plus realized capital gains plus interest expense divided by total interest expense. This measures the ability of the company to pay ongoing interest expenses from operations.

**Weighted-Average Interest Rate** – Calculated as the annualized current period interest expense divided by average borrowings for the period. This measure does not precisely evaluate the go-forward interest rate the fund pays, as new borrowings may not be reflected in interest payments for a given period. It does provide an estimate to determine the spread between interest payments and yield on borrowed assets.

**Leverage Ratio** – Calculated as the total borrowings divided by total assets. This number also includes off-balance sheet trs borrowings (TRS Notional Value minus Cash Collateral divided by TRS Notional Value).

**Taxable Income Payout Ratio** – Calculated as the year-to-date total distributions divided by the estimated year-to-date net taxable income. The metric is designed to determine how much of the distribution is derived from taxable income. Beyond the beginning stages of the fund, the ratio should be below or close to 100%.

**Net Change in Net Assets (Net Change in Assets)** – The GAAP measure for earnings, which includes net investment income, realized and unrealized capital gains, as well as certain accruals such as unearned performance incentive fees.
A business development company (BDC) is an SEC-registered investment company that invests in primarily private US-based businesses. This form of company was created by Congress in 1980 as amendments to the Investment Company Act of 1940. BDCs are typically taxed as regulated investment companies (RICs). Similar to REITs, BDCs are required to distribute at least 90% of taxable income as dividends to investors, and the company itself has to pay little or no corporate income tax.

Although the regulation for BDCs was passed in 1980, the creation of these companies did not come until the late 1990s and early 2000s. Furthermore, they did not begin to gain popularity until Apollo Investment Corporation raised $930 million in a period of three months in 2004. This ignited a stream of BDC IPOs over the years following. Still, the BDC industry remains relatively small when compared to mutual funds, REITs and other investments. Total BDC assets in the traded and nontraded are estimated to be close to $45 billion.

Investments of BDCs
BDCs invest in primarily private companies. They are required to invest 70% or more of their assets in US-based private companies. This is an investment type that was previously limited to institutional and wealthy individuals through private equity and private debt funds. Now through these SEC reporting funds, retail investors now have access to private equity and debt investments.

Many times, BDCs will invest in smaller or medium sized businesses. BDCs may be diversified in the industries they invest in or have a specific industry specialization (i.e. energy, technology, healthcare). Additionally they may focus on equity investments in companies, debt investments in companies or a hybrid of the two. BDCs utilize management teams and advisors to underwrite investments and make loans or equity investments into companies. So far, nontraded BDCs have primarily been focused on investing in the debt side of businesses.

Additionally, BDCs are required to offer operational or management assistance to the companies they invest in. This provides a layer of support that the companies would have not previously had. Many times the managers of BDCs are very experienced at improving companies’ operations and profitability.

Traded and Nontraded BDCs
Historically BDCs have been traded on public exchanges. Mirroring what happened about a decade ago in the REIT industry, nontraded BDCs have become available in the past few years. The first nontraded BDC, FS Investment Corporation, became effective in January 2009. Another nontraded BDC did not become effective until 2011 with Corporate Capital Trust.

There are a few reasons that the nontraded structure has come about. One such reason is that it allows the BDC to raise capital continuously. There are two parts to this. It allows the BDC to have capital across economic cycles rather than when the capital markets are up. Also, the continuous capital raise allows time for underwriting and investing in assets, rather than having to deploy a very large amount of capital immediately. Another reason is that the liquidity restrictions allow the BDC to be long-term focused. Additionally, the value of the investor’s investment is based on Net Asset Value (NAV) of the assets and is not subject to the same volatility and pricing as the stock market. However, these investments are not for all investors. They cannot be bought and sold on the public markets and have limited liquidity provisions. Typically the investor will have to wait five to ten years until a “liquidity event,” sale of the portfolio or listing on an exchange, takes place.

External and Internal Management
Similar to REITs, BDCs can be externally or internally managed. External management is a structure where an advisor makes investments and manages the portfolio for the BDC. The BDC itself has no employees, but pays a management fee to the advisor. Internal management means that the BDC has employees and overhead that are a normal operating expense to the BDC. However most BDCs traded and nontraded are externally managed. The reason for this is that many BDCs are advised or sub-advised by experienced private equity or investment management companies. This allows those investment companies to use resources from across their organization to underwrite, manage and handle the administration of the BDC.
Nontraded BDC Industry Highlights and Capital Market Overview

**BDC Industry Facts (as of September 30, 2015)**

- $21.1 billion in assets under management
- Average yield of 7.7%
- $3.3 billion in capital raise year-to-date
- The top-three funds raised 67.7% and the top-four raised 79.3%
- 15 funds currently raising capital
- Two closed funds (FS Investment Corporation II and Business Development Corporation of America)
- One full-cycle fund, now listed (FS Investment Corporation [NYSE:FSIC])
- Four funds in registration with $6.3 billion of registered equity offerings

**Assets Under Management: Growing but Still Plenty of Room To Grow**

Assets under management (AUM) of the nontraded BDC industry have grown to $21.1 billion. Although significant it is still less than the REIT counterpart and other alternative investments. Nontraded REITs currently have $78.7 billion under management. That number seems small when comparing to publicly traded REITs at $907 billion according to NAREIT at the end of 2014. Even further, $907 billion seems small when compared to the total AUM of alternative investments of $7 trillion according to data from Preqin.

But just how large is the credit market that nontraded BDCs invest in? Data from the St. Louis Federal Reserve shows that nonfinancial corporate credit totals roughly $8 trillion. The bottom line is that there are plenty of investable assets and the space for alternatives is quite large. As long as the demand for these types of funds persists, the market should continue to grow.

**Push for BDC Modernization Legislation**

In June of 2015, BDC industry chiefs went to Washington to make the case for the BDC Modernization Act. The bill has been circulating since 2013, and there has been a recent push by the industry for Congress to pass it.

The bill would allow BDCs to increase leverage modestly to a maximum of 2:1 debt to equity, or 66.7% leverage. BDCs are currently limited to 50% leverage, and executives state that the BDCs would be able to invest in lower risk, lower yield investments if they are able to increase their leverage.

Among the several changes requested, one other notable change would be to include financial firms in the “eligible portfolio company” definition. BDCs have to have at least 70% of their portfolios invested in eligible portfolio companies, and this would allow them to invest in financial firms as part of their core portfolios.

**$6.3 Billion in New Registrations**

As the industry grows, it is important to keep tabs on new fund registrations. Currently pending registrations total roughly $6.3 billion. While there are new sponsors on the list, most are follow up funds to BDCs that are currently in the market and open to investors.
Nontraded BDC Industry Highlights and Capital Market Overview

Nontraded BDCs Eek Out Positive Returns as Benchmarks are Negative

When considering performance, nontraded BDCs have consistently outperformed the benchmark indexes they are compared to. The two indices, the S&P/LSTA Leveraged Loan Index, an index that tracks the total return of senior loans, and the Bank of America Merrill Lynch High Yield Master II Index, an index that tracks the total return of high yield loans are the best (albeit not perfect) available benchmarks for the types of investments that BDCs invest in.

The median total return of nontraded BDCs YTD 2015 is 2.01%. That may not look impressive, but in the context of a -0.52% return for the Leveraged Loan Index and a -2.53% return for the High Yield index, BDCs have fared well.

Credit Markets Turned Negative for the Year

Performance in the senior loan market has turned negative for the year. The total return is tracked by the S&P/LSTA Leveraged Loan Index. The third quarter volatility wiped out all the gains that were seen through the first half of 2015.

The high yield bond/loan market, which is tracked by the Bank of America Merrill Lynch High Yield Master II Index, went through heavy volatility in the third quarter. At the end of September 2015, the index had turned negative to the tune of -2.53%.

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Sub-Advisor / Affiliated Sponsor</th>
<th>Dealer Manager</th>
<th>Registered Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yorke Capital Corp.</td>
<td>Yorke Capital Management</td>
<td>Orchard Securities LLC</td>
<td>$200,000,000</td>
</tr>
<tr>
<td>FS Energy &amp; Power Fund II</td>
<td>Franklin Square Capital Partners &amp; (Sub) GSO/Blackstone</td>
<td>FS2 Capital</td>
<td>$3,000,000,000</td>
</tr>
<tr>
<td>FS Energy &amp; Power Fund IV</td>
<td>Franklin Square Capital Partners &amp; (Sub) GSO/Blackstone</td>
<td>FS2 Capital</td>
<td>$2,637,500,000</td>
</tr>
<tr>
<td>Freedom Capital Corporation</td>
<td>Freedom Capital</td>
<td>Democracy Funding LLC</td>
<td>$500,000,000</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT REGISTERED</strong></td>
<td></td>
<td></td>
<td><strong>$6,337,500,000</strong></td>
</tr>
</tbody>
</table>
FS Investment Corporation: Where Is It Now?

FS Investment Corp. was the first nontraded BDC in existence, which began operations in 2009. On April 16, 2014, it became listed on the New York Stock Exchange under the symbol “FSIC”. The Company had $4.3 billion in assets under management as of September 30, 2015. The market capitalization on November 30, 2015, was $2.4 billion.

On the first day of being publicly traded, it closed at $10.25. Shares were initially sold at $10 per share, and the listing was viewed as a success. Over a year later, let’s find out how it has performed and where it is today.

On November 30, 2015 FSIC closed at $9.98, 27 cents below its first day of trading. The Company pays a quarterly dividend of approximately 8.9%.

![FSIC Stock Price Graph](image-url)
BDC Industry Review: Third Quarter 2015

BDC Overall Industry Summary

Total Nontraded BDC Industry Assets
(in $ Billions) as of September 30, 2015

Total Industry Assets
(in $ Millions) as of September 30, 2015

BDC Industry Capital Raise By Quarter
(1Q 2013 - 3Q 2015)

Gross Equity Raise YTD 2015
(in $ Millions) as of September 30, 2015

New Product Introductions Since 2009

Median Total Returns of Nontraded BDCs
(Total Return of NAV + Distribution)
# BDC Fund Offerings Summary

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Open/Closed</th>
<th>Effective Date</th>
<th>Sponsor/Advisor</th>
<th>Sub-Advisor</th>
<th>Total Assets Q3 2015</th>
<th>Gross Proceeds YTD 2015</th>
<th>Current Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Corporation of America</td>
<td>Closed</td>
<td>January 25, 2011</td>
<td>AR Capital</td>
<td>NA</td>
<td>$2,544.0</td>
<td>$165.6</td>
<td>7.75%</td>
</tr>
<tr>
<td>Business Development Corporation of America II</td>
<td>Open</td>
<td>September 8, 2014</td>
<td>AR Capital</td>
<td>NA</td>
<td>$4.3</td>
<td>$2.3</td>
<td>NA</td>
</tr>
<tr>
<td>Carey Credit Income Fund</td>
<td>Open</td>
<td>July 24, 2015</td>
<td>WP Carey</td>
<td>Guggenheim Partners</td>
<td>$76.9</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>CION Investment Corp</td>
<td>Open</td>
<td>July 2, 2012</td>
<td>Icon Investments</td>
<td>Apollo Global Management</td>
<td>$907.6</td>
<td>$385.7</td>
<td>7.20%</td>
</tr>
<tr>
<td>Corporate Capital Trust, Inc.</td>
<td>Open</td>
<td>April 4, 2011</td>
<td>CNL Financial Group</td>
<td>KKR</td>
<td>$3,750.6</td>
<td>$595.5</td>
<td>7.70%</td>
</tr>
<tr>
<td>Corporate Capital Trust II, Inc.</td>
<td>Open</td>
<td>October 10, 2015</td>
<td>CNL Financial Group</td>
<td>KKR</td>
<td>$0.2</td>
<td>$0.2</td>
<td>NA</td>
</tr>
<tr>
<td>Credit Suisse Park View BDC, Inc.</td>
<td>Open</td>
<td>March 19, 2015</td>
<td>Credit Suisse</td>
<td>NA</td>
<td>$343.9</td>
<td>$12.1</td>
<td>8.89%</td>
</tr>
<tr>
<td>FS Energy and Power Fund</td>
<td>Open</td>
<td>May 12, 2011</td>
<td>Franklin Square Capital Partners</td>
<td>GSO - Blackstone</td>
<td>$3,835.7</td>
<td>$562.4</td>
<td>8.29%</td>
</tr>
<tr>
<td>FS Investment Corporation II</td>
<td>Closed</td>
<td>February 14, 2012</td>
<td>Franklin Square Capital Partners</td>
<td>GSO - Blackstone</td>
<td>$5,032.3</td>
<td>NA</td>
<td>7.11%</td>
</tr>
<tr>
<td>FS Investment Corporation III</td>
<td>Open</td>
<td>December 31, 2013</td>
<td>Franklin Square Capital Partners</td>
<td>GSO - Blackstone</td>
<td>$2,528.9</td>
<td>$1,082.7</td>
<td>7.29%</td>
</tr>
<tr>
<td>Griffin-Benefit Street Partners BDC Corp.</td>
<td>Open</td>
<td>January 20, 2015</td>
<td>Griffin Capital</td>
<td>Benefit Street Partners</td>
<td>$12.4</td>
<td>$11.7</td>
<td>NA</td>
</tr>
<tr>
<td>HMS Income Fund, Inc.</td>
<td>Open</td>
<td>June 4, 2012</td>
<td>Hines</td>
<td>Main Street Capital</td>
<td>$913.7</td>
<td>$243.0</td>
<td>7.07%</td>
</tr>
<tr>
<td>NexPoint Capital</td>
<td>Open</td>
<td>August 18, 2014</td>
<td>NexPoint Capital / Highland Capital Management</td>
<td>NA</td>
<td>$23.6</td>
<td>$10.0</td>
<td>NA</td>
</tr>
<tr>
<td>Sierra Income Corporation, Inc.</td>
<td>Open</td>
<td>April 16, 2012</td>
<td>Sierra - Medley Capital</td>
<td>NA</td>
<td>$1,066.6</td>
<td>$232.3</td>
<td>8.25%</td>
</tr>
<tr>
<td>Terra Income Fund 6, Inc.</td>
<td>Open</td>
<td>April 20, 2015</td>
<td>Terra Capital Management</td>
<td>NA</td>
<td>$4.5</td>
<td>$2.1</td>
<td>NA</td>
</tr>
<tr>
<td>Triton Pacific Corporation, Inc.</td>
<td>Open</td>
<td>September 4, 2012</td>
<td>Triton Pacific Group</td>
<td>NA</td>
<td>$6.2</td>
<td>$2.8</td>
<td>NA</td>
</tr>
<tr>
<td>VII Peaks Co-Optivist Income BDC II, Inc.</td>
<td>Open</td>
<td>March 1, 2012</td>
<td>VII-Peaks</td>
<td>NA</td>
<td>$41.7</td>
<td>$6.9</td>
<td>7.20%</td>
</tr>
</tbody>
</table>

**TOTAL**  
$21,093  
$3,315
## BDC Fee Comparison

### Effective Nontraded BDCs

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Sponsor/Advisor</th>
<th>Max. Sales Commission</th>
<th>Dealer-Manager Fee</th>
<th>Offering Expenses</th>
<th>Max Total Load</th>
<th>AUM Fee</th>
<th>Incentive Fee Income/ Capital Gains</th>
<th>Preferred Return</th>
<th>Catch-Up Percent</th>
<th>Annualized Operating Expense Ratio (2015 YTD)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Corporation of America</td>
<td>AR Capital</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>1.50%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>3.90%</td>
</tr>
<tr>
<td>Business Development Corporation of America II</td>
<td>AR Capital</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>1.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>NA</td>
</tr>
<tr>
<td>Carey Credit Income Fund - 2016 T</td>
<td>WP Carey</td>
<td>3.00%</td>
<td>2.75%</td>
<td>1.50%</td>
<td>8.15%</td>
<td>1.75%</td>
<td>20.00%</td>
<td>7.50%</td>
<td>9.38%</td>
<td>3.87%</td>
</tr>
<tr>
<td>Carey Credit Income Fund - I</td>
<td>WP Carey</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>1.75%</td>
<td>20.00%</td>
<td>7.50%</td>
<td>9.38%</td>
<td>3.87%</td>
</tr>
<tr>
<td>CION Investment Corp</td>
<td>Icon Investments</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>3.32%</td>
</tr>
<tr>
<td>Corporate Capital Trust, Inc.</td>
<td>CNL Financial Group</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.10%</td>
<td>11.10%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>4.00%</td>
</tr>
<tr>
<td>Credit Suisse Park View BDC, Inc.</td>
<td>Credit Suisse</td>
<td>0.00%</td>
<td>1.50% + 0.50%</td>
<td>0.30%</td>
<td>1.80%</td>
<td>1.75%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>4.70%</td>
</tr>
<tr>
<td>FS Energy and Power Fund</td>
<td>Franklin Square Capital Partners</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>4.26%</td>
</tr>
<tr>
<td>FS Investment Corporation II</td>
<td>Franklin Square Capital Partners</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>6.50%</td>
</tr>
<tr>
<td>FS Investment Corporation III</td>
<td>Franklin Square Capital Partners</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>4.37%</td>
</tr>
<tr>
<td>Griffin-Benefit Street Partners BDC Corp.</td>
<td>Griffin Capital</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>NA</td>
</tr>
<tr>
<td>HMS Income Fund, Inc.</td>
<td>Hines</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>9.38%</td>
<td>5.33%</td>
</tr>
<tr>
<td>NexPoint Capital</td>
<td>NexPoint Capital/ Highland Capital Management</td>
<td>7.00%</td>
<td>1.00%</td>
<td>1.00%</td>
<td>9.00%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>9.38%</td>
<td>NA</td>
</tr>
<tr>
<td>Sierra Income Corporation</td>
<td>Sierra - Medley Capital</td>
<td>7.00%</td>
<td>2.75%</td>
<td>1.25%</td>
<td>11.00%</td>
<td>1.75%</td>
<td>20.00%</td>
<td>7.00%</td>
<td>8.75%</td>
<td>5.73%</td>
</tr>
<tr>
<td>Triton Pacific Investment Corporation, Inc.</td>
<td>Triton Pacific Capital</td>
<td>7.00%</td>
<td>3.00%</td>
<td>2.00%</td>
<td>12.00%</td>
<td>2.00%</td>
<td>20.00%</td>
<td>8.00%</td>
<td>10.00%</td>
<td>NA</td>
</tr>
<tr>
<td>VII Peaks Co-Optivist Income BDC II, Inc.</td>
<td>VII-Peaks KBR</td>
<td>7.00%</td>
<td>3.00%</td>
<td>1.50%</td>
<td>11.50%</td>
<td>1.50%</td>
<td>20.00%</td>
<td>8.00%</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

*Annualized Operating Expense Ratio uses expenses stated on the income statement and does not take into account expense support or fee waivers. Total Operating Expense Ratio will likely be overstated during the fundraising stage of each fund. The average net assets used in the calculation is likely to be less than current net assets, causing the ratio to be higher than if the fund was stabilized.*
### BDC Performance Summary

#### Effective Nontraded BDCs (Greater than $50 million in AUM)

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Sponsor/Advisor</th>
<th>2015 YTD</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Corporation of America</td>
<td>AR Capital</td>
<td>1.02%</td>
<td>7.63%</td>
<td>14.12%</td>
<td>15.19%</td>
<td>8.36%</td>
</tr>
<tr>
<td>Carey Credit Income</td>
<td>WP Carey</td>
<td>NA</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>CION Investment Corporation</td>
<td>ICON Investments</td>
<td>4.94%</td>
<td>6.92%</td>
<td>11.96%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Corporate Capital Trust</td>
<td>CNL Financial Group</td>
<td>0.60%</td>
<td>5.90%</td>
<td>11.40%</td>
<td>14.30%</td>
<td>12.23%</td>
</tr>
<tr>
<td>Credit Suisse Park View BDC</td>
<td>Credit Suisse</td>
<td>2.67%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>FS Energy and Power Fund</td>
<td>Franklin Square Capital Partners</td>
<td>-4.90%</td>
<td>-4.14%</td>
<td>10.49%</td>
<td>14.07%</td>
<td>2.11%</td>
</tr>
<tr>
<td>FS Investment Corporation II</td>
<td>Franklin Square Capital Partners</td>
<td>2.04%</td>
<td>6.92%</td>
<td>10.81%</td>
<td>8.82%</td>
<td>—</td>
</tr>
<tr>
<td>FS Investment Corporation III</td>
<td>Franklin Square Capital Partners</td>
<td>1.97%</td>
<td>1.67%</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>HMS Income Fund</td>
<td>Hines</td>
<td>5.71%</td>
<td>2.13%</td>
<td>8.47%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sierra Income Corporation</td>
<td>Sierra - Medley Capital</td>
<td>2.01%</td>
<td>6.48%</td>
<td>11.75%</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Benchmark Comparison

<table>
<thead>
<tr>
<th>Benchmark Comparison</th>
<th>2013</th>
<th>2014</th>
<th>2015 YTD</th>
<th>2012</th>
<th>2011**</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P/LSTA Leveraged Loan Index</td>
<td>-0.52%</td>
<td>0.99%</td>
<td>5.25%</td>
<td>9.67%</td>
<td>1.51%</td>
</tr>
<tr>
<td>BoA High Yield Master II Index</td>
<td>-2.53%</td>
<td>2.50%</td>
<td>7.42%</td>
<td>15.58%</td>
<td>4.38%</td>
</tr>
<tr>
<td>Median</td>
<td>2.01%</td>
<td>6.19%</td>
<td>11.40%</td>
<td>14.19%</td>
<td>8.36%</td>
</tr>
<tr>
<td>Mean</td>
<td>1.78%</td>
<td>4.19%</td>
<td>11.29%</td>
<td>13.10%</td>
<td>7.57%</td>
</tr>
</tbody>
</table>

* All funds but FS Investment Corp had limited operations for the year of 2011, FS Investment Corp II had limited operations in 2012

* Note A - FS Investment Corp. III had a 1.67% total return for the year, but had limited operations breaking escrow in April 2014
**Carey Credit Income Fund**

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>$76.9 Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>$70.8 Million</td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>$4.1 Million</td>
</tr>
<tr>
<td>Other</td>
<td>$1.9 Million</td>
</tr>
</tbody>
</table>

Cash & Equivalents to Total Assets Ratio: 5.4%

Asset Type: Diversified Private Debt

Number of Companies in Portfolio: 28

Sponsor/Advisor: Carey Credit Advisors – WP Carey

Sub-Advisor: Guggenheim Partners

Use of Total Return Swap (TRS): No

Assets of TRS: NA

**Strategy:**
Carey Credit Income Fund intends to invest primarily in large, privately-negotiated loans to private middle market U.S. companies, focusing on senior secured debt investments.

**Company Size:**
EBITDA between $25 million to $100 million and annual revenue ranging from $50 million to $1 billion.

**Gross Offering Proceeds**

<table>
<thead>
<tr>
<th>Inception</th>
<th>YTD 2015</th>
<th>Q1 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100.0</td>
<td>$50.0</td>
<td>$50.0</td>
</tr>
</tbody>
</table>

*Includes reinvested distributions (in millions)

**Historical Distribution Per Share**

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$0.02</td>
</tr>
<tr>
<td>YTD</td>
<td>$0.03</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

*Does not include special distributions

**Sources of Distributions**

- NII: 100% (Class T 94.25%) (Class I 97.00%)
- Capital Gains: (Class T 7.00%) (Class I 7.20%)
- Other: (Class T 0.52%) (Class I 0.52%)
- Expense Support % of Distribution: (Class T 94.25%) (Class I 97.00%)

**Historical Price**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Class T</th>
<th>Class I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2015</td>
<td>$9.35</td>
<td>$9.28</td>
</tr>
</tbody>
</table>

**Portfolio Concentration – Top 5 Industries**

<table>
<thead>
<tr>
<th>Industry</th>
<th>2015 YTD</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace &amp; Defense</td>
<td>14%</td>
<td>NA</td>
</tr>
<tr>
<td>Technology</td>
<td>14%</td>
<td>NA</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>13%</td>
<td>NA</td>
</tr>
<tr>
<td>Consumer Cyclical Services</td>
<td>10%</td>
<td>NA</td>
</tr>
<tr>
<td>Restaurants</td>
<td>6%</td>
<td>NA</td>
</tr>
</tbody>
</table>

*Excludes TRS

**Key Statistics**

- Fund Operating Expense Ratio: 3.9%
- Interest Coverage Ratio: NA
- Weighted Average Interest Rate: 2.70%
- Leverage Ratio: 37.0%
- Taxable Income Payout Ratio: 13.4%
- Net Change in Assets Payout Ratio: 6.0%
- Expense Support % of Distribution: NA

**Performance Returns**

<table>
<thead>
<tr>
<th>2015 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carey Credit Income Fund</td>
</tr>
<tr>
<td>S&amp;P/LSTA Leveraged Loan Index</td>
</tr>
<tr>
<td>BoA Merrill Lynch High Yield Master II</td>
</tr>
</tbody>
</table>

*YTD returns are not annualized

**Contact Information**

Diversified Private Debt

Carey Credit Advisors - WP Carey

Guggenheim Partners

www.CareyCredit.com

Carey Credit Advisors, LLC.

50 Rockefeller Plaza

New York, NY 10020

1-800-WPCAREY
CION Investment Corporation

Total Assets: $907.6 Million
- Investments: $702.1 Million
- Cash & Equivalents: $12.7 Million
- Other: $192.8 Million

Cash & Equivalents to Total Assets Ratio: 1.4%
Asset Type: Diversified Private Debt
Number of Companies in Portfolio: 146
Sponsor/Advisor: ICON Investments / CIM
Sub-Advisor: Apollo Investment Management
Use of Total Return Swap (TRS): Yes
Assets of TRS: $665.0 Million

Historical Distribution Per Share
- 2014: $0.18
- 2015: $0.18
- 2016: $0.18
- Historical NII: 5%

Historical Price (Net Asset Value)
- July 2, 2012: $9.16
- July 30, 2015: $9.13

Investment Strategy
- Primarily invests in the senior secured debt of U.S. middle market companies. The investment objective is to generate current income and to a lesser extent, capital appreciation for its investors.

Company Size:
- EBITDA: $50 million or less
- Average Portfolio Company Size: $170.5 million in EBITDA

Management
- Investments are sourced, underwritten and managed by CION Investment Management, an ICON Investments subsidiary, and has engaged Apollo Investment Management as a sub-advisor to source investments and make investment recommendations.

ICON Investments – With more than 27 years of experience and having made approximately $4 billion in total investments, ICON provides direct financing to public and private companies through secured financing such as equipment financing.

Apollo Investment Management - a subsidiary of Apollo Global – a global private equity, credit and real estate investment management firm with over $163 billion in assets under management.

Historical Distribution Per Share
- 2014: $0.18
- 2015: $0.18
- 2016: $0.18

Portfolio Yields
- 2015: 10.0%
- 2014: 8.9%
- 2013: 8.0%

Performance Returns
- 2015 YTD: 4.8%
- 2014: 8.9%
- 2013: 8.0%

Contact Information
- www.CIONInvestmentcorp.com
- CION Investment Corp.
  3 Park Avenue, 36th Floor
  New York, NY 10016
  800-435-5697

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Q3_BDC_2015December16,20155:01PM
Corporate Capital Trust, Inc.

Total Assets: $3,750.6 Million
Investments: $3,479.8 Million
Cash & Equivalents: $52.9 Million
Other: $218.0 Million

Cash & Equivalents to Total Assets Ratio: 1.4%
Asset Type: Diversified Private Debt
Number of Companies in Portfolio: 139
Sponsor/Advisor: KKR
Use of Total Return Swap (TRS): Yes
Assets of TRS: $317.8 Million

Investment Strategy
To invest in senior and subordinated debt of medium and large sized U.S. companies. Investments in companies may be accompanied by warrants, options, equity co-investments or other forms of equity.

Company Size:
EBITDA greater than $25 million

Historical Price (Net Asset Value)

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$9.94</td>
<td>$10.02</td>
<td>$10.09</td>
<td>$10.14</td>
<td>$10.20</td>
<td>$10.25</td>
<td>$10.37</td>
<td>$10.49</td>
</tr>
<tr>
<td>2014</td>
<td>$10.37</td>
<td>$10.43</td>
<td>$10.49</td>
<td>$10.55</td>
<td>$10.60</td>
<td>$10.66</td>
<td>$10.72</td>
<td>$10.80</td>
</tr>
<tr>
<td>2015</td>
<td>$10.80</td>
<td>$10.85</td>
<td>$10.90</td>
<td>$10.95</td>
<td>$11.00</td>
<td>$11.06</td>
<td>$11.12</td>
<td>$11.18</td>
</tr>
</tbody>
</table>

Management
Investments are sourced, underwritten and managed in a collaborative effort by KKR and CNL. Although the investment activity is primarily led by KKR, the partnership provides dual underwriting for investments.

KKR – A global investments firm that manages over $101.6 billion in assets. The firm was founded in 1973 and has completed 250 private equity transactions with a total value of more than $480 billion.

CNL – A private investment firm founded in 1976 and has completed 250 private equity transactions with a total value of more than $33 billion in assets.

Portfolio by Asset Type

- Senior Debt: 76.3%
- Subordinated Debt: 13.0%
- Collateralized Securities: 2.5%
- Equity/Other: 8.2%

Floating vs. Fixed Rate Investments

- Fixed: 28.1%
- Floating: 73.9%

Portfolio Concentration – Top 5 Industries

- Diversified Financials: 7% (2015) 5% (2014)
- Retailing: 7% (2015) 8% (2014)

Performance Returns

S&P/LSTA Leveraged Loan Index: (0.52%) (2015) 0.99% (2014) 5.25% (2013) 9.70% (2012)
BofA Merrill Lynch High Yield Master II: (2.53%) (2015) 2.50% (2014) 7.42% (2013) 15.58% (2012)

Key Statistics

- Fund Operating Expense Ratio: 4.0%
- Interest Coverage Ratio: 10.9x
- Weighted Average Interest Rate*: 2.9%
- Leverage Ratio: 37.0%
- Taxable Income Payout Ratio*: 75.0%
- Net Change in Assets Payout Ratio: 0.0%
- ROE YTD: 10.9%
- Yield on Equity: 11.4%
- Yield on Portfolio: 14.3%

* Includes GAAP to tax adjustment for $20.8 million. ** Using stated weighted-average borrowings in SEC filing.

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Credit Suisse Park View BDC, Inc.

Total Assets: $344.0 Million
- Investments: $332.0 Million
- Cash & Equivalents: $7.4 Million
- Other: $4.6 Million

Portfolio Concentration – Top 5 Industries
- Services: Business: 18% 15%
- Healthcare & Pharmaceuticals: 15% 7%
- Hotel, Gaming & Leisure: 10% 4%
- Aerospace & Defense: 7% 8%
- Consumer Goods: Non-Durable: 6% 8%

Portfolio Yields
- Current Distribution Rate: 8.89%
- Reinvestment Price Per Share: 90% POP
- Effective Date: March 18, 2015
- Number of Months Effective: 6

Historical Distribution Per Share
- Sources of Distributions: NA-Limited Operating Data

Key Statistics
- Fund Operating Expense Ratio: 5.4%
- Interest Coverage Ratio: 11.5x
- Weighted Average Interest Rate: 2.5%
- Leverage Ratio: 30.8%
- Taxable Income Payout Ratio: 138.1%
- Net Change in Assets Payout Ratio: 149.1%
- Expense Support % of Distribution: NA

Strategy:
To make direct investments in secured debt (including first and second lien senior secured loans), unsecured debt (including mezzanine debt) and, to a lesser extent, equity securities of middle-market U.S. companies.

Company Size:
EBITDA between $5 million and $75 million

Management
Credit Suisse Asset Management (CSAM) serves as the Advisor to the BDC. Investments are originated by CSAM’s proprietary network, Credit Suisse’s investment banking platform and Private Wealth Management group.

Credit Suisse Asset Management – Part of Credit Suisse’s global asset management business, CSAM manages approximately $421.4 billion in the Americas and approximately $132 billion worldwide.

Contact Information
www.Credit-Suisse.com
Credit Suisse Asset Management
One Madison Avenue
New York, NY 10010-3629
212-325-2000

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FS Energy & Power Fund

Total Assets ........ $3,835.7 Million
- Investments ........ $3,560.3 Million
- Cash & Equivalents .... $196.0 Million
- Other .............. $99.0 Million

Cash & Equivalents to Total Assets Ratio ........ 5.1%
Asset Type .................................................. Private Debt & Equity
Number of Companies in Portfolio ......................... 103
Sponsor/Advisor .................. Franklin Square Capital Partners
Sub-Advisor ....................................... GSO – Blackstone
Use of Total Return Swap (TRS) .......................... No
Assets of TRS ........................................... $0 Million

Investment Strategy

Strategy:
To invest primarily in the debt and income-oriented equity securities of private U.S. companies in the energy and power industry.

Company Size:
Not Applicable

Average Portfolio Company Size:
$266.1 million in EBITDA

Management

Investments are sourced, underwritten and managed in a collaborative effort between Franklin Square (FS) Capital Partners and the sub-advisor, GSO Capital Partners, a Blackstone company.

GSO - Blackstone – The credit arm of Blackstone, GSO manages over $81 billion in credit investments. Blackstone is one of the world’s largest investment management firms, has roughly $334 billion in assets under management.

Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages $17.0 billion in BDC assets.

Gross Offering Proceeds

Historical Distribution Per Share

Sources of Distributions

Portfolio by Asset Type

Portfolio Concentration – Top 5 Industries

Performance Returns

Key Statistics

Fund Operating Expense Ratio ........................................ 4.3%
Interest Coverage Ratio .............................................. 8.7x
Weighted Average Interest Rate ................................ 2.4%
Leverage Ratio ......................................................... 27.3%
Taxable Income Payout Ratio ....................................... 106.5%
Net Change in Assets Payout Ratio ....................... (106.6%)
Expense Support % of Distribution ............................. 0.0%

Public Offering Price ........................................ $8.10
Current Distribution Rate* ....................................... 0.75%
Reinvestment Price Per Share ............................. 90% POP
Effective Date ..................................................... May 12, 2011
Number of Months Effective .................. 52

Historical Price (Net Asset Value)

Portfolio Yields

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www.FSEnergyandPowerFund.com
Franklin Square Capital Partners
2929 Arch Street, Suite 675
Philadelphia, PA 19104
877-372-9880

*YTD returns are not annualized.

See additional notes on page 23.
FS Investment Corporation III

Investment Strategy

Strategy:
To invest primarily in senior secured, second-lien secured and to a lesser extent subordinated debt of private U.S. companies.

Company Size:
$50 million to $2.5 billion in revenue

Average Portfolio Company Size:
$239.3 million in EBITDA, $86.1 million in EBITDA for direct originations

Management

Investments are sourced, underwritten and managed in a collaborative effort between Franklin Square (FS) Capital Partners and the sub-advisor, GSO Capital Partners, a Blackstone company.

GSO - Blackstone – The credit arm of Blackstone, GSO manages over $81 billion in credit investments. Blackstone is one of the world’s largest investment management firms, has roughly $334 billion in assets under management.

Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages $17 billion in BDC assets.

Gross Offering Proceeds

Historical Distribution Per Share

Sources of Distributions

Portfolio Yields

Historical Price (Net Asset Value)

Portfolio by Asset Type

Portfolio Concentration – Top 5 Industries

Performance Returns

Key Statistics

Contact Information

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HMS Income Fund Inc.

Total Assets $913.7 Million
Investments $876.7 Million
Cash & Equivalents $18.6 Million
Other $18.4 Million

Cash & Equivalents to Total Assets Ratio 2.0%
Asset Type Diversified Private Debt
Number of Companies in Portfolio 116
Sponsor/Advisor Hines
Sub-Advisor Main Street Capital Corporation
Use of Total Return Swap (TRS) No
Assets of TRS Not Applicable

Strategy:
- Generate current income and to a lesser extent capital gains primarily through debt and equity investments in privately owned U.S. lower middle market companies as well as upper middle market firms.

Company Size:
- Annual revenues of $10 million to $150 million (lower middle market) up to $3 billion (upper middle market)

Investment Strategy:

Management:
- Investments are managed by HMS Advisor, a Hines subsidiary, and sub-advised by Main Street Capital. Main Street provides sourcing, evaluation, negotiation and structuring for HMS’s investments.
- Hines – A global real estate investment firm that manages or has interests in over $84.9 billion of investments. Together with its predecessor, Hines has been investing and managing real estate for over 50 years.
- Main Street Capital – A manager of private debt and equity investments, Main Street Capital Corp. is a publicly traded BDC with a market capitalization of roughly $2 billion.

Gross Offering Proceeds

Historical Distribution Per Share

Sources of Distributions

Historical Price (Net Asset Value)

Historical Price (Net Asset Value)

Portfolio by Asset Type

Portfolio Concentration – Top 5 Industries

Performance Returns

Key Statistics

Fund Operating Expense Ratio 5.3%
Interest Coverage Ratio 5.5x
Weighted Average Interest Rate 3.9%
Leverage Ratio 43.0%
Taxable Income Payout Ratio 95.0%
Net Change in Assets Payout Ratio 178.0%
Expense Support % of Distribution 1.0%


Hines Securities
2800 Post Oak Boulevard
Suite 4700
Houston, TX 77056
888-446-3773

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Sierra Income Corporation

Total Assets: $1,066.6 Million
- Investments: $901.5 Million
- Cash & Equivalents: $69.6 Million
- Other: $95.5 Million

Cash & Equivalents to Total Assets Ratio: 6.5%
- Diversified Private Debt

Number of Companies in Portfolio: 87
- Use of Total Return Swap (TRS): Yes

Assets of TRS: $217.0 Million

Gross Offering Proceeds:
- 2015: $900.0 Million
- 2014: $795 Million
- 2013: $534 Million
- 2012: $383 Million
- 2011: $245 Million
- 2010: $74 Million

*Includes reinvested distributions (in millions)

Portfolio Concentration – Top 5 Industries

- Services: Business 18% 9%
- Banking, Finance, Insurance, & Real Estate 9% 10%
- Hotel, Gaming & Leisure 9% 14%
- Automobile 9% 7%
- Retail 7% 6%

*Includes TRS Portfolio

Performance Returns

- Sierra Income Corporation: 2.01% 6.48% 11.75%
- S&P/LSTA Leveraged Loan Index: (0.52%) 0.99% 5.25%
- BofA Merrill Lynch High Yield Master II: (2.53%) 2.50% 7.42%

*Annualized Returns based on NAV plus reinvestment of distributions

Key Statistics

- Fund Operating Expense Ratio: 5.0%
- Interest Coverage Ratio: 8.0x
- Weighted Average Interest Rate: 3.7%
- Leverage Ratio: 39.3%
- Taxable Income Payout Ratio: 98.0%
- Net Change in Assets Payout Ratio: 574.0%
- Expense Support % of Distribution: 0.0%

Management

Investments are sourced, underwritten and managed by SIC Advisors, Medley Management professionals.
- SIC Advisors - Medley Management – Management team members bring an average of more than 20 years experience in principal finance, investment sourcing, credit analysis, transaction structuring, due diligence, and investing. Medley Management, the parent company of SIC Advisors has several private investment funds and a publicly traded BDC (Medley Capital Corporation) with assets under management of over $4.5 billion.

Historical Distribution Per Share

- 2015 Q1: $0.20
- 2015 Q2: $0.20
- 2015 Q3: $0.20
- 2015 Q4: $0.20

*Does not include special distributions

Historical Price (Net Asset Value)

- 2015 YTD: $9.70
- 2014: $9.18
- 2013: $9.13
- 2012: $9.14

*Current distribution rate based on public offering price

Portfolio Yields

- 2015 Q1: 18.0%
- 2015 Q2: 9.0%
- 2015 Q3: 1.6%
- 2015 Q4: 14.3%
- 2015 Q5: 12.1%

*Historical Price (Net Asset Value)
Effective Nontraded BDCs with Limited Operating Results
(Under $50mm in Assets)

<table>
<thead>
<tr>
<th>Name</th>
<th>Effective Date</th>
<th>Investment Style</th>
<th>Total Assets (in $ Millions)</th>
<th>Minimum Shares Sold / Funds Released from Escrow</th>
<th>Gross Offering Proceeds Raised Since Inception (in $ Millions)</th>
<th>Investments (in $ Millions)</th>
<th>Distributions Declared</th>
<th>Debt on Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Corporation of America II</td>
<td>September 8, 2014</td>
<td>Diversified Private Debt</td>
<td>$4.3</td>
<td>Yes</td>
<td>$2.3</td>
<td>$1.3</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Corporate Capital Trust II</td>
<td>October 9, 2015</td>
<td>Diversified Private Debt</td>
<td>$0.2</td>
<td>No</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>FS Investment Corporation IV</td>
<td>October 9, 2015</td>
<td>Diversified Private Debt</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Griffin-Benefit Street Partners BDC</td>
<td>January 20, 2015</td>
<td>Diversified Private Debt</td>
<td>$12.4</td>
<td>Yes</td>
<td>$11.7</td>
<td>$7.5</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>NexPoint Capital</td>
<td>August 18, 2014</td>
<td>Diversified Private Debt</td>
<td>$23.6</td>
<td>Yes</td>
<td>$10.0</td>
<td>$16.7</td>
<td>7.70%</td>
<td>$2.5</td>
</tr>
<tr>
<td>VII Peaks Co-Optivist Income BDC II, Inc.*</td>
<td>March 1, 2012</td>
<td>Diversified Private Debt</td>
<td>$41.7</td>
<td>Yes</td>
<td>$63.8</td>
<td>$40.7</td>
<td>7.35%</td>
<td>None</td>
</tr>
<tr>
<td>Terra Income Fund</td>
<td>April 20, 2015</td>
<td>Diversified Private Debt</td>
<td>$4.5</td>
<td>Yes</td>
<td>$2.1</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Triton Pacific Investment Corporation</td>
<td>September 4, 2012</td>
<td>Diversified Private Debt</td>
<td>$6.2</td>
<td>Yes</td>
<td>$5.7</td>
<td>$4.9</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>
BDC Industry Review: Third Quarter 2015

Business Development Corporation of America

Total Assets: $2,544.0 Million
- Investments: $2,186.5 Million
- Cash & Equivalents: $312.9 Million
- Other: $44.7 Million

Portfolio Concentration – Top 5 Industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>2015 YTD</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversified Investment Vehicles</td>
<td>22%</td>
<td>27%</td>
</tr>
<tr>
<td>Aerospace &amp; Defense</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Hotels, Restaurants &amp; Leisure</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Diversified Consumer Services</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Software</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Historical Distribution Per Share

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>YTD 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
</tr>
<tr>
<td>Q2</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
</tr>
<tr>
<td>Q3</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
</tr>
<tr>
<td>Q4</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
<td>$0.21</td>
</tr>
</tbody>
</table>

Investment Strategy

Strategy:
To invest largely in senior secured and second lien debt securities and mezzanine debt securities issued by middle market companies.

Company Size:
$10 million to $1 billion in revenue

Management

Investments are sourced, underwritten and managed by a single advisor and management team. BDCA Advisor is a wholly owned affiliate of AR Capital. The management team has experience in banking, loan origination, private equity investing, and management, as well as real estate credit underwriting and investing.

AR Capital – An alternative investment firm that invests in real estate and private company securities. AR Capital manages $15 billion in alternative investments.

Performance Returns

<table>
<thead>
<tr>
<th>2015 YTD</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development Corporation of America</td>
<td>1.08%</td>
<td>7.63%</td>
<td>14.12%</td>
</tr>
<tr>
<td>S&amp;P/LSTA Leveraged Loan Index</td>
<td>(0.52%)</td>
<td>0.99%</td>
<td>5.25%</td>
</tr>
<tr>
<td>BoA Merrill Lynch High Yield Master II</td>
<td>(2.53%)</td>
<td>2.50%</td>
<td>7.42%</td>
</tr>
</tbody>
</table>

Key Statistics

- Fund Operating Expense Ratio: 3.9%
- Interest Coverage Ratio: 5.3x
- Weighted Average Interest Rate: 3.9%
- Leverage Ratio: 33.0%
- Taxable Income Payout Ratio*: 109.0%
- Net Change in Assets Payout Ratio*: 858.0%
- Expense Support % of Distribution: 0.0%

*BDCA only reports adjusted net investment income quarterly, may differ from taxable income

Contact Information

www.BDCofAmerica.com
Realty Capital Securities
Three Copley Place
Suite 3300
Boston, MA 02116
877-373-2522
**FS Investment Corporation II**

**Total Assets**: $5,032.3 Million  
- Investments: $4,665.0 Million  
- Cash & Equivalents: $283.9 Million  
- Other: $93.5 Million

**Cash & Equivalents to Total Assets Ratio**: 5.6%  
**Asset Type**: Diversified Private Debt

**Number of Companies in Portfolio**: 169  
**Sponsor/Advisor**: Franklin Square Capital Partners  
**Sub-Advisor**: GSO – Blackstone

**Use of Total Return Swap (TRS)**: No  
**Current Distributions**: $0 Million

**Strategy**:  
To invest primarily in senior secured, second-lien secured and to a lesser extent subordinated debt of private U.S. companies.

**Company Size**:  
$50 million to $2.5 billion in revenue.  
**Average Portfolio Company Size**: $188.6 million in EBITDA.

**Investment Strategy Management**

**Performance**

- **Last Offering Price**: $8.92  
- **Current Distribution Rate**: 7.11%  
- **Reinvestment Price Per Share**: Set by Board  
- **Effective Date**: February 14, 2012  
- **Offering Close Date**: March 5, 2014

*Current distribution rate based on public offering price.

**Sources of Distributions**

- **NII**: 2.5%  
- **Capital Gains**: 17.4%  
- **Other**: 5.6%  
- **Expense Support**: 33.9%

**Portfolio Concentration – Top 5 Industries**

- **Energy**: 15%  
- **Consumer Services**: 11%  
- **Software & Services**: 11%  
- **Capital Goods**: 10%  
- **Commercial & Professional Services**: 8%

**Portfolio by Asset Type**

- **Senior Debt**: 84.9%  
- **Subordinated Debt**: 8.1%  
- **Collateralized Securities**: 2.6%  
- **Equity**: 4.4%

**Floating vs. Fixed Rate Investments**

- **Fixed**: 16.4%  
- **Floating**: 79.2%

**Historical Distribution Per Share**

- **YTD 2015**: $0.19  
- **Q1 2015**: $0.19  
- **Q2 2015**: $0.19  
- **Q3 2015**: $0.19

**Portfolio Yields**

- **ROEYTD**: 0.0%  
- **Yield on Equity**: 2.5%  
- **Yield on Portfolio**: 5.6%  
- **20.0%**  
- **10.0%**  
- **0.0%**

**Historical Price (Net Asset Value)**

- **2012**: $9.16  
- **2013**: $9.34  
- **2014**: $9.26  
- **2015**: $9.39

**Contact Information**

- **FSInvestmentCorpII.com**
- **Franklin Square Capital Partners**  
  2929 Arch Street, Suite 675  
  Philadelphia, PA 19104  
  877-372-9880

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**Key Statistics**

- **Total Operating Expense Ratio**: 6.6%  
- **Interest Coverage Ratio**: 4.7x  
- **Leverage Ratio**: 41.9x  
- **Taxable Income Payout Ratio**: 93.0%  
- **Net Change in Assets Payout Ratio**: 322.1%  
- **Expense Support % of Distribution**: 0.0%

**Performance Returns**

- **2015 YTD**: 2.04%  
- **2014**: 6.92%  
- **2013**: 10.81%  
- **2012**: 8.82%

*YTD returns are not annualized.  
**Limited operations for year of 2012, became effective 2/14/12.
Additonal BDC Notes

Business Development Corporation of America
• Offering closed to new investors as of April 30, 2015.
• Four portfolio companies representing $48.5 million in amortized cost are on non-accrual status. Those investments have a current fair value of $30.2 million.
• 21.9% of portfolio comprised of Diversified Investment Vehicles.

Carey Credit Income Fund
• The master fund was seeded by the sponsor and sub-advisor with $50 million.
• 83.6% of the portfolio was invested in variable rate debt.
• The 2016 T fund became effective July 24, 2015, and the I fund became effective July 31, 2015. Both funds are feeder funds that feed into the master fund (the metric reporting entity), Carey Credit Income Fund.

CION Investment Corp.
• 2nd highest in total return YTD at 4.94%.
• 96.7% of debt investments are floating rate.
• Lowest annualized operating expense ratio in the industry of 3.3%.
• AUM grew 79% since year-end 2014, from $508.1 million to $907.6 million.

Corporate Capital Trust
• $3.75 billion in assets under management and $240.9 million in capital raise during Q3 2015.
• Expected closing date of December 31, 2015.
• Net investment income and capital gains covered all of the distributions through September 30, 2015. Distribution payout ratios on taxable income and net change in net assets were not meaningful due to unrealized losses on investments and foreign currency forward contracts.
• Originated investments accounted for 54.3% of the portfolio with a total value of $1.85 billion and has a forward looking yield of 10.5%.
• The Company originated $586.6 million in new investments for the nine months ended September 30, 2015.

Credit Suisse Park View BDC, Inc.
• Became effective on March 18, 2015.
• 99.3% of the portfolio is invested in senior secured loans.
• 88.1% of debt investments are variable rate investments.
• During the nine months ended September 30, 2015, the Company invested approximately $166.9 million in 16 portfolio companies, including 11 new portfolio companies.
• As of September 30, 2015, the Company had one loan on non-accrual status, which represents approximately 3.4% of the fair value of the portfolio.

FS Energy and Power Fund
• Largest open fund covered at $3.8 billion in total assets.
• Worst performer in total return of negative 4.9% through September 30, 2015, due to energy-related focus and recent oil price performance.
• Approximately $159.3 million in net realized losses on investments.
• One portfolio company with an original investment value of $67.7 million was on non-accrual status as of September 30, 2015.
• 44% of debt securities carry fixed interest rates.
• The Company invested $511.1 million in net new direct originated investments YTD.

FS Investment Corp. II
• Closed to new investors.
• Largest BDC covered with total assets of $5.03 billion.
• Energy comprises approximately 17% of the portfolio.
• Fund Operating Expense ratio of 6.50%.
• One portfolio company representing an amortized cost of $10.2 million on non-accrual and now carries a value of $4.98 million.
• $822.8 million in net new direct origination investments in the nine months ended September 30, 2015.
• Direct originations comprise 73% of portfolio.

FS Investment Corp. III
• During the nine months ended September 30, 2015, the Company made investments in portfolio companies totaling $1.73 billion. Out of the $1.73 billion, the Company invested in $1 billion new direct originated investments.
• Top capital raiser with $1.08 billion raised through September 30, 2015.
• Fully covering distributions from net investment income.

HMS Income Fund
• Highest total return of funds covered YTD of 5.71%.
• 96.7% of portfolio in senior debt investments.
• One portfolio company is on non-accrual status with a fair value of $157,156.
• Business services made up 17.90% of the portfolio.

Sierra Income Corp.
• High current yield of 8.25%.
• “Other fee income” that includes non-recurring fees such as origination, prepayment, amendment, administration and other fees totaled $8.6 million, or 13.9% of total investment income, for the nine months ended September 30, 2015.
• Business Services comprises 16.1% of the portfolio.
• 99.3% of portfolio is Senior Secured Debt.
• One senior secured investment of $784,260 on non-accrual, which is an energy related company.
Connect with us socially!

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Interested in breaking news and industry updates? Sign up for our free NewsWire and receive industry news throughout the week.

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