

BlueVault
P A R T N E R S , L L C

BDC Industry Review

SECOND QUARTER 2013

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September 16, 2013

Being involved in the nontraded REIT industry for the past four years has allowed Blue Vault to provide transparency, beneficial information and education to the market. We have been monitoring the recent growth and see the need for this type of research in the nontraded Business Development Company (BDC) industry. Blue Vault Partners and Blue Springs Capital have partnered to offer the BDC Review for the second quarter of 2013.

This industry has quickly grown from nothing in 2009 to nearly \$10 billion in assets under management to date in 2013. This industry focuses on providing capital to privately owned businesses in the U.S. Historically, investing in private businesses was restricted to institutional investors and high net worth individuals. Through this structure, individuals can have a small piece of a portfolio of institutional-quality private investments. Additionally, some of the largest, most well renowned private investment firms manage the investments of these BDCs. Some of the firms currently involved include Blackstone, KKR and Apollo Management.

With over \$2 billion in capital raised during the first half of 2013, nontraded BDCs are quickly becoming an important and widespread alternative investment. BDCs are typically seen as a compliment to nontraded REITs in the alternatives portion of an investor's portfolio. Both are asset classes that individuals might not have access to otherwise.

In addition to industry statistics and fund comparisons, we have provided a brief history on BDCs in this report to help explain the origin and purpose of these investments. The one page fund reports include all nontraded BDCs with \$50 million or more in assets as of June 30, 2013.

We are excited to now cover the nontraded BDC industry as a part of our goal to provide education, transparency and beneficial information of alternative investments to financial community. We appreciate your support and welcome any feedback or suggestions you may have.

Our Best Regards,

Stacy Chitty
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Metric Definitions & Explanations

- 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.

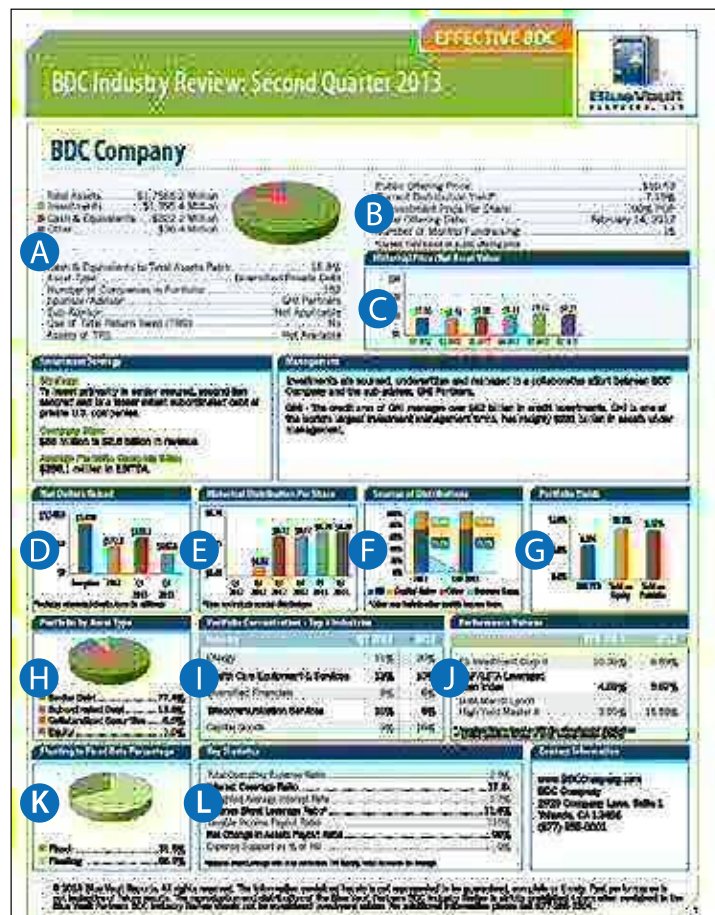
This section also includes a current overview of the BDC's investment strategy as it relates to the types of investments it makes, the industries the fund is focused on and the size of companies the fund plans to invest in. Specifics found in this section include number of portfolio companies and the 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 Swaps (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 increasing leverage and 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 what is reported on an investor's 1099 to reconcile distributions into 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)**
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.
- 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 Dollars Raised**
Defined as the sales of nontraded BDC shares plus shares purchased through dividend reinvestment.



- E Current Distribution & Historical Distribution**
The annualized distribution yield for each quarter or calendar year. Distribution yields are calculated using distribution amount per share, as declared by the board of directors, and dividing the annualized amount by the public offering price.
- 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 & 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.

Metric Definitions & Explanations

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 investments and generate income and capital gains. These expenses are typically reimbursed to the sponsor or advisor over time.

G 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.

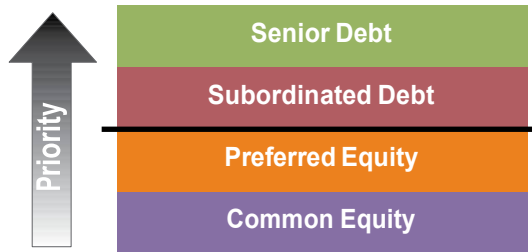
Yield on Equity – Calculated as the annualized total investment income for the quarter divided by average equity for the period.

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.

H 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

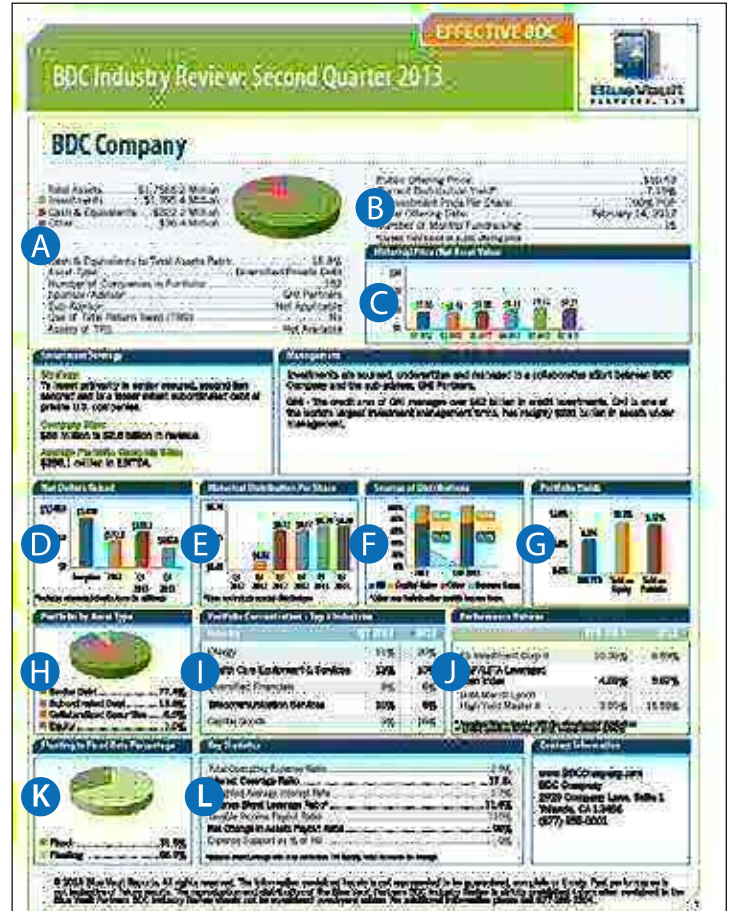


I Portfolio Concentration - Top 5 Industries

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.

J 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 4 quarters equals 12% annualized rate. The annualized rate is subject to change based on future periods.



S&P/LSTA US Leveraged Loan Index – An index used as a benchmark for floating rate loans that measures the total return (price changes + yield) of floating rate or “bank loans”.

Bank of America Merrill Lynch High Yield Master II – An index used as a benchmark for fixed rate high-yield loans that measures the total return (price changes + yield) of fixed rate, high-yield securities.

K Floating Rate and Fixed Rate Percentage

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.

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 at which the minimum interest rate can be.

Metric Definitions & Explanations

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. This ratio measures operational efficiency and impact of management fees on the fund.

Interest Coverage Ratio – Calculated as the sum of NII 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.

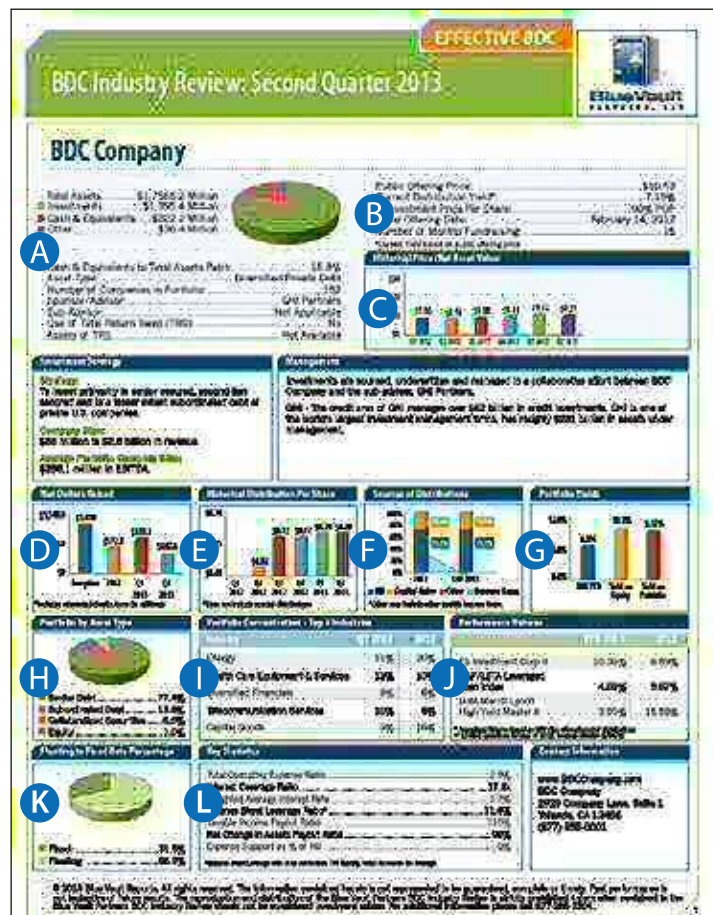
Weighted Average Interest Rate – Calculated as the annualized year-to-date interest expense divided by average borrowings for the period. This measure does not precisely evaluate the go-forward interest rate the fund pays, as new borrowings may not be reflected in interest payments for a given period.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

Balance Sheet Leverage Ratio – Calculated as the total borrowings divided by total assets.

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.

Net Change in Assets Payout Ratio – Calculated as the year-to-date total distributions divided by the year-to-date net change in net assets. The metric is designed to determine how much of the distribution is derived from the



net change in assets, or GAAP-related earnings. Beyond the beginning stages of the fund, the ratio should be below or close to 100%.

Expense Support Percentage of Distribution – Calculated as the year-to-date total expense support divided by the year-to-date distribution. This measures the amount of distributions that are provided through the sponsor/ advisor's expense support agreement.



The History of Business Development Companies (BDCs)

A Business Development Company (BDC) is a SEC-registered investment company that invests primarily in 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. 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 both the traded and nontraded investment markets are estimated to be close to \$40 billion.

Investments of BDCs

BDCs invest primarily in 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 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.

Traded and Nontraded BDCs

Historically BDCs have been traded on public exchanges. Mirroring what happened in the REIT industry, nontraded BDCs have only become available to retail investors 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.

There are a few reasons that the nontraded BDC 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. 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 whereby an advisor makes investments and manages the portfolio on behalf of 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 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 & Capital Market Overview

BDC Industry Facts

Nontraded BDCs provide access to investments in private companies, something that historically only large, institutional investors have had access to.

- Approximately \$9.8 billion in total nontraded BDC assets.
- First nontraded BDC became effective January 2, 2009 (FS Investment Corporation)
- Advisors of BDCs include major private equity firms like KKR (Corporate Capital Trust - distributed and co-advised by CNL), Blackstone (FS Investment Corporation II - distributed and co-advised by Franklin Square Capital Partners) and Apollo Global Management (CION Investment Corporation - distributed and co-advised by ICON Investments).
- Nine funds currently raising capital.
- 1 closed fund (FS Investment Corporation)
- Gross Equity of \$2.1 billion raised during the first half of 2013.
- Top-3 funds raised 86% of industry equity, top 4 raised 96%

Capital Market Overview

The nontraded BDC industry is gaining popularity and momentum as it develops in only the fourth year of its existence. The total number of funds has grown from a single fund in 2009 to a total of ten funds as of June 30, 2013. The first half of 2013 saw over \$2 billion in capital raised from investors, which is 71% of the total capital raised during 2012. The rapid pace of new fund introductions has been matched with a rapid pace of capital coming into the industry. The industry is still top-heavy when it comes to capital raising however, the top three funds raised over 86% of the capital year-to-date for 2013.

Although there was a rush of new issuers that became effective in 2012 (6 new funds), no new offerings have been launched in 2013 to date. While it is unclear if investors and their advisors will enable the nontraded BDC market to reach a comparable size to the nontraded REIT market, one thing is for certain, the demand for BDCs is growing faster than ever.

One reason for the increasing popularity of these investments is that in a historically low interest rate environment, investors are starved for income. That coupled with the bruises of the recent Great Recession leads investors to seek out ways to diversify their portfolios while also looking for income and less correlation to the stock market.

Approaching \$10 billion in assets, this industry is coming into its own. To date, almost all nontraded BDCs industry have been debt-focused. There are currently no equity-focused nontraded BDCs, which represents a potential opportunity for further growth and diversification in the market.

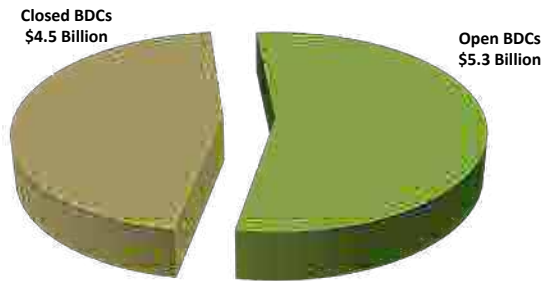
Fund Name	Total Assets as of 2Q 2013	Gross Equity Raised YTD 2013
FS Investment Corporation (closed)	\$ 4,492.4	N/A
FS Investment Corporation II	\$ 1,753.7	\$832.1
FS Energy and Power Fund	\$ 1,610.8	\$503.4
Corporate Capital Trust	\$ 1,409.9	\$446.5
Business Development Corporation of America	\$ 387.0	\$203.5
CION Investment Corporation	\$ 42.8	\$ 33.8
Sierra Income Corporation	\$ 81.9	\$ 24.2
HMS Income Fund, Inc.	\$ 36.0	\$ 10.8
VII Peaks Co-Optivist Income BDC II, Inc.	\$ 18.0	\$ 9.6
Triton Pacific Investment Corporation, Inc.	\$ 0.7	\$ 0.0

BDC Industry Review: Second Quarter 2013

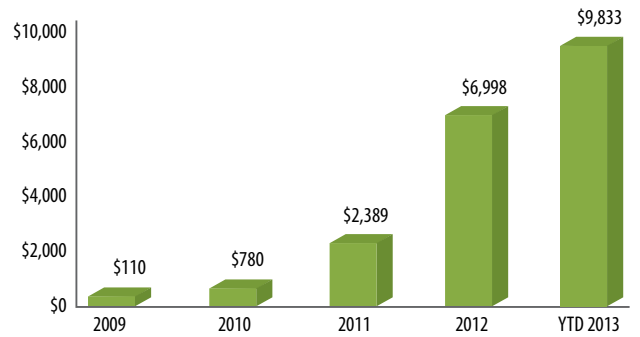


BDC Overall Industry Summary

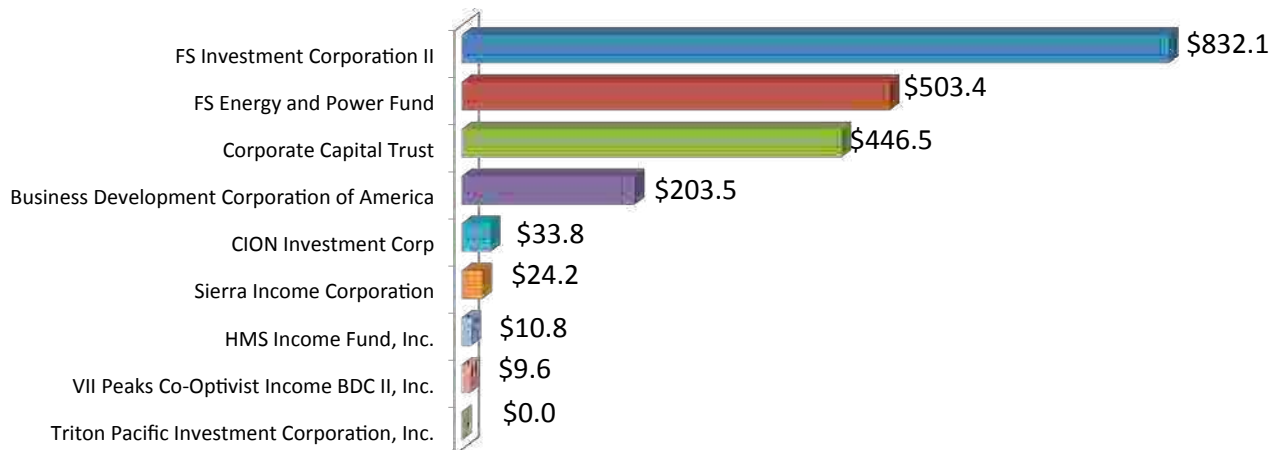
Total Nontraded BDC Industry Assets: \$9.8 Billion
as of June 30, 2013



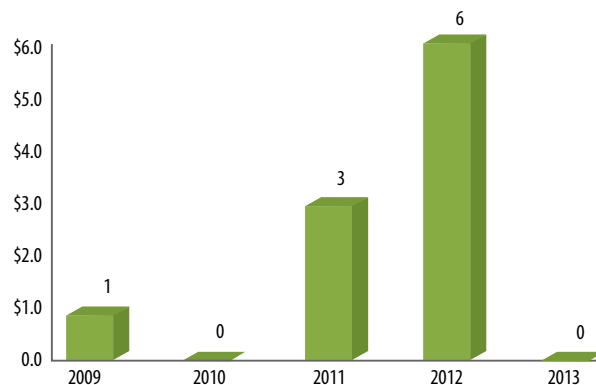
Total Industry Assets
(in \$ Millions) as of June 30, 2013



Gross Equity Raise YTD 2013
(in \$ Millions) as of June 30, 2013



New Product Introductions Since 2009
Year-to-Date through June 30, 2013



BDC Industry Review: Second Quarter 2013



BDC Fund Offerings Summary

Fund Name	Open/Closed	Effective Date	Sponsor/Advisor	Sub-Advisor	Total Assets Q2 2013	Gross Proceeds Q2 2013	Current Yield
FS Investment Corporation	Closed	January 5, 2009	Franklin Square Capital Partners	GSO - Blackstone	\$4,492.4	N/A	7.75%
FS Investment Corporation II	Open	February 14, 2012	Franklin Square Capital Partners	GSO - Blackstone	\$1,753.7	\$832.1	7.18%
FS Energy and Power Fund	Open	May 12, 2011	Franklin Square Capital Partners	GSO - Blackstone	\$1,610.8	\$503.4	6.10%
Corporate Capital Trust	Open	April 4, 2011	CNL Financial Group	KKR	\$1,409.9	\$446.5	7.02%
Business Development Corporation of America	Open	January 25, 2011	AR Capital	N/A	\$387.0	\$203.5	7.75%
CION Investment Corporation	Open	July 2, 2012	ICON Investments	Apollo Global Management	\$42.8	\$33.8	7.00%
Sierra Income Corporation	Open	April 16, 2012	Sierra - Medley Capital	N/A	\$81.9	\$24.2	7.84%
HMS Income Fund, Inc.	Open	June 4, 2012	Hines	Main Street Capital	\$36.0	\$10.8	7.00%
VII Peaks Co-Optivist Income BDC II, Inc.	Open	March 1, 2012	VII-Peaks	N/A	\$18.0	\$9.6	7.20%
Triton Pacific Investment Corporation, Inc.	Open	September 4, 2012	Triton Pacific Capital	N/A	\$0.7	\$0.0	N/A
TOTAL					\$9,833	\$2,064	

BDC Industry Review: Second Quarter 2013



BDC Fee Comparison

Effective Nontraded BDCs		Maximum Front-End Fees				Management Fees				Actual Operating Expenses
Fund Name	Sponsor/Advisor	Max. Sales Commission	Dealer-Manager Fee	Offering Expenses	Total Load	AUM Fee	Incentive Fee Income/ Capital Gains	Preferred Return	Catch-Up Percent	Total Operating Expense Ratio (2Q 2013)
Business Development Corporation of America	AR Capital	7.00%	3.00%	1.50%	11.50%	1.50%	20.00%	7.00%	8.75%	4.30%
CION Investment Corporation	ICON Investments	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	7.50%	9.38%	—
Corporate Capital Trust	CNL Financial Group	7.00%	3.00%	1.10%	11.10%	2.00%	20.00%	7.00%	8.75%	3.70%
FS Energy and Power Fund	Franklin Square Capital Partners	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	6.50%	8.13%	3.77%
FS Investment Corporation II	Franklin Square Capital Partners	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	7.50%	9.38%	3.22%
HMS Income Fund, Inc.	Hines	7.00%	3.00%	1.50%	11.50%	2.00%	20.00%	7.50%	9.38%	—
Sierra Income Corporation	Sierra - Medley Capital	7.00%	2.75%	1.25%	11.00%	1.75%	20.00%	7.00%	8.75%	10.00%
Triton Pacific Investment Corporation, Inc.	Triton Pacific Capital	7.00%	3.00%	2.00%	12.00%	2.00%	20.00%	8.00%	10.00%	—
VII Peaks-KBR Co-Optivist Income BDC II, Inc.	VII-Peaks KBR	7.00%	3.00%	1.50%	11.50%	1.5%	2.0%	20.00%	8.00%	N/A

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BDC Performance Summary

Effective Nontraded BDCs (Greater than \$50 million in AUM)		Annualized Total Returns		
Fund Name	Sponsor/Advisor	2013 YTD	2012	2011*
Business Development Corporation of America	AR Capital	13.40%	15.19%	8.36%
Corporate Capital Trust	CNL Financial Group	8.60%	14.30%	12.23%
FS Energy and Power Fund	Franklin Square Capital Partners	9.64%	14.07%	2.11%
FS Investment Corporation (Closed)	Franklin Square Capital Partners	10.44%	15.83%	8.93%
FS Investment Corporation II	Franklin Square Capital Partners	10.48%	8.82%	—
Sierra Income Corporation	Sierra - Medley Capital	12.72%	—	—
Benchmark Comparison				
S&P/LSTA Leveraged Loan Index		4.56%	9.67%	1.51%
BofA High Yield Master II Index		3.00%	15.58%	4.38%
Median		10.46%	14.30%	8.65%
Mean		10.88%	13.64%	7.91%

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

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Business Development Corporation of America

Total Assets.....	\$387.0 Million
Investments.....	\$308.7 Million
Cash & Equivalents.....	\$9.2 Million
Other.....	\$69.1 Million

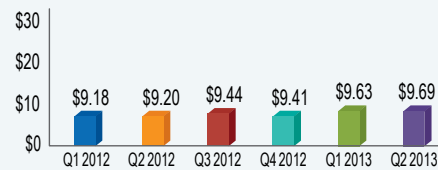


Public Offering Price:	\$11.10
Current Distribution Yield*:	7.75%
Reinvestment Price Per Share:	90% POP
Initial Offering Date:	January 25, 2011
Number of Months Fundraising:	29

*Current Yield based on public offering price

Cash & Equivalents to Total Assets Ratio:.....	2.4%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	38
Sponsor/Advisor:	AR Capital - BDCA Adviser
Sub-Advisor:.....	Not Applicable
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$184.9 Million

Historical Price (Net Asset Value)



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:

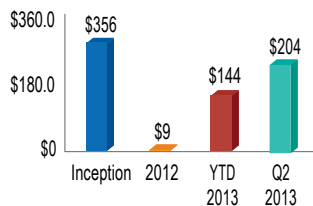
\$10 million to \$1 billion in revenue

Management

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

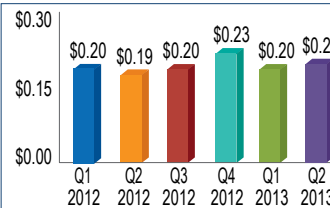
AR Capital - an alternative investment firm that invests in real estate and private company securities. AR Capital manages nearly \$5 billion in alternative investments.

Gross Dollars Raised



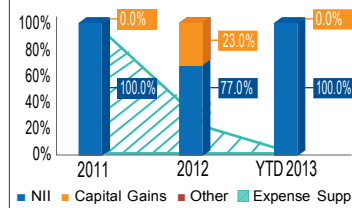
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



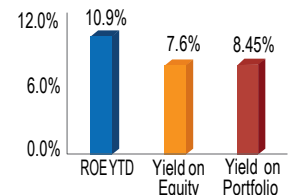
*Does not include special distributions

Sources of Distributions

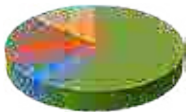


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Senior Debt	60.0%
Subordinated Debt	12.0%
Collateralized Securities	14.0%
Equity	14.0%

Portfolio Concentration – Top 5 Industries

Industry	Q2 2013	2012
Banking, Finance, Insurance & Real Estate	31%	11%
Energy: Oil & Gas	12%	13%
Services: Business	9%	18%
Healthcare & Pharmaceuticals	9%	14%
Beverage, Food & Tobacco	5%	3%

Performance Returns

	YTD 2013	2012	2011**
Business Development Corporation of America	13.40%	15.19%	8.36%
S&P/LSTA Leveraged Loan Index	4.56%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	3.00%	15.58%	4.38%

* Annualized Returns based on NAV plus reinvestment of distributions
** Limited Operations for the year of 2011, effective 1/24/11

Floating to Fixed Rate Percentage



Fixed:	25.2%
Floating:	74.8%

Key Statistics

Fund Operating Expense Ratio.....	4.3%
Interest Coverage Ratio.....	11.2x
Weighted Average Interest Rate	5.8%
Balance Sheet Leverage Ratio*	5.7%
Taxable Income Payout Ratio**.....	97%
Net Change in Assets Payout Ratio	67%
Expense Support % of Distribution	4%

*Balance Sheet Leverage Ratio does not include TRS liability, which increases true leverage
**BDCA only reports adjusted net investment income quarterly, may differ from taxable income

Contact Information

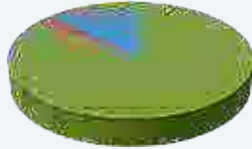
www.BDCofAmerica.com
Realty Capital Securities
Three Copley Place
Suite 3300
Boston, MA 02116
(877) 373-2522

BDC Industry Review: Second Quarter 2013



Corporate Capital Trust, Inc.

Total Assets.....	\$1,410 Million
Investments.....	\$1,183 Million
Cash & Equivalents.....	\$44 Million
Other.....	\$183 Million

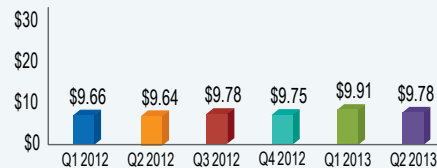


Public Offering Price:	\$11.10
Current Distribution Yield*:	7.02%
Reinvestment Price Per Share:	90% POP
Initial Offering Date:	April 24, 2011
Number of Months Fundraising:	26

*Current Yield based on public offering price

Cash & Equivalents to Total Assets Ratio:.....	3.1%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	98
Sponsor/Advisor:	CNL Financial Group
Sub-Advisor:.....	KKR
Use of Total Return Swap (TRS):	Yes
Assets of TRS:	\$138.8 Million

Historical Price (Net Asset Value)



Investment Strategy

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

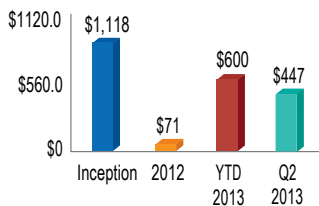
Management

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 \$84 billion in assets. The firm was founded in 1976 and has completed 200 private equity transactions with a total value of more than \$470 billion.

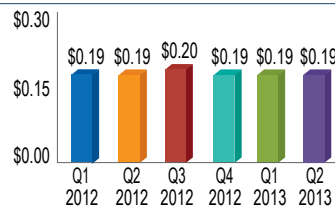
CNL – A private investment firm founded in 1973 that provides global real estate and alternative investment opportunities. CNL and its affiliates have formed or acquired companies with more than \$28 billion in assets.

Gross Dollars Raised



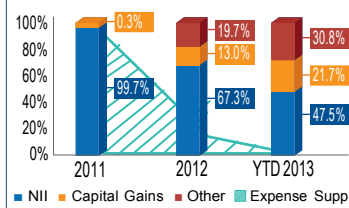
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



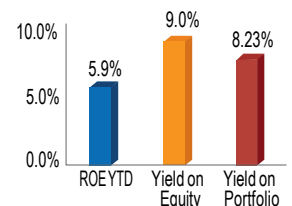
*Does not include special distributions

Sources of Distributions



*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

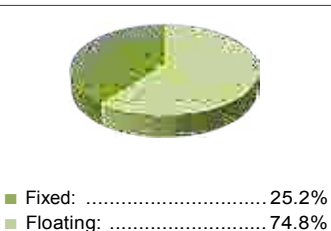
Industry	Q2 2013	2012
Software & Services	12%	9%
Media	11%	11%
Technology Hardware & Equipment	11%	8%
Insurance	10%	6%
Materials	9%	10%

Performance Returns

	YTD 2013	2012	2011**
Corporate Capital Trust, Inc.	8.60%	14.30%	12.23%
S&P/LSTA Leveraged Loan Index	4.56%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	3.00%	15.58%	4.38%

** Annualized Returns based on NAV plus reinvestment of distributions.
** Limited operations for the year of 2011, became effective 4/4/11

Floating to Fixed Rate Percentage



Key Statistics

Fund Operating Expense Ratio.....	3.7%
Interest Coverage Ratio.....	13.3x
Weighted Average Interest Rate.....	2.9%
Balance Sheet Leverage Ratio*.....	12.0%
Taxable Income Payout Ratio.....	111%
Net Change in Assets Payout Ratio.....	118%
Expense Support % of Distribution.....	0%

*Balance Sheet Leverage Ratio does not include TRS liability, which increases true leverage

Contact Information

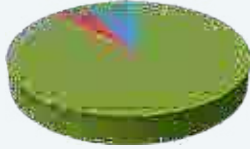
www.CorporateCapitalTrust.com
CNL Financial Group Inc.
450 S. Orange Ave.
Orlando, FL 32801
(407) 650-1000

BDC Industry Review: Second Quarter 2013



FS Energy & Power Fund

Total Assets.....	\$1,610.8 Million
Investments.....	\$1,411.2 Million
Cash & Equivalents.....	\$89.5 Million
Other.....	\$110.1 Million



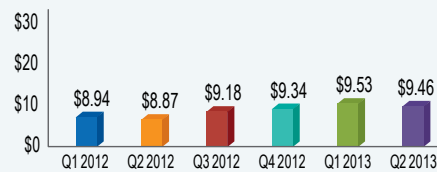
Cash & Equivalents to Total Assets Ratio:..... 5.6%
 Asset Type:..... Energy & Power Private Debt & Equity
 Number of Companies in Portfolio:..... 88
 Sponsor/Advisor:..... Franklin Square Capital Partners
 Sub-Advisor:..... GSO – Blackstone
 Use of Total Return Swap (TRS):..... No*
 Assets of TRS:..... Not Available

*FS Energy and Power Fund terminated the TRS agreement on May 24, 2013

Public Offering Price:..... \$10.75
 Current Distribution Yield*:..... 6.10%
 Reinvestment Price Per Share:..... 90% POP
 Initial Offering Date:..... May 25, 2011
 Number of Months Fundraising:..... 25

*Current Yield based on public offering price

Historical Price (Net Asset Value)



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:

\$293.2 million in EBITDA

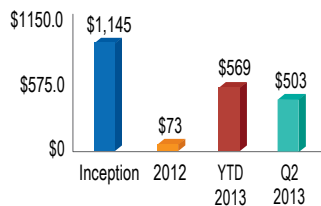
Management

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 \$62 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$230 billion in assets under management.

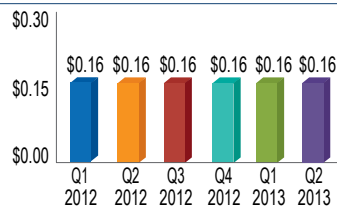
Franklin Square Capital Partners - An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$7.9 billion in BDC assets.

Gross Dollars Raised



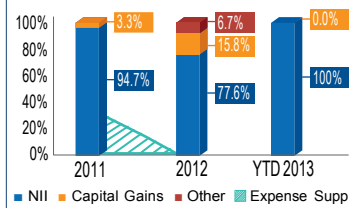
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



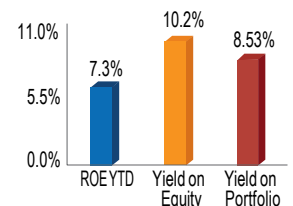
*Does not include special distributions

Sources of Distributions

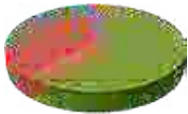


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Senior Debt.....	62.0%
Subordinated Debt.....	35.0%
Collateralized Securities.....	0.0%
Equity.....	3.0%

Portfolio Concentration – Top 5 Industries

Portfolio is 100% in Energy and Power Industry.

Performance Returns

	YTD 2013	2012	2011**
FS Energy & Power Fund	9.64%	14.07%	2.11%
S&P/LSTA Leveraged Loan Index	4.56%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	3.00%	15.58%	4.38%

* Annualized Returns based on NAV plus reinvestment of distributions
 ** Limited Operations for the year of 2011, effective 5/12/11

Floating to Fixed Rate Percentage



Fixed:.....	41.7%
Floating:.....	58.3%

Key Statistics

Fund Operating Expense Ratio.....	3.77%
Interest Coverage Ratio.....	21.6x
Weighted Average Interest Rate.....	2.0%
Balance Sheet Leverage Ratio*.....	21.9%
Taxable Income Payout Ratio.....	98%
Net Change in Assets Payout Ratio.....	85%
Expense Support % of Distribution.....	0%

*Balance Sheet Leverage ratio does not include TRS liability, which increases the leverage.

Contact Information

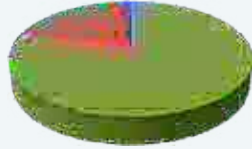
www.FSEnergyandPowerFund.com
 Franklin Square Capital Partners
 2929 Arch Street, Suite 675
 Philadelphia, PA 19104
 (877) 372-9880

BDC Industry Review: Second Quarter 2013



FS Investment Corporation II

Total Assets.....	\$1,753.7 Million
■ Investments	\$1,396.9 Million
■ Cash & Equivalents	\$321.1 Million
■ Other	\$35.7 Million



Cash & Equivalents to Total Assets Ratio:..... 18.3%
 Asset Type: Diversified Private Debt
 Number of Companies in Portfolio: 155
 Sponsor/Advisor: Franklin Square Capital Partners
 Sub-Advisor: GSO – Blackstone
 Use of Total Return Swap (TRS): No*
 Assets of TRS: Not Available

*FS Investment Corp. II terminated the TRS agreement on June 13, 2013

Public Offering Price: \$10.50
 Current Distribution Yield*: 7.18%
 Reinvestment Price Per Share: 90% POP
 Initial Offering Date: February 14, 2012
 Number of Months Fundraising: 16

*Current Yield based on public offering price

Historical Price (Net Asset Value)



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:

\$285.2 million in EBITDA.

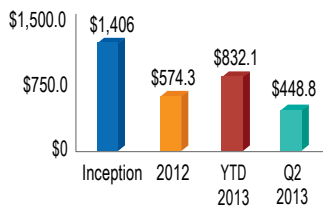
Management

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 \$62 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$230 billion in assets under management.

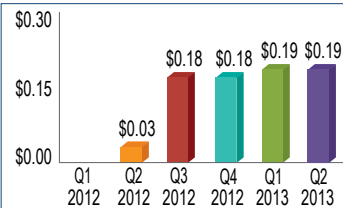
Franklin Square Capital Partners - An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$7.9 billion in BDC assets.

Gross Dollars Raised



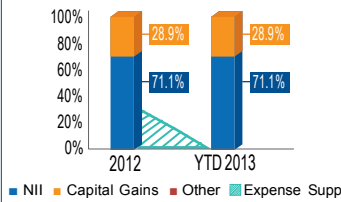
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



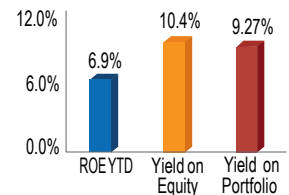
*Does not include special distributions

Sources of Distributions

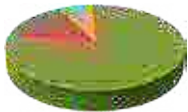


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



■ Senior Debt	78.0%
■ Subordinated Debt	14.0%
■ Collateralized Securities	7.0%
■ Equity	1.0%

Portfolio Concentration – Top 5 Industries

Industry	Q2 2013	2012
Energy	12%	19%
Health Care Equipment & Services	12%	10%
Diversified Financials	9%	7%
Telecommunication Services	9%	5%
Capital Goods	8%	17%

Performance Returns

	YTD 2013	2012
FS Investment Corporation II	10.48%	8.82%
S&P/LSTA Leveraged Loan Index	4.56%	9.67%
BofA Merrill Lynch High Yield Master II	3.00%	15.58%

* Annualized Returns based on NAV plus reinvestment of distributions
 ** Limited operations for year of 2012, became effective 2/14/12

Floating to Fixed Rate Percentage



■ Fixed:	32.0%
■ Floating:	67.5%

Key Statistics

Total Operating Expense Ratio	3.22%
Interest Coverage Ratio	17.5x
Weighted Average Interest Rate	1.7%
Balance Sheet Leverage Ratio*	11.6%
Taxable Income Payout Ratio	110%
Net Change in Assets Payout Ratio	99%
Expense Support as % of NII	0%

*Balance Sheet Leverage ratio does not include TRS liability, which increases the leverage.

Contact Information

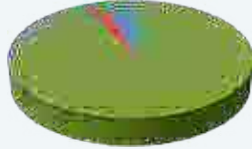
www.FSInvestmentCorpII.com
 Franklin Square Capital Partners
 2929 Arch Street, Suite 675
 Philadelphia, PA 19104
 (877) 372-9880

BDC Industry Review: Second Quarter 2013



Sierra Income Corporation

Total Assets.....	\$81.9 Million
■ Investments	\$75.4 Million
■ Cash & Equivalents	\$2.9 Million
■ Other	\$3.6 Million



Public Offering Price:	\$10.20
Current Distribution Yield*:	7.84%
Reinvestment Price Per Share:	90% POP
Initial Offering Date:	April 16, 2012
Number of Months Fundraising:	14

*Current Yield based on public offering price

Historical Price (Net Asset Value)



Cash & Equivalents to Total Assets Ratio:.....	3.5%
Asset Type:	Diversified Private Debt
Number of Companies in Portfolio:	46
Sponsor/Advisor:	SIC Advisors - Medley Capital
Sub-Advisor:.....	Not Applicable
Use of Total Return Swap (TRS):	No
Assets of TRS:	Not Applicable

Investment Strategy

Strategy:

To invest primarily in debt of privately owned U.S. companies with a focus on senior secured debt, second lien debt, and to a lesser extent, subordinated debt.

Company Size:

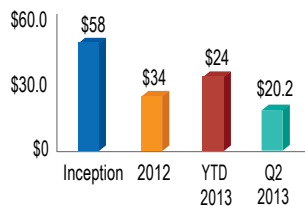
Enterprise value of \$50 million to \$4 billion

Management

Investments are sourced, underwritten and managed by SIC Advisors, Medley Capital professionals.

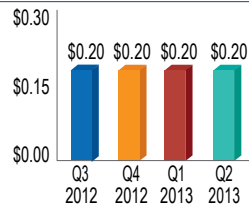
SIC Advisors - Medley Capital - Management team members bring an average of more than 20 years experience in principal finance, investment sourcing, credit analysis, transaction structuring, due diligence and investing. Medley Capital, the parent company of SIC Advisors has several private investment funds and a publicly traded BDC (Medley Capital Corporation) with combined assets of over \$1.6 billion.

Gross Dollars Raised



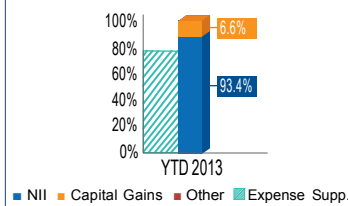
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



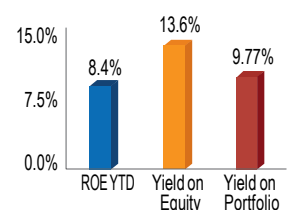
*Does not include special distributions

Sources of Distributions



*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



■ Senior Debt	100.0%
■ Subordinated Debt	0.0%
■ Collateralized Securities	0.0%
■ Equity	0.0%

Portfolio Concentration - Top 5 Industries

Industry	Q2 2013	2012
Business Services	16%	5%
Energy	9%	3%
Chemicals	8%	4%
Healthcare, Education, and Childcare	7%	4%
Retail Stores	6%	5%

Performance Returns

	YTD 2013
Sierra Income Corporation	12.72%
S&P/LSTA Leveraged Loan Index	4.56%
BofA Merrill Lynch High Yield Master II	3.00%

** Annualized Returns based on NAV plus reinvestment of distributions
** Limited operations for year of 2012, became effective 2/14/12

Floating to Fixed Rate Percentage



■ Fixed:	66.6%
■ Floating:	33.4%

Key Statistics

Fund Operating Expense Ratio.....	10.0%
Interest Coverage Ratio.....	41.4x
Weighted Average Interest Rate	0.7%
Balance Sheet Leverage Ratio*	28.2%
Taxable Income Payout Ratio.....	Not Applicable
Net Change in Assets Payout Ratio	89%
Expense Support % of Distribution	85%

*Balance Sheet Leverage ratio does not include TRS liability, which increases the leverage.

Contact Information

www.SierraincomeCorp.com
SC Distributors
610 Newport Center Drive
Suite #350
Newport Beach, CA 92660
(949) 706-8640



Effective Nontraded BDCs with Limited Operating Results (Under \$50mm in Assets)

	Effective Date	Investment Style	Total Assets (in \$ Millions)	Minimum Shares Sold / Funds Released from Escrow	Gross Offering Proceeds Raised Since Inception (in \$ Millions)	Investments (in \$ Millions)	Distributions Declared	Debt on Balance Sheet
CION Investment Corporation	July 2, 2012	Diversified Private Debt	\$42.8	Yes	\$4.8	\$30.5	7.00%	None
HMS Income Fund, Inc.	June 4, 2012	Diversified Private Debt	\$36.0	Yes	\$12.4	\$29.8	7.00%	\$10.0
VII Peaks Co-Optivist Income BDC II, Inc.*	March 1, 2012	Diversified Private Debt	\$18.0	Yes	\$20.0	\$0.0	7.20%	None
Triton Pacific Investment Corporation	September 4, 2012	Diversified Private Debt	\$0.7	No	NA	\$0.0	NA	NA

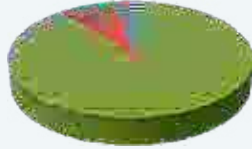
* VII Peaks has ceased its relationship with KBR citing financial instability with the broker dealer.

BDC Industry Review: Second Quarter 2013



FS Investment Corporation

Total Assets.....	\$4,492.4 Million
■ Investments	\$3,989.0 Million
■ Cash & Equivalents	\$380.3 Million
■ Other	\$123.1 Million

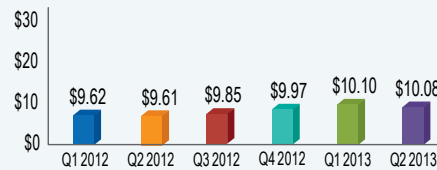


Last Offering Price: \$10.80
 Distribution Yield on Last POP:..... 7.75%
 Initial Offering Date: January 5, 2009
 Offering Close Date: May 15, 2012
 Reinvestment Price Per Share: Set by Board*
 *Repurchase price will be no less than NAV and no more than 2.5% over NAV

Cash & Equivalents to Total Assets: 8.5%
 Asset Type: Diversified Private Debt
 Number of Companies in Portfolio: 200
 Sponsor/Advisor: Franklin Square Capital Partners
 Sub-Advisor:..... Blackstone - GSO
 Use of Total Return Swap (TRS): No
 Assets of TRS: Not Available

*FS Investment Corp. II terminated the TRS agreement on May 24, 2013

Historical Price (Net Asset Value)



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:

\$261.0 million in EBITDA

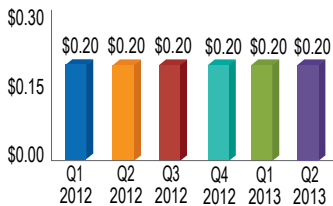
Management

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 \$62 billion in credit investments. Blackstone is one of the world's largest investment management firms, has roughly \$230 billion in assets under management.

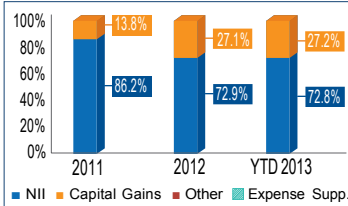
Franklin Square Capital Partners - An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$7.9 billion in BDC assets.

Historical Distribution Per Share



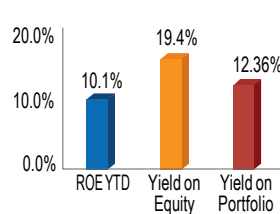
*Does not include special distributions

Sources of Distributions

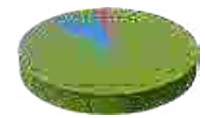


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



■ Senior Debt	86.0%
■ Subordinated Debt	11.0%
■ Collateralized Securities	3.0%
■ Equity	0.0%

Portfolio Concentration – Top 5 Industries

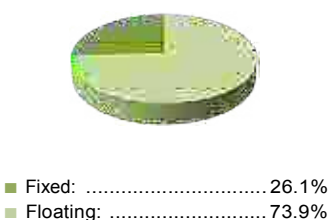
Industry	YTD 2013	2012
Capital Goods	19%	17%
Energy	10%	11%
Software & Services	10%	9%
Commercial & Professional Services	9%	7%
Consumer Durables & Apparel	7%	7%

Performance Returns

	YTD 2013	2012	2011
FS Investment Corporation	10.44%	15.83%	8.93%
S&P/LSTA Leveraged Loan Index	4.56%	9.67%	1.51%
BofA Merrill Lynch High Yield Master II	3.00%	15.58%	4.38%

* Annualized Returns based on NAV plus reinvestment of distributions

Floating to Fixed Rate Percentage



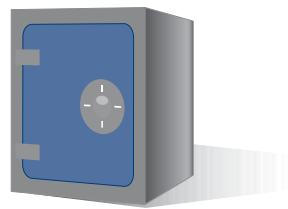
Key Statistics

Fund Operating Expense Ratio.....	6.67%
Interest Coverage Ratio.....	8.6x
Weighted Average Interest Rate	2.8%
Balance Sheet Leverage Ratio*	40.0%
Taxable Income Payout Ratio.....	83%
Net Change in Assets Payout Ratio	80%
Expense Support % of Distributions	0%

*Balance Sheet Leverage ratio does not include TRS liability, which increases the leverage.

Contact Information

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



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P A R T N E R S , L L C

407 E. Maple St.
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Cumming, GA 30040

Toll Free: 877-256-2304
www.BlueVaultPartners.com