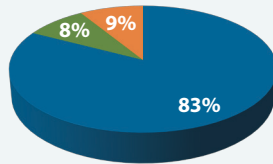


# BDC Industry Review: Fourth Quarter 2015

## Sierra Income Corporation

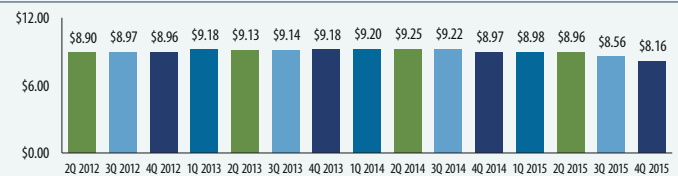
Total Assets .....	\$1,097.95 Million
Investments .....	\$907.36 Million
Cash & Equivalents .....	\$93.66 Million
Other .....	\$96.93 Million



Public Offering Price .....	\$9.10
Current Distribution Rate .....	8.79%
Reinvestment Price Per Share .....	90% POP
Effective Date .....	April 16, 2012
Number of Months Effective .....	44

Cash & Equivalents to Total Assets Ratio .....	8.5%
Asset Type .....	Diversified Private Debt
Number of Companies in Portfolio .....	89
Sponsor/Advisor .....	SIC Advisors - Medley Capital
Sub-Advisor .....	Not Applicable
Use of Total Return Swap (TRS) .....	Yes
Assets of TRS (fair value) .....	\$222.6 Million

Historical Price (Net Asset Value)



### 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 lesser extent, subordinated debt.

**Company Size:**

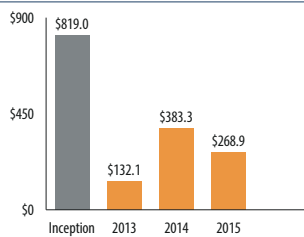
Enterprise value of \$50 million to \$4 billion

### Management

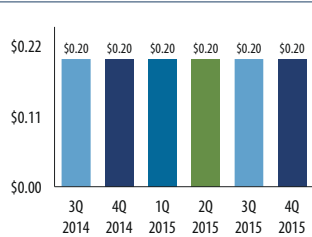
Investments are sourced, underwritten and managed by SIC Advisors, Medley Management professionals.

**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.

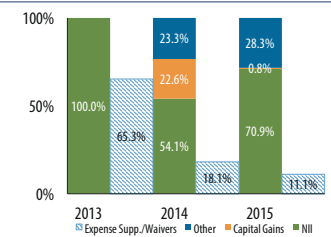
### Gross Offering Proceeds



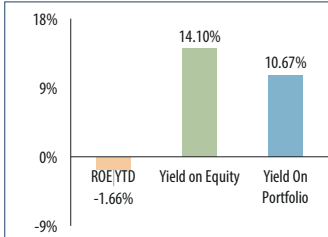
### Historical Distribution Per Share



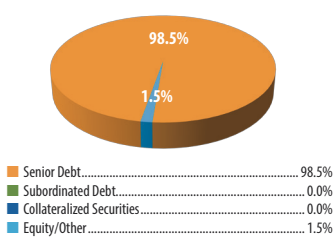
### Sources of Distributions



### Portfolio Yields



### Portfolio by Asset Type



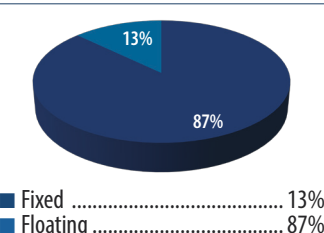
### Portfolio Concentration – Top 5 Industries

Industry	2015	2014
Services: Business	16.0%	8.7%
Hotel, Gaming & Leisure	9.7%	14.4%
Automotive	8.2%	7.2%
High Tech Industries	7.7%	NA
Banking, Finance, Insurance & Real Estate	7.0%	9.9%

### Performance Returns

	2015	2014	2013
Sierra Income Corporation	-0.46%	6.48%	11.75%
S&P/LSTA Leveraged Loan Index	-2.83%	0.99%	5.25%
BofA Merrill Lynch High Yield Index	-4.87%	2.50%	7.42%

### Floating vs. Fixed Rate Investments



### Key Statistics

Fund Operating Expense Ratio	5.84%
Interest Coverage Ratio	5.7x
Weighted Average Interest Rate	3.16%
Leverage Ratio	40.2%
Taxable Income Payout Ratio	98%
Net Change in Assets Payout Ratio	Not Meaningful
Expense Support/Fee Waivers as % of Distribution	11%

### Contact Information

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

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