



BDC Industry Review

THIRD QUARTER 2015

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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,

A handwritten signature in blue ink, appearing to read "Stacy H. Chitty".

Stacy Chitty
Managing Partner
Blue Vault

A handwritten signature in blue ink, appearing to read "Jared Schneider".

Jared Schneider
Managing Partner
Blue Springs Capital

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2015-2016 Publication Schedule

	SEC 10-Q/10-K Release Date	Review Publication Date
Blue Vault Brief <small>(2015 BDC Year-in-Review)</small>	Year End 2015 Estimates	March 4, 2016
Fourth Quarter 2015 (10-K)	March 31, 2015	May 5, 2016
First Quarter 2016 (10-Q)	May 20, 2016	June 23, 2016
Second Quarter 2016 (10-Q)	August 15, 2016	September 20, 2015

Metric Definitions and 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 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

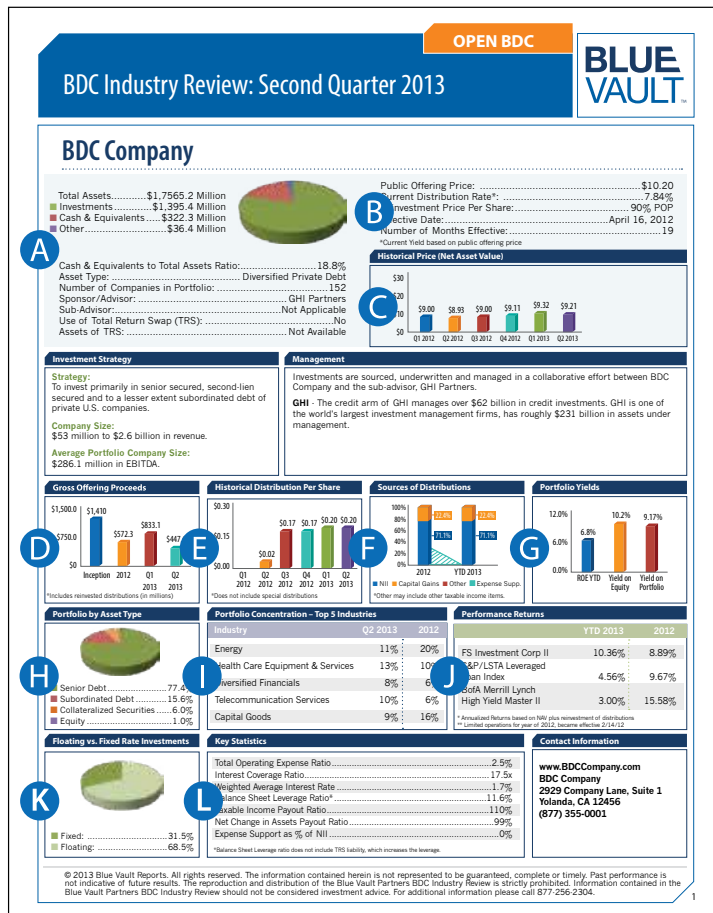
The sum of the fair value of the total assets minus the total liabilities divided by the total number of shares outstanding. This number is reported publicly at least every quarter.

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.

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.

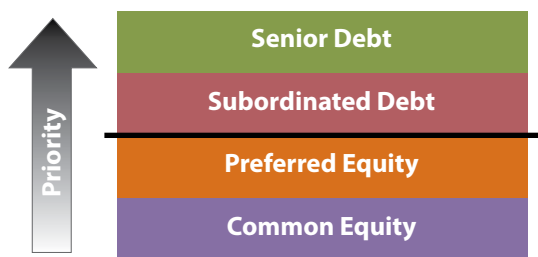
Yield on Equity – Calculated as the annualized total investment income for the quarter divided by average equity for the period.

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

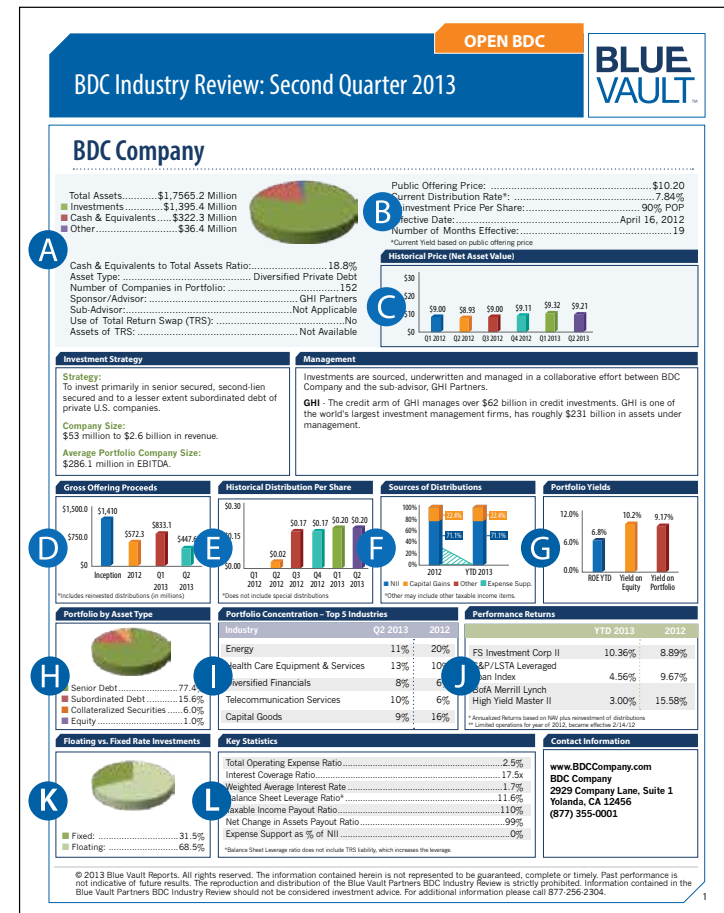


I Portfolio Concentration - Top Five Industries

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.

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 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.

K 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.

L 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.

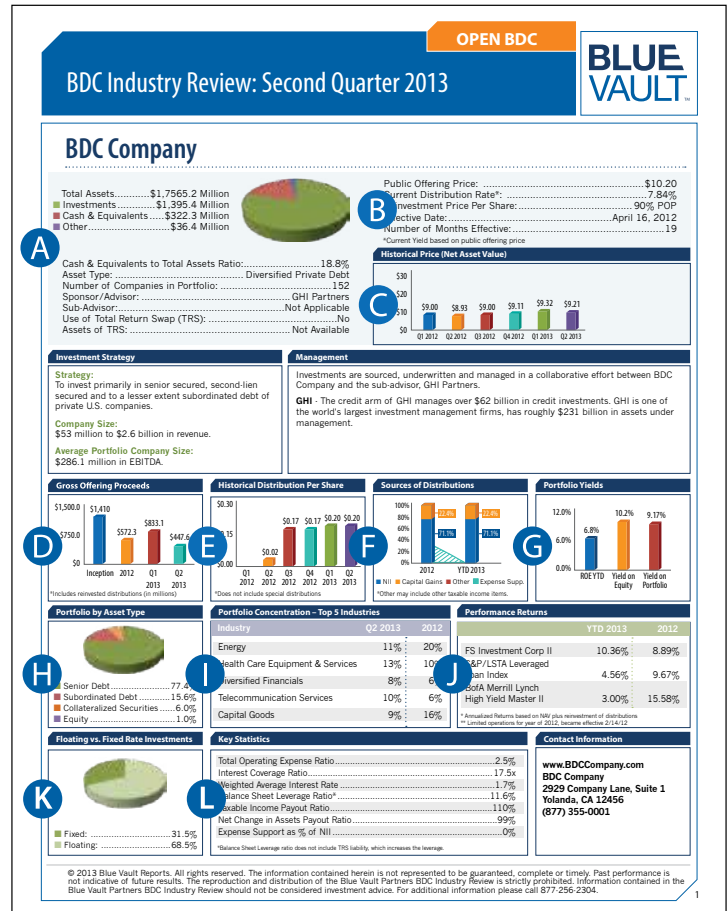
Interest Coverage Ratio – Calculated as the sum of Net Investment Income plus realized capital gains plus interest expense divided by total interest expense. This measures the ability of the company to pay ongoing interest expenses from operations.

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 net 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.



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 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

Capital Market Update

Capital Raise Has Slowed

Capital raise in the third quarter was just \$1.1 billion. Year-to-date, the industry has raised \$3.3 billion. This is alluding to potentially the lowest capital raise year since 2012 for the nontraded BDC industry. Our forecast for the year has been revised down to \$4.5 billion from \$5 billion.

Volatility in the stock market and debt markets have likely impacted capital raise to a degree. Oil price volatility has also affected the market, most notably with FS Energy and Power. The drop in oil prices has caused investors to shy away from energy-related investments. Because of this, FS Energy and Power is on track to raise \$600 million less for 2015 than it did in 2014.

Additionally, Business Development Corporation of America closed on April 30, 2015. As historically one of the top four capital raisers, the lack of presence has caused a drag on industry-wide sales.

The combination of loss in capital raise by these two major players in the industry have dented total capital raise for the year. With AR Capital leaving the industry, a void will be left on the capital raise side. It is yet to be determined whether a newer fund or established participant will step in to fill the void.

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

Fund Name	Sub-Advisor / Affiliated Sponsor	Dealer Manager	Registered Amount
Yorke Capital Corp.	Yorke Capital Management	Orchard Securities LLC	\$ 200,000,000
FS Energy & Power Fund II	Franklin Square Capital Partners & (Sub) GSO/Blackstone	FS2 Capital	\$ 3,000,000,000
FS Energy & Power Fund IV	Franklin Square Capital Partners & (Sub) GSO/Blackstone	FS2 Capital	\$ 2,637,500,000
Freedom Capital Corporation	Freedom Capital	Democracy Funding LLC	\$ 500,000,000
TOTAL AMOUNT REGISTERED			\$6,337,500,000

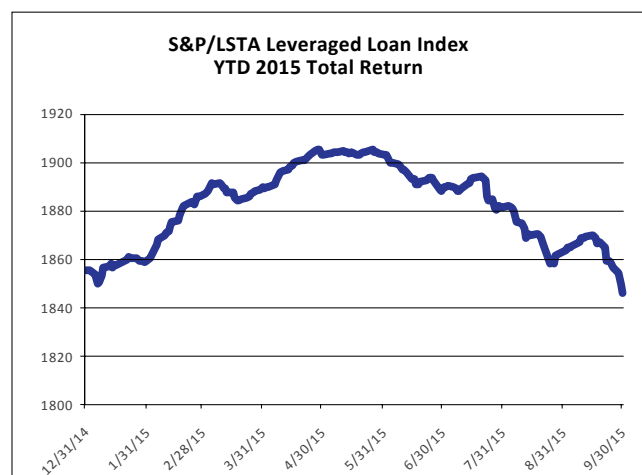
Nontraded BDCs Eek Out Positive Returns as Benchmarks are Negative

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.

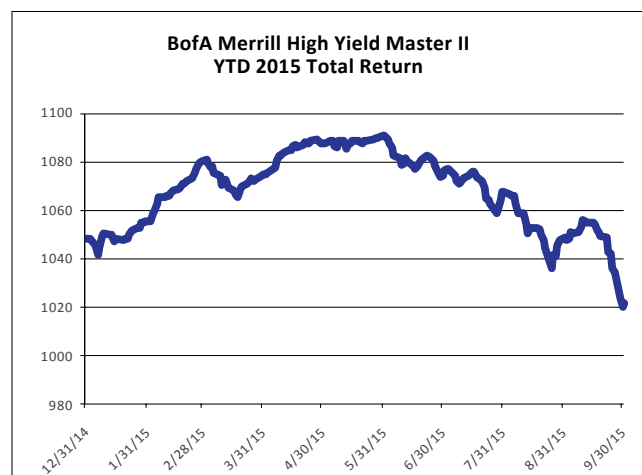
The median total return of nontraded BDCs YTD 2015 is 2.01%. That may not look impressive, but in the context of a -0.52% return for the Leveraged Loan Index and a -2.53% return for the High Yield index, BDCs have fared well.

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%.



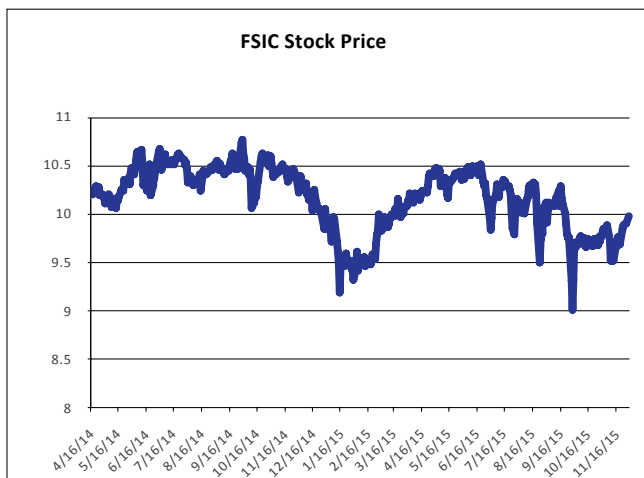
Full-Cycle Event Details: FS Investment Corporation

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%.

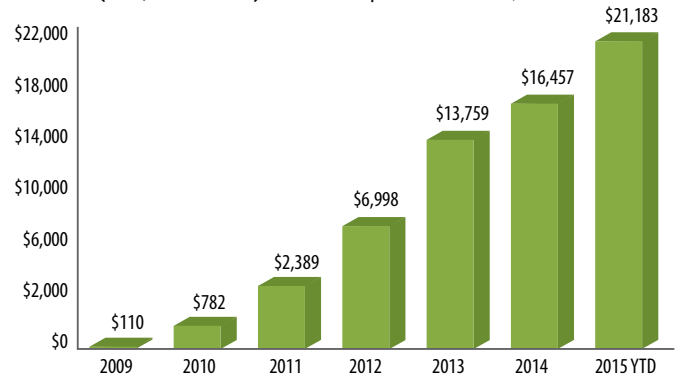


BDC Overall Industry Summary

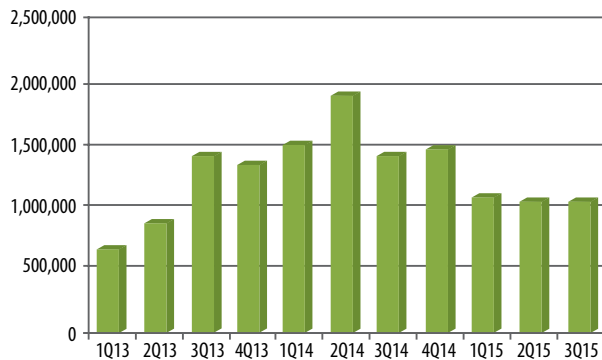
Total Nontraded BDC Industry Assets
(in \$ Billions) as of September 30, 2015



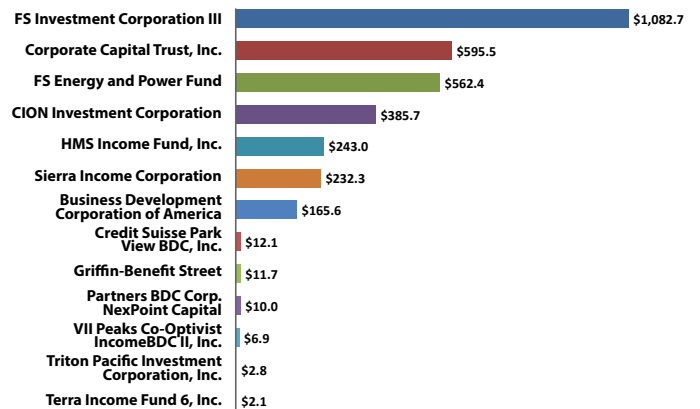
Total Industry Assets
(in \$ Millions) as of September 30, 2015



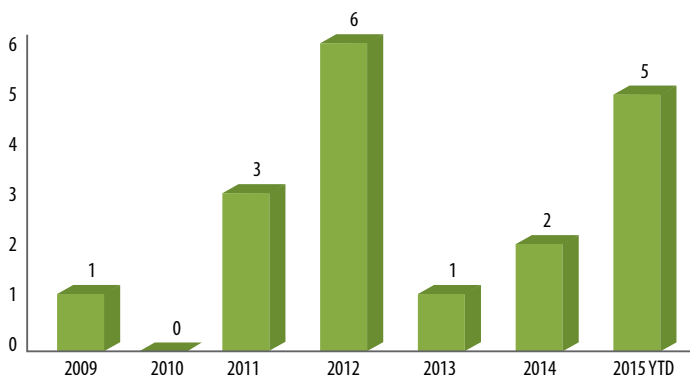
BDC Industry Capital Raise By Quarter
(1Q 2013 - 3Q 2015)



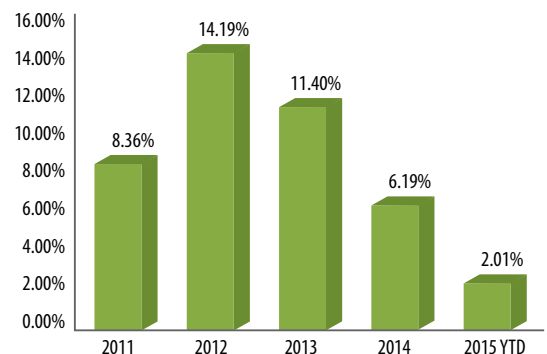
Gross Equity Raise YTD 2015
(in \$ Millions) as of September 30, 2015



New Product Introductions Since 2009



Median Total Returns of Nontraded BDCs
(Total Return of NAV + Distribution)



BDC Fund Offerings Summary

Fund Name	Open/Closed	Effective Date	Sponsor/Advisor	Sub-Advisor	Total Assets Q3 2015	Gross Proceeds YTD 2015	Current Yield
Business Development Corporation of America	Closed	January 25, 2011	AR Capital	NA	\$2,544.0	\$165.6	7.75%
Business Development Corporation of America II	Open	September 8, 2014	AR Capital	NA	\$4.3	\$2.3	NA
Carey Credit Income Fund	Open	July 24, 2015	WP Carey	Guggenheim Partners	\$76.9	NA	NA
CION Investment Corp	Open	July 2, 2012	Icon Investments	Apollo Global Management	\$907.6	\$385.7	7.20%
Corporate Capital Trust, Inc.	Open	April 4, 2011	CNL Financial Group	KKR	\$3,750.6	\$595.5	7.70%
Corporate Capital Trust II, Inc.	Open	October 10, 2015	CNL Financial Group	KKR	\$0.2	\$0.2	NA
Credit Suisse Park View BDC, Inc.	Open	March 19, 2015	Credit Suisse	NA	\$343.9	\$12.1	8.89%
FS Energy and Power Fund	Open	May 12, 2011	Franklin Square Capital Partners	GSO - Blackstone	\$3,835.7	\$562.4	8.29%
FS Investment Corporation II	Closed	February 14, 2012	Franklin Square Capital Partners	GSO - Blackstone	\$5,032.3	NA	7.11%
FS Investment Corporation III	Open	December 31, 2013	Franklin Square Capital Partners	GSO - Blackstone	\$2,528.9	\$1,082.7	7.29%
Griffin-Benefit Street Partners BDC Corp.	Open	January 20, 2015	Griffin Capital	Benefit Street Partners	\$12.4	\$11.7	NA
HMS Income Fund, Inc.	Open	June 4, 2012	Hines	Main Street Capital	\$913.7	\$243.0	7.07%
NexPoint Capital	Open	August 18, 2014	NexPoint Capital / Highland Capital Management	NA	\$23.6	\$10.0	NA
Sierra Income Corporation, Inc.	Open	April 16, 2012	Sierra - Medley Capital	NA	\$1,066.6	\$232.3	8.25%
Terra Income Fund 6, Inc.	Open	April 20, 2015	Terra Capital Management	NA	\$4.5	\$2.1	NA
Triton Pacific Corporation, Inc.	Open	September 4, 2012	Triton Pacific Group	NA	\$6.2	\$2.8	NA
VII Peaks Co-Optivist Income BDC II, Inc.	Open	March 1, 2012	VII-Peaks	NA	\$41.7	\$6.9	7.20%
TOTAL					\$21,093	\$3,315	

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

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

Benchmark Comparison

S&P/LSTA Leveraged Loan Index	-0.52%	0.99%	5.25%	9.67%	1.51%
BofA High Yield Master II Index	-2.53%	2.50%	7.42%	15.58%	4.38%

Median	2.01%	6.19%	11.40%	14.19%	8.36%
Mean	1.78%	4.19%	11.29%	13.10%	7.57%

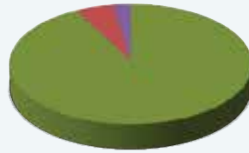
* All funds but FS Investment Corp had limited operations for the year of 2011, FS Investment Corp II had limited operations in 2012

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

BDC Industry Review: Third Quarter 2015

Carey Credit Income Fund

Total Assets.....	\$76.9 Million
Investments.....	\$70.8 Million
Cash & Equivalents.....	\$4.1 Million
Other.....	\$1.9 Million

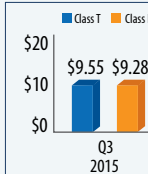


Public Offering Price	See Below
Current Distribution Rate.....	(Class T 7.00%) (Class I 7.20%)
Reinvestment Price Per Share..	(Class T 94.25%) (Class I 97.00%)
Effective Date.....	See Notes
Number of Months Effective.....	2

*Current distribution rate based on public offering price

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

Historical Price



Investment Strategy

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:

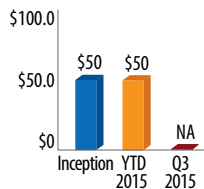
EBITDA between \$25 million to \$100 million and annual revenue ranging from \$50 million to \$1 billion.

Management

Carey Credit Advisors - WP Carey – W. P. Carey Inc. is a publicly traded REIT that provides long-term sale-leaseback and build-to-suit financing for companies worldwide. Its portfolio of global real estate has an enterprise value of \$10.4 billion. In addition, W. P. Carey manages a series of investment programs with approximately \$10.5 billion in AUM.

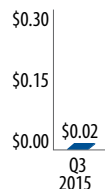
Guggenheim Partners – Guggenheim Partners, LLC is a global investment and advisory firm with more than \$240 billion in AUM. Its Corporate Credit team's long-term investment focus combined with its emphasis on downside protection has made it the investment manager of choice for many insurance companies, public pensions, foundations, and high-net-worth investors.

Gross Offering Proceeds



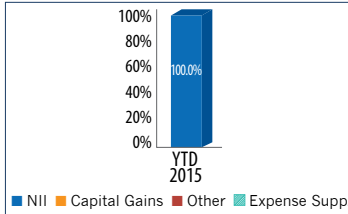
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



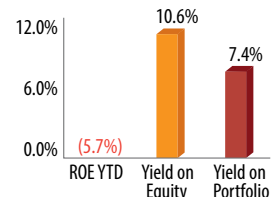
*Does not include special distributions

Sources of Distributions

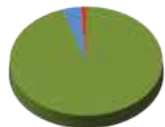


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Senior Debt.....	95.0%
Subordinated Debt.....	4.0%
Collateralized Securities.....	0.0%
Equity/Other.....	1.0%

Portfolio Concentration – Top 5 Industries

Industry	2015 YTD	2014
Aerospace & Defense	14%	NA
Technology	14%	NA
Consumer Products	13%	NA
Consumer Cyclical Services	10%	NA
Restaurants	6%	NA

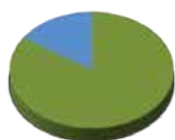
* Excludes TRS

Performance Returns

	2015 YTD
Carey Credit Income Fund	(4.33%)
S&P/LSTA Leveraged Loan Index	(0.52%)
BofA Merrill Lynch High Yield Master II	(2.53%)

*YTD returns are not annualized

Floating vs. Fixed Rate Investments



Fixed	15.6%
Floating	84.4%

*See additional notes on page 23.

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

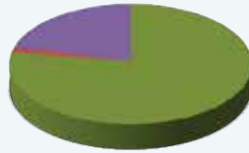
www.CareyCredit.com

Carey Credit Advisors, LLC.
 50 Rockefeller Plaza
 New York, NY 10020
 1-800-WPCAREY

BDC Industry Review: Third Quarter 2015

CION Investment Corporation

Total Assets.....	\$907.6 Million
Investments.....	\$702.1 Million
Cash & Equivalents.....	\$12.7 Million
Other.....	\$192.8 Million

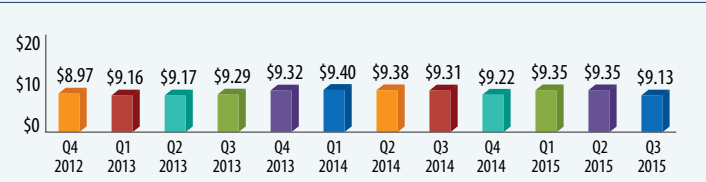


Public Offering Price	\$10.20
Current Distribution Rate*	7.20%
Reinvestment Price Per Share	90% POP
Effective Date	July 2, 2012
Number of Months Effective	38

*Current distribution rate based on public offering price

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 Price (Net Asset Value)



Investment Strategy

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 of \$50 million or less.

Average Portfolio Company Size:

\$170.5 million in EBITDA

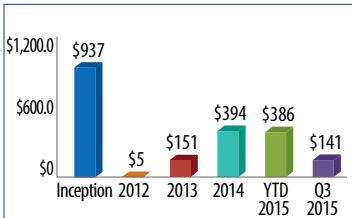
Management

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.

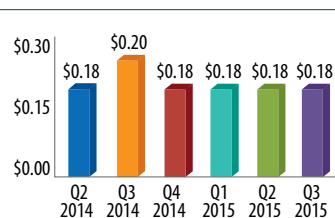
Apollo Investment Management - a subsidiary of Apollo Global – a global private equity, credit and real estate investment management firm with over \$163 billion in assets under management.

Gross Offering Proceeds



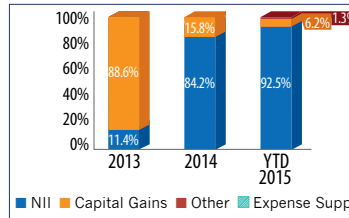
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



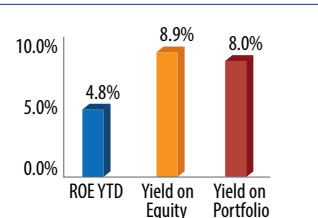
*Does not include special distributions

Sources of Distributions

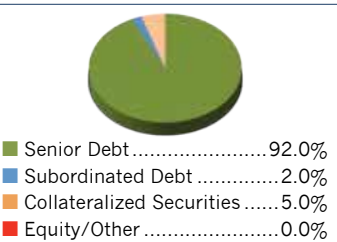


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration - Top 5 Industries

Industry	2015 YTD	2014
Services: Business	15%	20%
Healthcare & Pharmaceuticals	12%	8%
High Tech Industries	11%	11%
Banking, Finance, Insurance & Real Estate	6%	5%
Diversified Financials	5%	5%

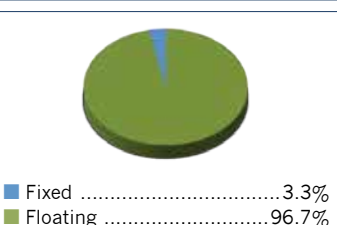
* Short-term Treasury Investments not included, includes TRS investments

Performance Returns

	2015 YTD	2014	2013
CION Investment Corp	4.94%	6.92%	11.96%
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%

*YTD returns are not annualized

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

Key Statistics

Fund Operating Expense Ratio.....	3.3%
Interest Coverage Ratio.....	96.9x
Weighted-Average Interest Rate	NA
Leverage Ratio.....	30.9%
Taxable Income Payout Ratio.....	101.3%
Net Change in Assets Payout Ratio	164.8%
Expense Support % of Distribution	0.0%

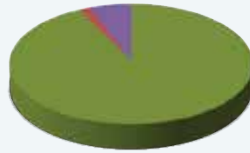
Contact Information

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

BDC Industry Review: Third Quarter 2015

Corporate Capital Trust, Inc.

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

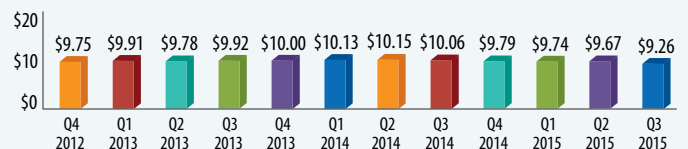


Public Offering Price	\$10.45
Current Distribution Rate	7.70%
Reinvestment Price Per Share.....	90% POP
Effective Date.....	April 4, 2011
Number of Months Effective.....	53

Cash & Equivalents to Total Assets Ratio.....	1.4%
Asset Type	Diversified Private Debt
Number of Companies in Portfolio*	139
Sponsor/Advisor	CNL Financial Group
Sub-Advisor.....	KKR
Use of Total Return Swap (TRS)	Yes
Assets of TRS	\$317.8 Million

*Including TRS

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

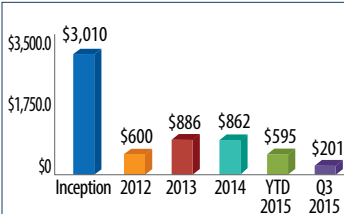
Management

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 \$101.6 billion in assets. The firm was founded in 1976 and has completed 250 private equity transactions with a total value of more than \$480 billion.

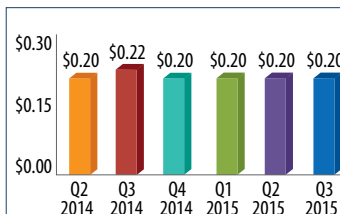
CNL – A private investment firm founded in 1973 that provides global real estate and alternative investment opportunities. CNL and its affiliates have formed or acquired companies with more than \$33 billion in assets.

Gross Offering Proceeds



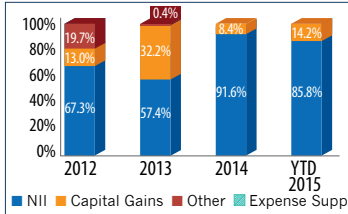
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



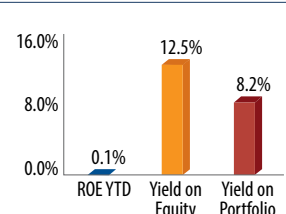
*Special distribution in Q4 2013 of \$0.03

Sources of Distributions

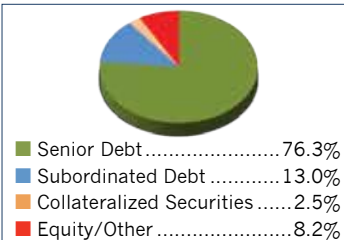


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

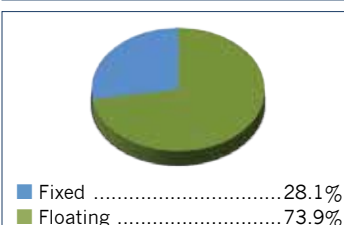
Industry	2015 YTD	2014
Software & Services	14%	15%
Capital Goods	14%	9%
Consumer Durables & Apparel	10%	16%
Diversified Financials	7%	5%
Retailing	7%	8%

Performance Returns

	2015 YTD	2014	2013	2012
Corporate Capital Trust, Inc.	0.60%	5.90%	11.40%	14.30%
S&P/LSTA Leveraged Loan Index	(0.52%)	0.99%	5.25%	9.70%
BofA Merrill Lynch High Yield Master II	(2.53%)	2.50%	7.42%	15.58%

* YTD returns are not annualized

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

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.....	Not Meaningful
Expense Support % of Distribution.....	0.0%

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

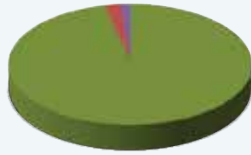
www.CorporateCapitalTrust.com

CNL Financial Group Inc.
450 S. Orange Ave.
Orlando, FL 32801
407-650-1000

BDC Industry Review: Third Quarter 2015

Credit Suisse Park View BDC, Inc.

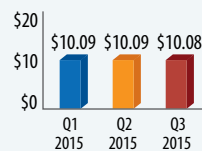
Total Assets.....	\$344.0 Million
Investments.....	\$332.0 Million
Cash & Equivalents.....	\$7.4 Million
Other.....	\$4.6 Million



Public Offering Price	\$10.08
Current Distribution Rate	8.89%
Reinvestment Price Per Share.....	90% POP
Effective Date.....	March 18, 2015
Number of Months Effective.....	6

Cash & Equivalents to Total Assets Ratio.....	2.2%
Asset Type	Diversified Private Debt
Number of Companies in Portfolio	29
Sponsor/Advisor	Credit Suisse Asset Management
Sub-Advisor.....	Not Applicable
Use of Total Return Swap (TRS)	No
Assets of TRS	Not Applicable

Historical Price (Net Asset Value)



Investment Strategy

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:

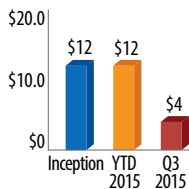
EBITDA between \$5 million and \$75 million

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.

Gross Offering Proceeds



*Includes reinvested distributions (in millions)

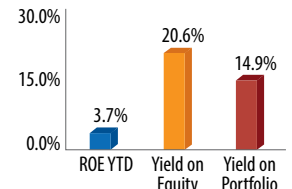
Historical Distribution Per Share

NA-Limited Operating Data

Sources of Distributions

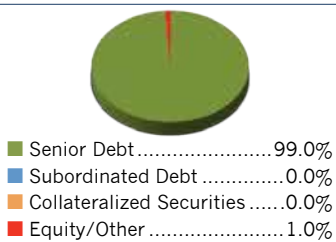
NA-Limited Operating Data

Portfolio Yields



*Commencing operation on March 18, 2015.

Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

Industry	2015 YTD	2014
Services: Business	18%	15%
Healthcare & Pharmaceuticals	15%	7%
Hotel, Gaming & Leisure	10%	4%
Aerospace & Defense	7%	8%
Consumer Goods: Non-Durable	6%	8%

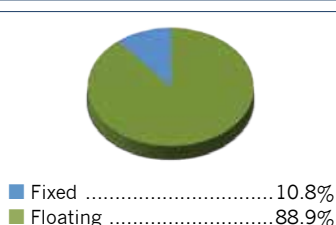
* Excludes TRS

Performance Returns

	2015 YTD**
Credit Suisse Park View BDC	2.67%
S&P/LSTA Leveraged Loan Index	(0.52%)
BofA Merrill Lynch High Yield Master II	(2.53%)

* YTD returns are not annualized

Floating vs. Fixed Rate Investments



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

* Commenced operations on April 2, 2014 - limited operating data

Contact Information

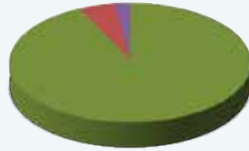
www.Credit-Suisse.com
Credit Suisse Asset Management
One Madison Avenue
New York, NY 10010-3629
212-325-2000

*See additional notes on page 23.

BDC Industry Review: Third Quarter 2015

FS Energy & Power Fund

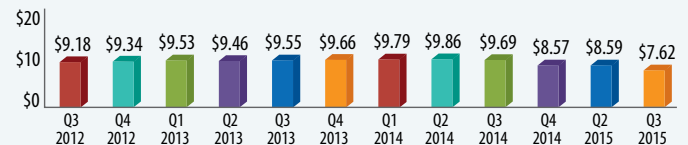
Total Assets.....	\$3,835.7 Million
Investments.....	\$3,560.3 Million
Cash & Equivalents.....	\$196.0 Million
Other.....	\$80.0 Million



Public Offering Price	\$8.10
Current Distribution Rate*	8.75%
Reinvestment Price Per Share	90% POP
Effective Date.....	May 12, 2011
Number of Months Effective.....	52

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

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:

\$266.1 million in EBITDA

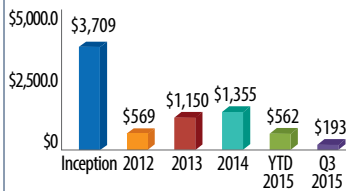
Management

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.

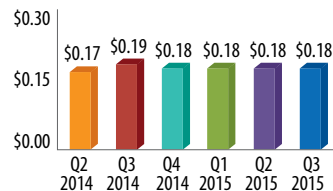
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$17.0 billion in BDC assets.

Gross Offering Proceeds



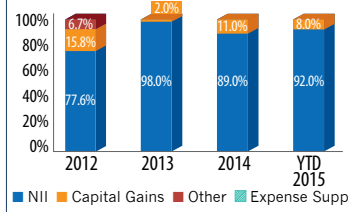
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



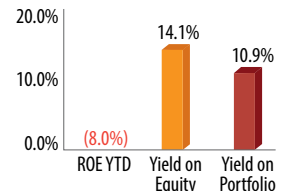
*Does not include special distributions

Sources of Distributions

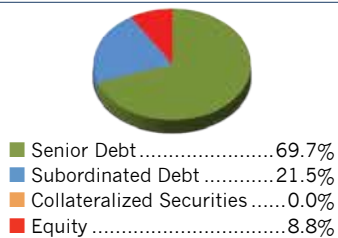


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

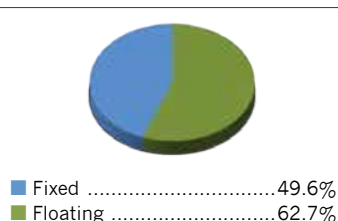
Industry	2015 YTD	2014
Upstream	58%	54%
Midstream	7%	7%
Downstream	0%	0%
Power	14%	10%
Service & Equipment	21%	29%

Performance Returns

	2015 YTD	2014	2013	2012
FS Energy & Power Fund	(4.90%)	(4.14%)	10.49%	14.07%
S&P/LSTA Leveraged Loan Index	(0.52%)	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	(2.53%)	2.50%	7.42%	15.58%

*YTD returns are not annualized

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

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%

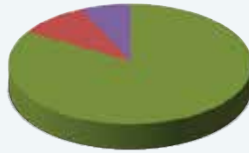
www.FSEnergyandPowerFund.com

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

BDC Industry Review: Third Quarter 2015

FS Investment Corporation III

Total Assets.....	\$2,528.9 Million
Investments.....	\$2,108.5 Million
Cash & Equivalents.....	\$248.0 Million
Other.....	\$172.4 Million

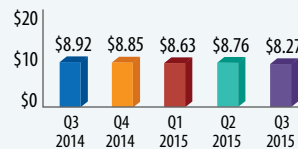


Public Offering Price	\$9.60
Current Distribution Rate	7.29%
Reinvestment Price Per Share.....	90% POP
Effective Date.....	December 31, 2013
Number of Months Effective.....	21

Cash & Equivalents to Total Assets Ratio.....	9.8%
Asset Type	Diversified Private Debt
Number of Companies in Portfolio	129
Sponsor/Advisor	Franklin Square Capital Partners
Sub-Advisor.....	GSO - Blackstone
Use of Total Return Swap (TRS)	Yes
Assets of TRS	\$341.2 Million*

*TRS Agreement began June 26, 2014

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:

\$239.3 million in EBITDA, \$86.1 million in EBITDA for direct originations

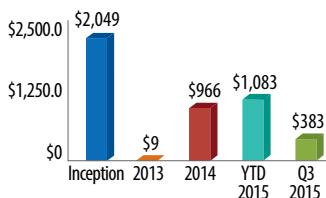
Management

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.

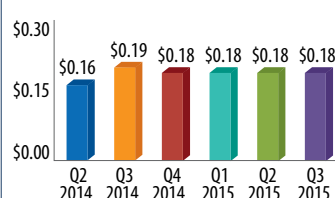
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$17 billion in BDC assets.

Gross Offering Proceeds



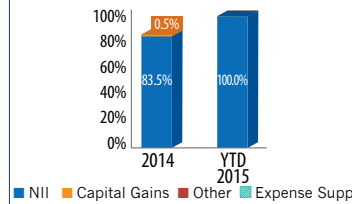
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



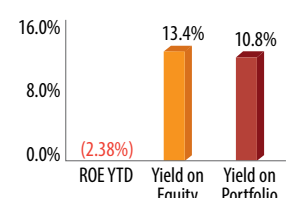
*Does not include special distributions

Sources of Distributions

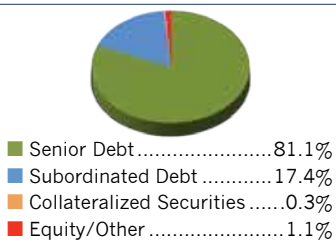


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration - Top 5 Industries

Industry	2015 YTD	2014
Software & Services	19%	16%
Energy	13%	16%
Consumer Services	11%	14%
Commercial & Professional Svc.	11%	11%
Transportation	9%	3%

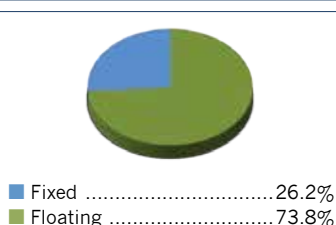
* Short-term Treasury Investments not included, includes TRS investments

Performance Returns

	2015 YTD	2014**
FS Investment Corporation III	1.97%	1.67%
S&P/LSTA Leveraged Loan Index	(0.52%)	0.99%
BofA Merrill Lynch High Yield Master II	(2.53%)	2.50%

* YTD returns are not annualized
** Annualized due to limited operating data in 2014

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

Key Statistics

Fund Operating Expense Ratio.....	4.4%
Interest Coverage Ratio.....	3.0x
Weighted-Average Interest Rate	2.8%
Leverage Ratio.....	29.6%
Taxable Income Payout Ratio*	100.0%
Net Change in Assets Payout Ratio	Not Meaningful
Expense Support % of Distribution	0.0%

* Tax-basis net investment income; Does not include capital gains

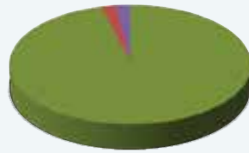
Contact Information

<http://www.Franklinsquare.com/Our-Funds/FSIC-III/Overview>
Franklin Square Capital Partners
 2929 Arch Street, Suite 675
 Philadelphia, PA 19104
 877-372-9880

BDC Industry Review: Third Quarter 2015

HMS Income Fund Inc.

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

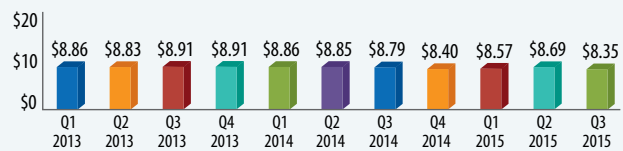


Public Offering Price	\$9.90
Current Distribution Rate*	7.07%
Reinvestment Price Per Share	90% POP
Effective Date.....	June 4, 2012
Number of Months Effective.....	39

*Current distribution rate based on public offering price

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

Historical Price (Net Asset Value)



Investment Strategy

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)

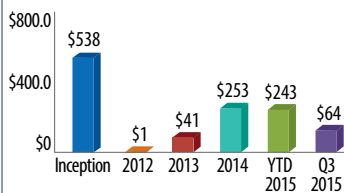
Management

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..

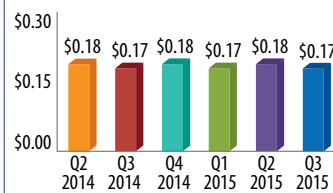
Main Street Capital – A manager of private debt and equity investments, Main Street Capital Corp. is a publicly traded BDC with a market capitalization of roughly \$2 billion.

Gross Offering Proceeds



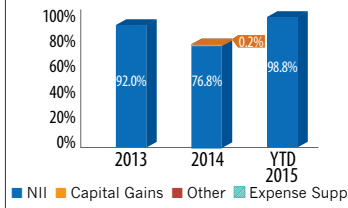
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



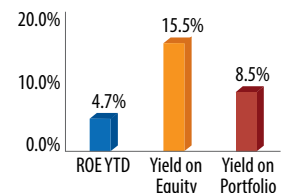
*Does not include special distributions

Sources of Distributions

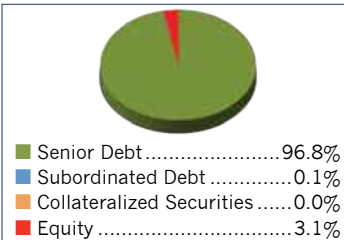


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

Industry	2015 YTD	2014
Hotels, Restaurants, and Leisure	11%	8%
Media	7%	9%
IT Services	5%	7%
Health Care Providers and Services	5%	4%
Diversified Consumer Services	5%	5%

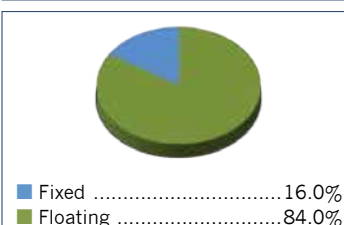
* Short-term Treasury Investments not included

Performance Returns

	2015 YTD	2014	2013	2012**
HMS Income Fund Inc.	5.71%	2.13%	8.47%	0.85%
S&P/LSTA Leveraged Loan Index	(0.52%)	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	(2.53%)	2.50%	7.42%	15.58%

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

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

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%

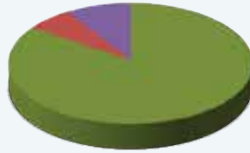
www.HinesSecurities.com/BDCS/HMS-Income-Fund

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

BDC Industry Review: Third Quarter 2015

Sierra Income Corporation

Total Assets.....	\$1,066.6 Million
Investments.....	\$901.5 Million
Cash & Equivalents.....	\$69.6 Million
Other.....	\$95.5 Million

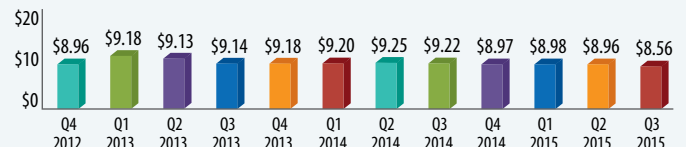


Public Offering Price	\$9.70
Current Distribution Rate*	8.25%
Reinvestment Price Per Share	90% POP
Effective Date.....	April 16, 2012
Number of Months Effective.....	41

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio.....	6.5%
Asset Type	Diversified Private Debt
Number of Companies in Portfolio	87
Sponsor/Advisor	SIC Advisors - Medley Capital
Sub-Advisor.....	Not Applicable
Use of Total Return Swap (TRS)	Yes
Assets of TRS	\$217.0 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 a lesser extent, subordinated debt.

Company Size:

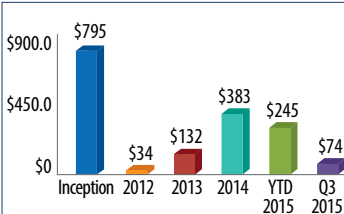
Enterprise value of \$50 million to \$4 billion

Management

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

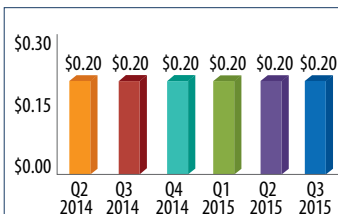
SIC Advisors - Medley Management – Management team members bring an average of more than 20 years experience in principal finance, investment sourcing, credit analysis, transaction structuring, due diligence, and investing. Medley Management, the parent company of SIC Advisors has several private investment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

Gross Offering Proceeds



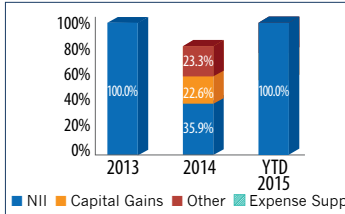
*Includes reinvested distributions (in millions)

Historical Distribution Per Share



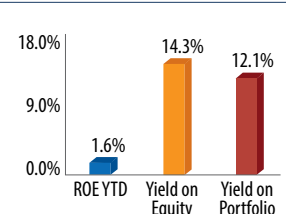
*Does not include special distributions

Sources of Distributions

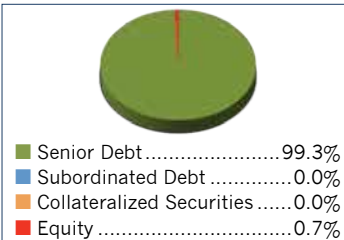


*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration - Top 5 Industries

Industry	2015 YTD	2014
Services: Business	18%	9%
Banking, Finance, Insurance, & Real Estate	9%	10%
Hotel, Gaming & Leisure	9%	14%
Automobile	9%	7%
Retail	7%	6%

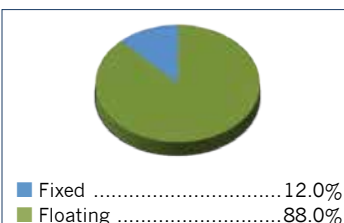
*Includes TRS Portfolio

Performance Returns

	2015* YTD	2014*	2013*
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

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

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%

Contact Information

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

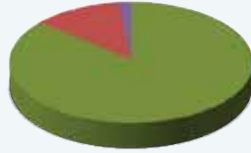
Effective Nontraded BDCs with Limited Operating Results (Under \$50mm in Assets)

	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
Business Development Corporation of America II	September 8, 2014	Diversified Private Debt	\$4.3	Yes	\$2.3	\$1.3	NA	NA
Corporate Capital Trust II	October 9, 2015	Diversified Private Debt	\$0.2	No	NA	NA	NA	NA
FS Investment Corporation IV	October 9, 2015	Diversified Private Debt	NA	NA	NA	NA	NA	NA
Griffin-Benefit Street Partners BDC	January 20, 2015	Diversified Private Debt	\$12.4	Yes	\$11.7	\$7.5	NA	NA
NexPoint Capital	August 18, 2014	Diversified Private Debt	\$23.6	Yes	\$10.0	\$16.7	7.70%	\$2.5
VII Peaks Co-Optivist Income BDC II, Inc.*	March 1, 2012	Diversified Private Debt	\$41.7	Yes	\$63.8	\$40.7	7.35%	None
Terra Income Fund	April 20, 2015	Diversified Private Debt	\$4.5	Yes	\$2.1	NA	NA	NA
Triton Pacific Investment Corporation	September 4, 2012	Diversified Private Debt	\$6.2	Yes	\$5.7	\$4.9	NA	NA

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



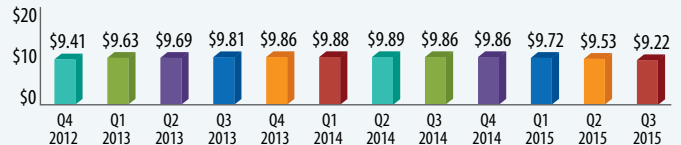
Public Offering PriceClosed
 Current Distribution Rate.....7.78%
 Reinvestment Price Per Share.....NAV
 Effective Date.....January 25, 2011
 Offering Close Date.....April 30, 2015

*Current distribution rate based on public offering price

Cash & Equivalents to Total Assets Ratio.....12.3%
 Asset Type.....Diversified Private Debt
 Number of Companies in Portfolio.....118
 Sponsor/Advisor.....AR Capital - BDCA Advisor
 Sub-Advisor.....Not Applicable
 Use of Total Return Swap (TRS).....Not Applicable
 Assets of TRS.....Not Applicable

*TRS was terminated on June 27, 2014

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:

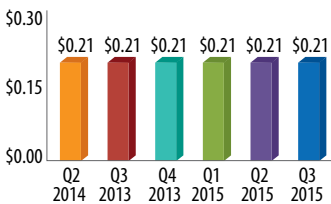
\$10 million to \$1 billion in revenue

Management

Investments are sourced, underwritten and managed by a single advisor and management team. BDCA 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.

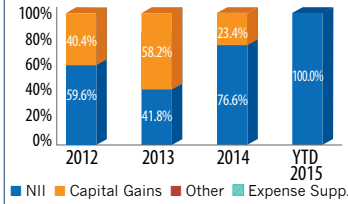
AR Capital – An alternative investment firm that invests in real estate and private company securities. AR Capital manages \$15 billion in alternative investments.

Historical Distribution Per Share



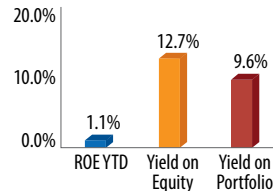
*Does not include special distributions

Sources of Distributions



*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



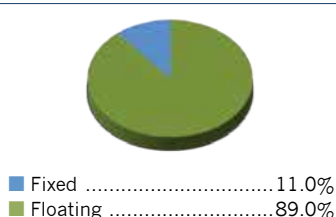
Portfolio Concentration – Top 5 Industries

Industry	2015 YTD	2014
Diversified Investment Vehicles	22%	27%
Aerospace & Defense	10%	5%
Hotels, Restaurants & Leisure	7%	3%
Diversified Consumer Services	5%	4%
Software	4%	3%

Performance Returns

	2015 YTD	2014	2013	2012
Business Development Corporation of America	1.08%	7.63%	14.12%	15.19%
S&P/LSTA Leveraged Loan Index	(0.52%)	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	(2.53%)	2.50%	7.42%	15.58%

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

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

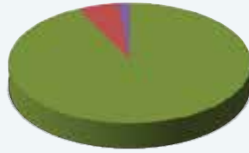
Contact Information

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

BDC Industry Review: Third Quarter 2015

FS Investment Corporation II

Total Assets.....	\$5,032.3 Million
Investments.....	\$4,665.0 Million
Cash & Equivalents.....	\$283.9 Million
Other.....	\$83.5 Million



Last Offering Price	Closed
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

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*
Assets of TRS	\$0 Million

*FS Investment Corporation II terminated the TRS agreement on June 13, 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:

\$188.6 million in EBITDA.

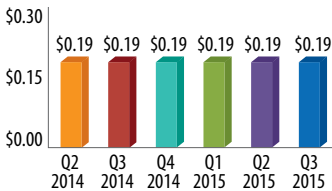
Management

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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 firm, has roughly \$310 billion in assets under management.

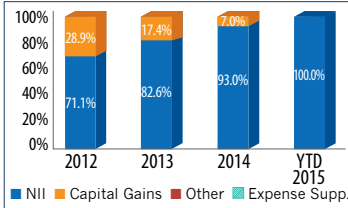
Franklin Square Capital Partners – An alternative investments firm founded in 2007 with an experienced team of investment professionals. The firm manages \$17.0 billion in BDC assets.

Historical Distribution Per Share



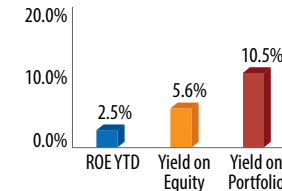
*Does not include special distributions

Sources of Distributions



*Other may include other taxable income items.

Portfolio Yields



Portfolio by Asset Type



Portfolio Concentration – Top 5 Industries

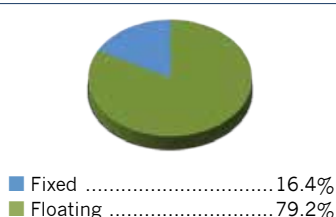
Industry	2015 YTD	2014
Energy	15%	14%
Consumer Services	11%	17%
Software & Services	11%	8%
Capital Goods	10%	9%
Commercial & Professional Services	8%	6%

Performance Returns

	2015* YTD	2014	2013*	2012
FS Investment Corporation II	2.04%	6.92%	10.81%	8.82%
S&P/LSTA Leveraged Loan Index	(0.52%)	0.99%	5.25%	9.67%
BofA Merrill Lynch High Yield Master II	(2.53%)	2.50%	7.42%	15.58%

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

Floating vs. Fixed Rate Investments



*See additional notes on page 23.

Key Statistics

Total Operating Expense Ratio.....	6.6%
Interest Coverage Ratio.....	4.7x
Weighted-Average Interest Rate	2.9%
Leverage Ratio.....	41.9%
Taxable Income Payout Ratio*	93.0%
Net Change in Assets Payout Ratio	322.1%
Expense Support % of Distribution	0.0%

Contact Information

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Franklin Square Capital Partners
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Philadelphia, PA 19104
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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.



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