



THL CREDIT SENIOR LOAN STRATEGIES LLC

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Part 2A of Form ADV: Firm Brochure

This brochure provides information about the qualifications and business practices of THL Credit Senior Loan Strategies LLC. If you have any questions about the contents of this brochure, please contact us at (630) 320-7860. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. THL Credit Senior Loan Strategies LLC is a registered investment adviser with the SEC. This registration does not imply any level of skill or training.

Additional information about THL Credit Senior Loan Strategies LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

No information contained herein should be construed as a solicitation or offer, or recommendation, to buy or sell any security, or as an offer to provide advisory services. Any offering or potential transaction that may be related to information in this brochure will be made pursuant to separate and distinct documentation.

Item 2 – Material Changes

THL Credit SLS last filed its brochure with the SEC on July 17, 2012. This updated brochure includes the following material change:

- Updated language in Item 11 in order to reflect changes to THL Credit SLS' Code of Ethics and to reflect changes in THL Credit SLS conflicts of interest in regard to participation or interest in client transactions.

A copy of this brochure may be requested by contacting us at (630) 320-7860.

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Item 4 – Advisory Business

THL Credit Senior Loan Strategies LLC (“THL Credit SLS”) specializes in providing below investment grade investment management strategies to clients through a variety of products. THL Credit SLS is owned by THL Credit Advisors LLC, an investment adviser registered with the SEC, and certain principals of THL Credit SLS. Prior to June 29, 2012, THL Credit SLS was owned by McDonnell Investment Management, LLC (“MIM”). Although THL Credit SLS commenced operations in January 2012 as a subsidiary of MIM, THL Credit SLS has provided investment management services to clients through MIM since 2004.

THL Credit Advisors LLC (“THL Credit”) is the credit affiliate of Thomas H. Lee Partners, L.P (“THL”). Founded in 1974, THL is one of the oldest and largest private equity investment firms in the United States. Since its establishment, THL Partners has raised approximately \$20 billion of equity capital and together with its affiliates, completed acquisitions of more than 100 businesses and over 200 add-on transactions. THL Partners focuses its high value-added strategy on growth businesses and seeks to partner with the best managers in an industry to build great companies.

THL Credit SLS is also affiliated with certain registered and exempt reporting investment advisers who provide advice to private funds.

THL Credit SLS offers below investment grade strategies utilizing bank loans, high yield debt and other securities to:

- Separate Accounts
- Private Funds
- Structured Products, including Collateralized Loan Obligations (“CLO’s”)

THL Credit SLS is able to tailor advisory services to meet the different needs of individual clients, and clients are generally able to impose restrictions on investing in specific securities or types of securities (e.g., no securities of issuers involved in “vices” or restrictions from trading in derivatives).

As of December 31, 2012, THL Credit SLS managed \$ 2.5 billion of client assets on a discretionary basis. This value is different than the Regulatory Assets Under Management value noted on the THL Credit SLS Part 1A of Form ADV, and is based upon the methodology required by Part 1A, which is different than the asset under management calculation used for marketing, client reporting and/or billing. THL Credit SLS does not currently manage any assets on a non-discretionary basis.

Item 5 – Fees and Compensation

THL Credit SLS’s management fees are generally a percentage of assets under management based on an annual rate and paid quarterly. The annual rate is established in the client’s written agreement and typically applies to the sum of all cash and fair market value (including accrued interest) of the securities in the account on the last day of the preceding quarter.

The standard fee schedule for the various THL Credit SLS products is set forth below. THL Credit SLS has made, and may make in the future, exceptions to its general fee schedule in its sole discretion based on various circumstances, such as client's relationship to THL Credit SLS, expectations of significant capital additions in the future, product line, or composition of portfolio, among other reasons. In such cases, different and reduced fee arrangements have been and may be negotiated with individual clients or underlying investors in a private fund.

In addition to THL Credit SLS's advisory fees, clients, depending upon the product, are subject to various expenses, including but not limited to custodial, brokerage, audit, legal and third party administration. Please see Item 12 – "Brokerage Practices" for more information on THL Credit SLS's brokerage practices.

Fees for Separate Account Clients

Bank Loan Only Portfolios

Market Value of Assets

First \$250,000,000	0.50%
Next \$250,000,000....	0.40%
Over \$500,000,000....	0.35%

High Yield Only Portfolios

Market Value of Assets

First \$ 50,000,000	0.45%
Next \$ 50,000,000.....	0.40%
Next \$100,000,000.....	0.36%
Over \$200,000,000.....	0.32%

Blended Bank Loan / High Yield Portfolios

Market Value of Assets

First \$250,000,000	0.50%
Next \$250,000,000....	0.40%
Over \$500,000,000....	0.35%

Fees for Private Fund Clients

As investment manager to private, pooled investment vehicles, THL Credit SLS receives an annual advisory fee that is equal to a percentage of the net asset value attributable to the capital account of each capital member during the relevant calendar year. The advisory fee, which is described in the funds' private offering documents, is calculated and paid monthly in arrears.

Fees for CLO Clients

As investment manager to various CLOs, THL Credit SLS receives a Base management fee and a Subordinated management fee based on the aggregate principal balance of the CLO portfolios. Both these fees are based on a contractual percent per annum but differ in terms of their priority of payment relative to payments to the CLO investors. THL Credit SLS may also receive a Contingent management fee based on achieving a defined internal rate of return (IRR) hurdle.

Additional Information Concerning Advisory Fees

From some clients, THL Credit SLS may receive a performance-based fee in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (“Advisers Act”). Performance-based fees are discussed further in Item 6 – “Performance-Based Fees and Side-By-Side Management.”

THL Credit SLS has and may in the future enter into agreements with separate account clients or underlying investors of its private funds that contain provisions which grant such client or investor certain preferential terms, including but not limited to: most favored nations, fees, reporting or liquidity. Such provisions may apply to a single product or across multiple products advised by the firm.

In addition, THL Credit SLS may invest a portion of a client’s assets in investment vehicles that are advised or sub-advised by THL Credit SLS (controlled affiliated funds), where the controlled affiliated fund provides a more efficient and cost-effective way to diversify an account. To the extent that THL Credit SLS invests client assets in a controlled affiliated fund, THL Credit SLS will, depending upon the controlled affiliated fund used, either (1) not charge an advisory fee to the client for investing in such fund, (2) waive investment advisory fees on the assets invested in such controlled affiliated fund, or (3) credit or avoid through other means the payment of the separate account advisory fees on the assets invested in a controlled affiliated fund. However, assets invested in a controlled affiliated fund are subject to the fund fees and charges applicable to all investors in the controlled affiliated fund. Therefore, the client may incur a higher total investment advisory fee if the controlled affiliated fund’s management fee rate exceeds the rate the client would otherwise pay for the management of its assets.

Item 6 – Performance-Based Fees and Side-By-Side Management

THL Credit SLS currently may earn performance fees in three different ways:

1) THL Credit SLS may enter into arrangements with separate account clients where fees are based on a share of capital gains or capital appreciation of the assets in a client account. For example, in addition to the base annual management fee, an account would also include a performance-based fee payable when the account’s performance return exceeds a predefined performance hurdle on an index or benchmark (e.g., Barclays Capital Aggregate Bond Index plus 25 basis points). Performance fees are negotiable as part of the client’s written advisory contract. In measuring client assets for the calculation of performance-based fees, THL Credit SLS includes realized and unrealized capital gains and losses.

2) As investment manager to one of the private funds, THL Credit SLS is entitled to receive a performance fee based on two separate calculations. The first part charges a 10% fee on net profits only if such net profits exceed a defined hurdle rate and any cumulative losses from previous years. The second part charges a 10% fee on annual net profits only over a defined hurdle rate. The rationale for bifurcating the performance fee was to ensure that THL Credit SLS continued to manage the fund under difficult and volatile market environments. Performance fees are accrued monthly and paid annually.

3) As investment manager to one or more CLOs, THL Credit SLS is entitled to receive a contingent management fee if it achieves a pre-defined percentage based internal rate of return (IRR) hurdle for the individual CLO equity investors. This fee is calculated as a percentage of the equity return upon achieving a predetermined internal rate of return (IRR).

Clients should understand that performance fees rates vary by client and that THL Credit SLS may enter into different types of performance fee arrangements in the future. Performance fee arrangements may create an incentive to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. Also, in situations where our portfolio managers manage these accounts side-by-side with accounts that do not have a performance fee, there is a conflict of interest which may create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

THL Credit SLS has adopted procedures to address these conflicts of interests that are designed to ensure that all clients are treated fairly and equitably. The firm's trade aggregation and allocation procedures, which are detailed in Item 12 – "Brokerage Practices," are designed to ensure that transactions where the same securities are bought or sold for multiple clients simultaneously are traded such that no participating client is favored over any other client. Another procedure involves the review of account performance over time for accounts employing similar investment strategies.

Because the amount of fees received is based on the value or performance of client accounts, account asset values are determined in accordance with detailed pricing procedures. Assets are generally priced by independent third party pricing agents. In circumstances where an account holds positions in its portfolio for which reliable independent third party pricing is not readily available or is not reflective of fair value, the firm evaluates sufficient information to make a "good faith" determination that the valuation method used results in fair value.

Item 7 – Types of Clients

THL Credit SLS may provide advisory services to many types of clients including individuals, insurance companies, banks, corporations, pension and profit sharing plans, trusts and estates, charitable organizations, mutual funds, government entities, pooled investment vehicles, and private investment funds.

The minimum fee and account size requirements for opening an account are shown below. In most cases, THL Credit SLS can waive the minimum requirements.

For Separate Account Clients

Bank Loan Only Portfolios

Minimum annual advisory fee:	\$500,000
Minimum account size:	\$50,000,000

High Yield Only Portfolios

Minimum annual advisory fee:	\$112,500
Minimum account size:	\$25,000,000

Blended Loan /High Yield Portfolios

Minimum annual advisory fee:	\$500,000
Minimum account size:	\$50,000,000

For Private Fund Investors

THL Credit Loan Opportunity Fund

Minimum investment:	\$1,000,000
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THL Credit Bank Loan Select Fund

Minimum investment:	\$500,000
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Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

The investment process of THL Credit SLS focuses on balancing capital preservation, current income and total return through a systematic approach to the management of credit risk. THL Credit SLS's goal is to invest in businesses at attractive valuations in various market environments. Investment selection begins with basic, fundamental credit and economic analysis, risk classification and relative value assessment throughout the capital structure, and incorporates sophisticated portfolio credit risk measurements, and continuous relative value assessment based on credit quality, pricing, structure, and liquidity. THL Credit SLS seeks to manage credit risk and maximize risk/return through disciplined credit quality evaluation, prudent portfolio diversification, portfolio analysis and proactive credit management. The objective of the investment process is to seek to provide as high a level of risk-adjusted returns consistent with investment in U.S. dollar-denominated senior bank loans. To the extent they are permitted by client guidelines, the strategy may also include high yield securities and special situations including distressed bank loans and other distressed debt, and to a lesser extent public and private equities.

Methods of Analysis

THL Credit SLS employs a disciplined and structured investment process utilizing qualitative and quantitative analysis to consistently identify, measure and classify risk and return.

Qualitative approach focuses on developing the following:

- Macroeconomic outlook with industry analysis
- Fundamental analysis of a company's core competencies
 - o Credit and Collateral Ratings – qualitative modification of the Credit and Collateral Scores
 - o Sell rules or reasons to table a credit for further review and possible portfolio action
 - o Advanced Research – in-depth research into sectors of potential interest

Quantitative approach is built on cash flow modeling, and credit and collateral scoring. THL Credit SLS uses its Leveraged Credit Assessment Platform ("LCAP") to perform multi-variant simulations to evaluate the sensitivities of a credit or industry to various events that can impact a credit's performance. LCAP provides a consistent, analytic framework which generates measurable output concerning overall credit profiles, profitability, liquidity, leverage and collateral.

Credit analysis is the cornerstone of THL Credit SLS investment strategy. A potential investment's credit risk profile is established through fundamental analysis of many factors including past financial performance, business stability and industry trends, competitive factors, economic vulnerability, customer and supplier concentration, and other factors. THL Credit SLS performs stress cases on each potential investment based on various default scenarios.

Risks

Principal Risks of Investment Strategies

Set forth below is a summary of certain risk factors applicable to the advisory services provided by THL Credit SLS. The summary is qualified in its entirety by the risk factors set forth in each client's investment advisory agreement or offering materials, if applicable. The list of risk factors does not purport to be a complete explanation of the risks involved in THL Credit SLS's advisory services.

Fixed income investing is subject to a number of risks that may affect the value of securities including:

Credit Risk is the risk that the inability or perceived inability of the issuer to make interest and principal payments will cause the value of its securities to decrease, and cause a loss. If an issuer's financial health deteriorates, it may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honor its obligations, including

making timely payment of interest and principal. Although a downgrade of a bond's credit ratings may not affect its price, a decline in credit quality may make bonds less attractive, thereby increasing the yield on the bond and driving down the price. Declines in credit quality can result in bankruptcy for the issuer and permanent loss of investment.

Rating agencies are private services that provide ratings of the credit quality of fixed income securities. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. Further, rating agencies may also lose credibility or end coverage of a previously-rated security. THL Credit SLS does not rely solely on credit ratings, and develops its own analysis of issuer credit quality. THL Credit SLS may purchase unrated securities if it determines that the security is of comparable quality to a rated security. Unrated securities may be less liquid than comparable rated securities and involve the risk that THL Credit SLS may not accurately evaluate the security's comparative credit rating.

Structured Finance Obligations. Investing in Structured Finance Obligations such as CLOs entails a variety of risks, including but not limited to: prepayment risk, credit risk, leverage risk, liquidity risk, market risk, legal risk, interest rate risk as well as risks associated with derivatives markets, including the risk of counterparty default. Structured finance obligations generally involve securities which are considered "re-packaged". The performance of structured finance obligations will be affected by a variety of factors, including the level and timing of payments and recoveries on and the characteristics of the underlying repackaged securities, remoteness of those assets from the originator or transferor, extent of subordination to other securities issued by the issuer of such structured finance obligation and the adequacy of and ability to realize upon any related collateral.

Interest Rate Risk is the risk that fixed income securities will decline in value because of changes in interest rates. Generally, the value of debt securities falls as interest rates rise. Specific fixed income securities differ in their sensitivities to changes in interest rates depending on their particular characteristics. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is determined by a number of factors including coupon rate, whether the coupon is fixed or floating, time to maturity, call or put features, and various repayment features.

Leverage Risk magnifies the potential gains and losses from an investment and increases the risk of loss of capital. To the extent that income derived from investments purchased with borrowed funds is greater than the cost of borrowing, net income will be greater than if borrowing had not been used. Conversely, if the income from investments purchased with borrowed funds is not sufficient to cover the cost of borrowing, the net income will be less than if borrowing had not been used. The extent to which the gains and losses associated with leveraged investing are increased will generally depend on the degree of leverage employed. Leverage may also be limited with respect to specific securities held in a portfolio due to margin rule considerations.

Liquidity Risk exists when particular investments are difficult to purchase or sell. During periods of market turbulence or low trading activity, in order to meet client withdrawals it may be necessary for THL Credit SLS to sell securities at prices that are less advantageous. Additionally, the market for certain investments may become illiquid independent of any specific adverse changes in the conditions of a particular issuer. Smaller portfolios may have increased exposure to liquidity risk.

Management Risk exists because securities selected by THL Credit SLS may not perform to expectations. This could result in underperformance compared to other portfolios with similar investment objectives.

Market Risk involves the possibility that the value of the investments will decline, sometimes unpredictably or rapidly, due to drops in the securities markets generally or particular industries represented in the securities markets. The prices of and the income generated by securities held may decline in response to certain events, including those directly involving the companies and governments whose securities are owned by in portfolios, general economic and market conditions, regional or global instability, and interest rate fluctuations.

Notwithstanding the existence of a public market for particular financial instruments, such instruments may be thinly traded or may cease to be traded after an investment is made in them. In addition to being relatively illiquid, such instruments may be issued by unstable or unseasoned issuers or may be highly speculative.

Prepayment Risk is the risk that, if interest rates fall, it is possible that issuers of certain bonds will call, or prepay, their bonds before their maturity date. In addition, bank loans are generally pre-payable at par and can be prepaid at any time. If a call were exercised by the issuer during a period of declining interest rates, THL Credit SLS is likely to have to replace the called security with a lower yielding security which would decrease net investment income.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, trade relationships, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely client's investments.

Availability of Investment Strategies. Identification and exploitation of certain investment strategies to be pursued by THL Credit SLS can involve a high degree of uncertainty. No assurance can be given that THL Credit SLS will be able to locate suitable investment opportunities.

Analytical Model Risks. THL Credit SLS employs certain strategies which depend upon the reliability, accuracy and analyses of its analytical models. To the extent such models (or the assumptions underlying them) do not prove to be correct, the investments may not perform as anticipated, which could result in substantial losses. All models ultimately depend upon the judgment of the investment team and the assumptions embedded in the models.

Diversification. Although diversification is used as one of the tools of risk management, THL Credit SLS is not always restricted as to the percentage of the assets that may be invested in any particular instrument or market in order to optimize the risk-reward profile. To the extent

THL Credit SLS concentrates investments in a particular issuer, security, currency or market, the investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular issuer, security, currency or market.

Changes in Law. Changes in non-U.S. or U.S. state and federal laws applicable to THL Credit SLS or its clients, and other securities or instruments in which a client may invest may negatively affect a client's returns. The global financial markets continue to be subject to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an emergency basis with little or no notice, with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated or otherwise negatively impacted. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty, which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

Risks of Specific Security Types

Asset-Backed Securities. Asset-backed securities ("ABS") are bonds backed by pools of loans or other receivables. ABS are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans. ABS are issued through special purpose vehicles that are bankruptcy remote from the issuer of the collateral. The credit quality of an ABS transaction depends on the performance of the underlying assets. To protect ABS investors from the possibility that some borrowers could miss payments or even default on their loans, ABS include various forms of credit enhancement.

Some ABS, particularly home equity loan transactions, are subject to interest-rate risk and prepayment risk. A change in interest rates can affect the pace of payments on the underlying loans, which in turn, affects total return on the securities. ABS also carry credit or default risk. If many borrowers on the underlying loans default, losses could exceed the credit enhancement level and result in losses to investors in an ABS transaction. Finally, ABS have structure risk due to a unique characteristic known as early amortization, or early payout, risk. Built into the structure of most ABS are triggers for early payout, designed to protect investors from losses. These triggers are unique to each transaction and can include: a big rise in defaults on the underlying loans, a sharp drop in the credit enhancement level, or even the bankruptcy of the originator. Once early amortization begins, all incoming loan payments are used to pay investors as quickly as possible.

Bank Loans. Loans may become nonperforming for a variety of reasons. Such nonperforming loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of the loan. In addition, because of the unique and customized nature of a loan agreement and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and, historically, the trading volume in the loan market has been small relative to other markets. Loans may encounter trading delays due to their unique and customized nature, and transfers may require the consent of an agent bank or borrower.

Risks associated with bank loans include (i) the fact that prepayments may occur at any time without premium or penalty and that the exercise of prepayment rights during periods of declining spreads could cause the Fund to reinvest prepayment proceeds in lower-yielding investments; (ii) the borrower's inability to meet principal and interest payments and interest payments on its obligations (i.e., credit risk) and (iii) price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the borrower and general market liquidity.

THL Credit SLS primarily acquires interests in bank loans by way of assignment instead of originating such loans. As a result, clients may be subject to additional risks related to the fact that THL Credit SLS acquired the interest by way of assignment. For example, in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

Purchasers of loans are predominately commercial banks, investment funds and investment banks. As secondary market trading volumes increase, new loans frequently contain standardized documentation to facilitate loan trading that may improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity. Because holders of such loans are provided confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as publicly traded securities are purchased or sold. In addition, historically the trading volume in the loan market has been small relative to the market for high yield debt securities.

Common Stock. Although common stock has historically generated higher average total returns than fixed-income securities over the long term, common stock also has experienced significantly more volatility in those returns. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock. Also, the price of common stock is sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stock. Common stock prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

Convertible Securities. THL Credit SLS may invest in convertible securities, which are debt securities or preferred equity securities that are exchangeable for other debt or equity securities of the issuer at a predetermined price. Convertible securities entitle the holder to receive interest payments paid on corporate debt securities or the dividend preference on preferred equity securities until such time as the convertible security matures or is redeemed or until the holder elects to exercise the conversion privilege. As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. Also, in the absence of adequate anti-dilution provisions in a convertible security, dilution in the value in a holding may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared or the issuer enters into another type of corporate transaction which increases its outstanding securities.

Corporate Debt. Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Default and Counterparty Risk. Some of the markets in which THL Credit SLS effects transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, in the case of a default, the investment could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where THL Credit SLS has concentrated its transactions with a single or small group of counterparties. The ability of THL Credit SLS to transact business with any one or number of counterparties, and the absence of a regulated market to facilitate settlement may increase the potential for losses.

Derivative Instruments. Where permitted by client guidelines, THL Credit SLS may invest in complex derivative instruments that seek to modify or emulate the investment performance of particular securities, obligations, commodities, currencies, interest rates, indices or markets, or specific risks thereof, primarily on an unleveraged basis which can be equivalent to a long position in the underlying asset or risk. These instruments generally have counterparty risk and may not perform in the manner expected, thereby resulting in greater loss or gain than might otherwise be anticipated. These investments are all subject to additional risks that may result in a loss of all or part of an investment, such as interest rate and credit risk volatility, world and local market price and demand and general economic factors and activity. Derivatives may have high leverage embedded in them which may substantially magnify market movements and result in losses substantially greater than the amount of the investment. Finally, when used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the investment from achieving the intended hedging effect or expose the portfolio to the risk of loss.

Dollar Rolls, Delayed Delivery Transactions and When Issued or Forward Commitment Securities. The purchase or sale of when-issued securities enables an investor to hedge against anticipated changes in interest rates and prices by locking in an attractive price or yield. The price of delayed delivery transactions, including when-issued securities, is fixed at the time the commitment to purchase or sell is made, but delivery and payment for the securities takes place at a later date, normally one to two months after the date of purchase. During the period between purchase and settlement, no payment is made by the purchaser to the issuer and no interest accrues to the purchaser. Such transactions therefore involve a risk of loss if the value of the security to be purchased declines prior to the settlement date or if the value of the security to be sold increases prior to the settlement date. A sale of a when-issued security also involves the risk that the other party will be unable to settle the transaction. Dollar rolls are a type of forward commitment transaction. Purchases and sales of securities on a forward commitment basis involve a commitment to purchase or sell securities with payment and delivery to take place at some future date, normally one to two months after the date of the

transaction. As with when-issued securities, these transactions involve certain risks, but they also enable an investor to hedge against anticipated changes in interest rates and prices. Forward commitment transactions are executed for existing obligations, whereas in a when-issued transaction, the obligations have not yet been issued.

Exchange Traded Funds Risk (“ETFs”). THL Credit SLS invests from time to time in ETF’s whose shares may trade above or below their Net Asset Value (“NAV”). The NAV of the ETF will generally fluctuate with changes in the market value of the ETF’s holdings. The market prices of shares, however, will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, shares on the Exchange. The trading price of shares may deviate significantly from NAV during periods of market volatility.

High Yield Securities. Investments in “high yield” debt and preferred securities which are rated lower than investment grade by the various credit rating agencies (or in comparable non-rated securities) are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Securities that are rated BB+ or lower by Standard & Poor’s Ratings Group (“S&P”) or Ba1 or lower by Moody’s Investors Service (“Moody’s”) are often referred to as “junk bonds” and may include securities of issuers in default. “Junk bonds” are considered by the rating agencies to be predominately speculative and may involve major risk exposures such as: (i) vulnerability to economic downturns and changes in interest rates; (ii) sensitivity to adverse economic changes and corporate developments; (iii) redemption or call provisions which may be exercised at inopportune times; and (iv) difficulty in accurately valuing or disposing of such securities.

Non-Investment Grade Securities. Below investment-grade securities are more likely to pose a credit risk, as the issuers of these securities are more likely to have problems making interest and principal payments than issuers of higher-rated securities. Lower-rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher-grade securities, and prices of these securities may be more sensitive to adverse economic downturns or individual corporate developments. If the issuer of the securities defaults, investors may incur additional expenses to seek recovery. The secondary market in which below investment-grade securities are traded may be less liquid than the market for higher grade securities.

Non-U.S. Investments. Investments outside of the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-

exchangeability) as well as a range of other potential risks which could include, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and/or market manipulation. In addition, less information may be available regarding non-U.S. issuers, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, as stringent as or as uniform as those of U.S. companies. Further, non-U.S. securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside of the United States are generally higher than in the United States. Higher costs result because of the cost of converting a non-U.S. currency to U.S. dollars, the payment of fixed brokerage commissions on some non-U.S. exchanges and the imposition of transfer taxes or transaction charges by non-U.S. exchanges. There is generally less government supervision and regulation of non-U.S. exchanges, brokers and issuers than there is in the U.S. and there is greater difficulty in taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect performance.

Option Transactions. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, either to purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the purchaser of the option loses its premium. Selling options, on the other hand, involves potentially greater risk because the seller of the option is exposed to the extent of either a change in the volatility of the underlying security or instrument or the actual price movement in the underlying security or instrument in excess of the premium payment received. The ability to close out a position as purchaser of an exchange-listed option would be dependent upon the existence of a liquid secondary market on an exchange. Among the possible reasons for the absence of a liquid secondary market on an exchange are (i) insufficient trading interest in certain options; (ii) restrictions on transactions imposed by an exchange; (iii) trading halts, suspensions or other restrictions; (iv) interruption of the normal operations on an exchange; (v) inadequacy of the facilities of an exchange or similar facility to handle current trading volume or (vi) a decision by one or more exchanges to discontinue the trading of options.

Preferred Stock. Preferred stock has a preference over common stock in liquidation (and generally dividends as well) but is subordinated to the liabilities of the issuers in all respects. As a general rule, the market value of preferred stock with a fixed dividend rate and no conversion element varies inversely with interest rates and perceived credit risk, while the market price of convertible preferred generally also reflects some element of conversion value. Because preferred stock is junior to debt securities and other obligations of the issuer, deterioration in the credit quality of the issuer will cause greater changes in the value of a preferred stock than in a more senior debt security with similar stated yield characteristics. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

Private Placements. In addition to the risks that exist with respect to privately-placed securities due to the nature of such securities (i.e., risks associated with common stock), privately-placed securities are often illiquid. Illiquid securities include most securities the

disposition of which is subject to substantial legal or contractual restrictions. THL Credit SLS may experience significant delays in disposing of illiquid securities and may not be able to sell them for the price that was paid or the price at which THL Credit SLS has valued them. Transactions in illiquid securities may entail registration expenses and other transaction costs that are higher than those for transactions in liquid securities.

Small Companies. THL Credit SLS may invest in small and/or less well-established companies. While smaller companies generally have potential for rapid growth, they often involve higher risk because they lack the management experience, financial resources, product diversification and/or competitive strength of larger corporations. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities or loans of smaller companies may be subject to wider price fluctuations. In addition, due to thin trading in some of those stocks, bonds or loans, an investment in those stocks, bonds or loans may be considered less liquid than an investment in many large-capitalization stocks, bonds or loans. When making large sales, THL Credit SLS may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

Item 9 – Disciplinary Information

THL Credit SLS is required to disclose all material facts regarding any legal, financial or disciplinary events that would be material to a client’s evaluation of the firm or its management. THL Credit SLS has determined to notify clients of the following pending civil lawsuit against the Chief Executive Officer of THL Credit SLS’s for alleged conduct involving an unaffiliated entity.

James K. Hunt is the Chief Executive Officer of THL Credit SLS. He is also a director of Lender Processing Services, Inc. (“LPS”). As a director of LPS, he was personally named in a shareholder derivative lawsuit entitled International Brotherhood of Electrical Workers Local 164 Pension Fund, derivatively on behalf of Lender Processing Services, Inc. v. Lee A. Kennedy, et al. The complaint was filed on December 22, 2010 in the Court of Chancery in the State of Delaware. It sought recovery on behalf of LPS of damages from certain directors, including Mr. Hunt, for purported violations of fiduciary duties and breaches of good faith in connection with LPS’ default operations. On February 14, 2012, the parties filed a stipulation dismissing the complaint with prejudice. On January 21, 2011, a second derivative lawsuit entitled Michael Wheatley, derivatively on behalf of Lender Processing Services, Inc. v Jeffrey S. Carbiener, et al., was filed in the Circuit Court of the 4th Judicial Circuit, in and for Duval County, Florida. The second complaint also seeks damages from LPS’ directors, including Mr. Hunt, and certain current and former executives and contains nearly identical allegations. The parties have agreed to a voluntary stay in this matter.

Item 10 – Other Financial Industry Activities and Affiliations

The majority owner of THL Credit SLS is THL Credit Advisors LLC (“THL Credit”), a registered investment adviser with the SEC. THL Credit is a specialized high yield credit manager which provides investment management services to a business development company, THL Credit, Inc. (NASDAQ: TCRD). THL Credit, Inc. is an externally-managed, non-

diversified closed-end management investment company incorporated in Delaware on May 26, 2009, that has elected to be regulated as a business development company, or BDC, under the Investment Company Act of 1940, as amended. Its investment activities are managed by THL Credit and supervised by its board of directors, a majority of whom are independent of THL Credit and its affiliates, including THL Credit SLS.

THL Credit SLS, or its controlled affiliates, may act as the general partner or managing member of a private fund. As such, THL Credit SLS, or its controlled affiliates, will have the ability to control the management and operation of the private fund.

Apart from the foregoing, THL Credit SLS currently has no relationships or arrangements with related persons which are material to the advisory business or clients of THL Credit SLS.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

THL Credit SLS has policies that are designed to avoid conflicts of interest when its employees and officers own, buy or sell securities, including non-public securities. Personal securities transactions by employees and officers raise conflicts of interest when they trade in a security that is owned or being considered for purchase or sale by a client. THL Credit SLS has adopted a Code of Ethics (“Code”) in accordance with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act of 1940, as amended (“Company Act”), which includes employee trading rules designed to detect and prevent such conflicts of interest. Employee may not purchase or acquire securities of any publicly traded company; except that where an employee or a member of his or her immediate family or household serves as an employee, officer or director of a publicly traded company, a purchase of securities of said publicly traded company is allowed subject to preclearance by the Compliance Department. Sales or dispositions of securities in publicly traded companies must be approved in advance by the Compliance department. Transactions in certain other types of securities, as described in the Code of Ethics, are also required to be precleared, while transactions in certain other types of securities, as described in the Code, are not required to be precleared. In addition, employee trades are subject to minimum holding periods; and investments in initial public offerings are generally prohibited. Employees must report all trades (except those trades deemed as exempt from reporting) to Compliance quarterly, and all securities holdings (except exempted securities) are certified annually to Compliance. The Code also includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and reporting of gift and business entertainment. A complete copy of THL Credit SLS’ current Code may be obtained by sending a written request to: THL Credit Senior Loan Strategies LLC, Attention: Chief Compliance Officer, 1515 W. 22nd Street, Suite 1200, Oak Brook, IL, 60523.

THL Credit SLS may buy or sell securities or other instruments for its own account that it has recommended to clients. THL Credit SLS or its employees also may maintain investments in pooled and structured vehicles THL Credit SLS manages. Moreover, consistent with clients’ investment objectives, THL Credit SLS may recommend to clients the purchase or sale of securities in which it or its employees have a financial interest. These transactions are subject to

the Code's procedures regarding personal securities trading described above. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of THL Credit SLS will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing client trading while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt securities, based upon a determination that these would not materially interfere with the best interest of THL Credit SLS' clients. U.S. Government securities, bank certificates of deposit, and open-end mutual funds (not managed by THL Credit SLS) are examples of exempted securities. Transactions in exchange traded funds, closed-end funds, and unit investment trusts are not required to be precleared (unless THL Credit SLS serves as adviser or sub-adviser to the fund or trust). The Code also contains a "black-out period" that restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored using manual and automated preclearance processes, employee certifications and exception reporting. This process assists THL Credit SLS to reasonably prevent conflicts of interest between THL Credit SLS and its clients.

Participation or Interest in Client Transactions

It is THL Credit SLS's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. THL Credit SLS is not registered as, nor is it affiliated with, a broker-dealer.

To the extent permitted under applicable law, from time to time, when it may be appropriate for one client to purchase a security and for another to sell the same security (i.e., a cross trade), THL Credit SLS may place such cross trades for its clients with one or more broker-dealers or to effect the cross-trade through the applicable custodians in an attempt to seek the best execution for each client by obtaining reduced transaction or executions costs for each client. Since, in such transactions, THL Credit SLS will represent both the client-seller and the client-buyer, THL Credit SLS may have a conflict of interest given the obligation to seek the best price and most favorable execution. THL Credit SLS will not execute cross trades for client accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and when executing cross trades for registered investment companies, e.g. mutual funds, it will only do so in accordance with Section 17(a) of the Company Act.

THL Credit SLS may become aware of material, nonpublic information that might affect its ability to buy, sell, or hold a security for a client account. In addition, employees and officers of THL Credit SLS may occasionally serve as directors or officers of outside companies. In these situations, THL Credit SLS or its associated persons may obtain material, nonpublic or

other confidential information that, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, THL Credit SLS and its employees cannot improperly disclose or use this information for their personal benefit or for the benefit of any person, including clients of THL Credit SLS. If THL Credit SLS or its associated persons obtain nonpublic or other confidential information about any issuer, THL Credit SLS will have no obligation to disclose the information to any client or use it for any client's benefit. Due to these restrictions, a transaction in a client account may not be able to be initiated that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. THL Credit SLS has implemented policies and procedures reasonably designed to prevent the misuse of material, nonpublic information. Specifically, the procedures address the prohibition on trading on inside information, physical security and prohibited communications surrounding inside information, and the maintenance of restricted lists.

THL Credit SLS may be subject to certain additional conflicts of interest in its management of client accounts. These conflicts could arise primarily from the involvement of THL Credit SLS, THL Credit, THL and their affiliates (collectively, the "THL Group") in other activities that may conflict with those of client accounts. The THL Group engages in a broad spectrum of activities. In the ordinary course of their business activities, the THL Group may engage in activities where the interests of the THL Group or the interests of their clients may conflict with the interests of the THL Credit SLS clients. Other present and future activities of the THL Group may give rise to additional conflicts of interest which may have a negative impact on THL Credit SLS client accounts. In addition, officers, directors, members or employees of THL Credit SLS serve or may serve as officers, directors, principals, consultants to or members of entities that operate in the same or a related line of business, or of accounts sponsored or managed by the THL Group. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of THL Credit SLS client accounts.

In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, certain members of the THL Group, and its affiliates have implemented certain policies and procedures (e.g., information walls). For example, THL Credit and its affiliates may come into possession of material non-public information with respect to companies in which THL Credit SLS may be considering making an investment or companies that are THL Credit's and its affiliates' advisory clients. As a consequence, that information, which could be of benefit to THL Credit SLS client accounts, could also restrict the client account's activities and the investment opportunity may otherwise be unavailable to client accounts. Additionally, the terms of confidentiality or other agreements with or related to companies in which any account managed by THL Credit has or has considered making an investment or which is otherwise an advisory client of THL Credit and its affiliates may restrict or otherwise limit the ability of THL Credit SLS to direct investments in such companies.

The THL Group participate on creditor's committees with respect to the bankruptcy, restructuring or workout of issuers. In such circumstances, THL Credit SLS may take positions on behalf of itself and other accounts and clients that are adverse to the interest of other clients. As a result of such participation, THL Credit SLS may be restricted in trading in such issuers or securities of said issuers.

The Company Act also prohibits certain “joint” transactions with certain of THL Credit SLS affiliates, which could include investments in the same portfolio company (whether at the same or different times). As a result of these restrictions, THL Credit SLS may be prohibited from buying or selling any security directly from or to any portfolio company of a fund managed by THL Credit or their affiliates. These limitations may limit the scope of investment opportunities that would otherwise be available to THL Credit SLS client accounts.

All of the transactions described above involve the potential for conflict of interest between THL Credit SLS (or its employees) and its clients. The Advisers Act and the Company Act impose certain requirements designed to mitigate the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. Certain other transactions may be prohibited. THL Credit SLS has instituted policies and procedures designed to prevent conflicts of interest from arising and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with THL Credit SLS’ fiduciary duty to its clients and in accordance with applicable law. THL Credit SLS seeks to ensure that potential or actual conflicts of interest are appropriately resolved taking into consideration the overriding best interest of the applicable client.

THL Credit SLS and its affiliates have organized or advised, and may organize or advise in the future, investment vehicles that invest in similar or different investments. As noted in Item 10, clients may be solicited to invest in THL Credit SLS’ private funds for which THL Credit SLS serves or may serve as the general partner or managing member or in which employees of THL Credit SLS may hold positions of influence such as serving on the board of directors.

Item 12 – Brokerage Practices

General Considerations – Selecting / Recommending Dealers for Client Transactions

In selecting dealers for client transactions, THL Credit SLS’s policy, consistent with investment considerations, is to seek the most favorable price and execution (or “best execution”) for brokerage orders. Best execution is generally understood to be a combination of most favorable net price under the circumstances and prompt, reliable execution. When selecting a brokerage firm, THL Credit SLS may consider a number of factors, including but not limited to: the nature of the security being traded; the size and type of the transaction; the nature and character of the market for the security; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality, including trade anonymity; the quality of the execution, clearance and settlement services; financial stability of the broker-dealer, and the broker-dealer’s execution capabilities, including block positioning, and ability to obtain best price and execution. Spread or commission equivalents on all brokerage transactions are subject to negotiation, except in markets which have fixed commission rates or in the case of fixed price offerings. Negotiated markups and markdowns take into account the difficulty involved in execution, the time taken to conclude the transaction, the extent of the broker-dealer’s commitment, if any, of its own capital and the amount involved in the transaction. On relatively small trades, spreads can be a major factor in achieving most favorable price and execution. THL Credit SLS compares the spreads which an executing broker-dealer is offering to the spreads offered by the other brokerage firms which could provide similar services.

Broker-dealers may be paid an above-average commission equivalent for superior or difficult execution or for relatively small trades. For relatively large trades, commission rates or markups and markdowns (or “commission equivalents”) are not usually a major factor in achieving most favorable price and execution.

Research and Other Soft Dollar Benefits

THL Credit SLS considers the research capabilities of various brokerage firms through which it may invest consistent with the policy of seeking the most favorable net price and execution. These may include the reputation and standing of their analysts and their investment strategies, timing and accuracy of statistical information and idea generation. These supplemental research and statistical services generally consist of research reports or oral advice regarding particular companies, industries or general economic conditions.

THL Credit SLS primarily transacts in fixed income securities and does not typically transact in equities to generate commissions or commission equivalents. If THL Credit SLS generates commissions or commission equivalents for equity transactions it would be done in accordance with Section 28(e) of the Securities Exchange Act of 1934 and THL Credit SLS may pay higher commissions or commission equivalents to brokerage firms that provide it with investment and research information than to firms that do not provide such services if THL Credit SLS determines in good faith that such commissions are reasonable in relation to the overall services provided in terms of the particular transaction or in terms of THL Credit SLS’s overall responsibilities with respect to the accounts for which it exercises investment discretion. To the extent THL Credit SLS uses client brokerage commissions or commission equivalents to obtain investment and research information without having to pay for it, THL Credit SLS has an incentive to use brokers who agree to provide such investment and research services.

As stated above, THL Credit SLS primarily transacts in fixed income securities on a principal basis. If THL Credit SLS were to effect transactions with broker-dealers which pay for research services provided by third parties in accordance with Section 28(e) of the Exchange Act, such transactions would only include equity and fixed-income transactions effected on an agency or riskless principal basis. Section 28(e) permits an investment adviser, under certain circumstances, to cause an account to pay a commission to a broker-dealer who supplies brokerage and research services in excess of the amount of commission another broker-dealer would have charged for effecting the transaction. Brokerage and research services include:

- (a) furnishing advice as to the value of the securities, the advisability of investing, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities,
- (b) furnishing analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts not used for marketing purposes, and
- (c) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement and custody).

THL Credit SLS executes securities transactions with multiple executing dealers who provide the firm with access to proprietary research reports (such as standard investment research). To the best of our knowledge, these and other products and services are generally made available to all institutional investors doing business with such dealers. These bundled services are made available to THL Credit SLS on an unsolicited basis and without regard to the

rates of commissions charged or paid, or the volume of business THL Credit SLS directs to such dealers. THL Credit SLS does not separately compensate such dealers for the provision of such services.

It is possible that THL Credit SLS could receive products or services which are used for both research and other purposes, such as for administration or marketing. In such cases THL Credit SLS will make a good faith effort to determine the relative proportions of such products or services which may be attributed to research. The portion attributable to research may be paid through client brokerage commissions and the non-research portion will be paid in cash by THL Credit SLS.

Research services provided by broker-dealers through whom THL Credit SLS effects transactions for a particular account may be used by THL Credit SLS in servicing its other accounts and not all such services may be used for the benefit of the client who pays the brokerage commission which results in the receipt of such research services. Commission or commission equivalents paid to broker-dealers providing research services may be higher than those charged by brokers not providing such services. THL Credit SLS has established a Trade Management Committee which consists of one or more representatives from each of the following areas: Portfolio Management, Trading and Legal/Compliance. The Trade Management Committee meets periodically to review brokerage allocation activity of the firm among dealers and across product sectors, approve new broker-dealers, review best execution reports and to approve any new arrangements for soft dollar research and brokerage service provided by brokers. This committee serves as the focal point in managing THL Credit SLS's brokerage allocation practices so as to ensure that those practices comply with applicable law and THL Credit SLS's policies and procedures.

Client Directed Brokerage

THL Credit SLS currently does not have any directed brokerage accounts.

Trade Aggregation and Allocation

Investment decisions for each client account generally are completed independently. However, THL Credit SLS may purchase or sell the same securities for a number of client accounts simultaneously. When deemed to be in the best interests of clients, orders for the same security are combined or "batched" to facilitate best execution and reduce brokerage commissions or other trading costs. For securities that trade in liquid markets (e.g., U.S. Government or Agency securities), orders may not be batched in situations where speed of execution is important and sufficient quantities exist such that execution quality is not likely to be impacted. When effecting batched transactions, THL Credit SLS follows procedures that are designed to ensure that no participating client is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for those securities purchased, for that batched order. If THL Credit SLS is unable to fully execute a batched transaction, the securities are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. THL Credit SLS may, however, depending on the underlying investments, increase or decrease the amount of securities allocated to each account, by applying various de minimis standards in order to avoid holding odd-lot or small numbers of securities for particular clients. Additionally, if THL Credit SLS

determines that it would be impractical or inappropriate to allocate such securities among the accounts participating in the transaction on a pro-rata basis, it may allocate such securities in a manner in good faith deemed to be a fair allocation taking into account such considerations, including, but not limited to:

- the assets of such accounts
- the respective size of such accounts
- the amount of securities proposed to be purchased or sold in the accounts
- diversification within the respective accounts
- assignment fees
- credit ratings
- LIBOR spread
- country of domicile
- loan security package and documentation.
- the investment objectives of the accounts
- liquidity and cash available for investment in each account, and
- the availability of alternative securities which otherwise accomplish the investment objectives of the accounts.

In situations where purchases of securities in an underwritten public offering (“fixed income new issues”) are considered at the same time for two or more clients, the transactions in such securities will be allocated among the clients in the manner described above that is deemed to be fair and equitable by THL Credit SLS. The exact allocation procedures utilized may vary depending on the type and nature of the securities being allocated and the accounts involved in such allocations.

Cross Transactions

To the extent permitted under applicable law, from time to time, when it may be appropriate for one client to purchase a security and for another to sell the same security (i.e., a cross trade), THL Credit SLS may place such cross trades for its clients with one or more broker-dealers or to effect the cross-trade through the applicable custodians in an attempt to seek the best execution for each client by obtaining reduced transaction or executions costs for each client. Since, in such transactions, THL Credit SLS will represent both the client-seller and the client-buyer, THL Credit SLS may have a conflict of interest given the obligation to seek the best price and most favorable execution. THL Credit SLS will not execute cross trades for client accounts that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and when executing cross trades for registered investment companies, e.g. mutual

funds, it will only do so in accordance with Section 17(a) of the Investment Company Act of 1940.

Trade Errors

THL Credit SLS has adopted a trade error policy designed to ensure that any errors caused by the firm are resolved in the best interests of the client in a timely manner.

Delegation and Use of Agents

THL Credit SLS may, at its own discretion, employ agents to perform any administrative or ancillary services required to enable it to perform its services hereunder without further notification to or consent of client, provided that any such delegation shall be revocable by THL Credit SLS. We will act in good faith and with due diligence in the selection, use and monitoring of such agents. THL Credit SLS shall remain responsible for its obligations hereunder and for all actions of any such agents to the same extent as THL Credit SLS is liable for its own actions hereunder.

Item 13 – Review of Accounts

THL Credit SLS performs day-to-day portfolio credit monitoring which consists of reviewing and analyzing the financial condition of all portfolio credits on a continuous basis. Regular staff meetings allow for the review and discussion of market conditions and portfolio price movements, the forward calendar, secondary market activity and watch list credits. Client accounts are reviewed on a weekly, monthly, quarterly and annual basis. This review focuses on adherence to investment guidelines, execution of investment strategy, credit risk, performance and leverage guidelines, if applicable. These reviews are performed by the THL Credit SLS portfolio managers and traders.

Senior loan transactions are governed by terms and conditions in the form of a credit agreement, which contains numerous restrictive covenants with which to comply. These covenants place limitations on certain activities, particularly in the areas of financial performance, indebtedness, and acquisitions, in order to provide the senior lending group with a level of control throughout the duration of the credit facilities. High yield instruments are typically governed by terms and conditions in the form of a trust indenture, which also contains numerous restrictive covenants with which to comply. THL Credit SLS closely monitors covenant maintenance and stresses its importance in the credit monitoring process.

THL Credit SLS's investors receive written reports from that vary according to investment product (i.e., separate account, private fund or CLO) but typically consist of monthly summaries of account characteristics, performance information and market commentary.

Private fund investors will receive a quarterly statement from the fund's administrator. Private fund investors will also receive audited financial statements within 120 days of the fund's fiscal year-end.

Item 14 – Client Referrals and Other Compensation

Although THL Credit SLS has no current solicitation arrangements in place, it may in the future decide to pay fees to persons for client referrals, as permitted by Rule 206(4)-3 of the Investment Advisers Act of 1940. Such fees would be paid by THL Credit SLS and not by the client. THL Credit SLS will not charge the referred client a higher fee to compensate for the fee it pays to the solicitor.

THL Credit SLS has entered into one or more placement arrangements with an unaffiliated third party to solicit investors in the THL Credit Loan Opportunity Fund or the THL Credit Bank Loan Select Fund. THL Credit SLS will pay the third party a portion of the management fees earned in respect of investors introduced by such third party. Such fee sharing will not increase the fees charged to an investor.

Item 15 – Custody

THL Credit SLS does not act as custodian or maintain physical possession of client funds and securities. Separate account clients may receive a statement from the custodian as well as from THL Credit SLS. Clients are urged to compare the statements for accuracy. THL Credit SLS's statements may vary from custodial statements because of differences in accounting procedures, reporting dates, or valuation methodologies of certain securities.

THL Credit SLS may act as general partner or investment adviser to a limited partnership and therefore may be deemed to have custody of client assets. However, all clients' assets are held at qualified custodians and subject to an annual audit that is provided to investors within 120 days after fiscal year end.

Item 16 – Investment Discretion

THL Credit SLS accepts discretionary authority to supervise and direct investments for and on behalf of its client accounts. THL Credit SLS assumes this authority through the execution of an investment advisory agreement with the client which explains the nature of THL Credit SLS's authority to buy and sell investments in the account subject to the terms of written investment policies and guidelines established by the client.

THL Credit SLS has discretion to establish, maintain and deal through accounts with one or more brokerage firms that it selects unless a client limits this authority by requiring that all or a portion of the client's transactions be executed through a broker/dealer. This type of limitation, called *Directed Brokerage*, is discussed further in Item 12 – "Brokerage Practices."

Other limitations on THL Credit SLS's authority vary depending upon an individual client's investment policies and guidelines. For example, a client may limit THL Credit SLS's authority by prohibiting or limiting the purchase of certain security types or industry sectors. In some cases, the client may direct THL Credit SLS to hold securities transferred by the client upon the commencement of the account relationship even though they may not be in compliance with the client's investment policy.

Item 17 – Voting Client Securities

THL Credit SLS does not generally vote proxies on behalf of its clients' accounts, as proxy voting is not applicable to the bank loan asset class. However, THL Credit SLS may occasionally participate in a loan workout or creditor committee and THL Credit SLS will represent its clients' long term best economic interest without regard for its own personal interest.

In the event THL Credit SLS is ever required to vote a proxy on behalf of a client account due to a spin off of securities received from reorganization or a bankruptcy, THL Credit SLS will vote all proxies in accordance with its policy of seeking its clients' best long term economic interest. THL Credit SLS has adopted proxy voting guidelines that are designed to provide guidance with respect to certain types of voting proposals that may arise. The guidelines have been developed in part on the belief that the quality of management is critical to the investment success of any portfolio company. Hence, THL Credit SLS tends to vote most routine matters in accordance with management recommendations, provided there is no conflict with shareholder value. At the same time, when THL Credit SLS believes that the position of the management of a portfolio company is not in the best interests of shareholders, it will vote against management's recommendation.

In instances where a potential conflict of interest exists, THL Credit SLS will provide the client with sufficient information regarding the shareholder vote and the potential conflict so that the client can make an informed decision regarding whether or not to consent.

A complete copy of the current Proxy Voting Policies, Procedures and Guidelines may be obtained by sending a written request to THL Credit Senior Loan Strategies, LLC, Attention: Chief Compliance Officer, 1515 W. 22nd Street, Suite 1200, Oak Brook, IL 60523.

Item 18 – Financial Information

There are no financial conditions that are likely to impair THL Credit SLS' ability to meet its contractual commitments to clients. THL Credit SLS is not otherwise required to provide financial information about its financial position.

FACTS

WHAT DOES THL CREDIT SENIOR LOAN STRATEGIES LLC DO WITH YOUR PERSONAL INFORMATION?

WHY?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

WHAT?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and risk tolerance
- Account balances and assets
- Transaction history and investment experience

When you are *no longer* our customer, we continue to share your information as described in this notice.

HOW?

All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons THL Credit Senior Loan Strategies LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does THL Credit Senior Loan Strategies LLC share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	No	We don't share

Questions?

Call (630) 320-8760 or go to www.thlcredit.com

Who we are

Who is providing this notice?	THL Credit Senior Loan Strategies LLC
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What we do

How does THL Credit Senior Loan Strategies LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does THL Credit Senior Loan Strategies LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Open an account or give us your contact information • Deposit money or seek advice about your investments • Enter into an investment advisory contract
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes – information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>THL Credit Senior Loan Strategies LLC affiliates include its parent company, THL Credit Advisors LLC and THL Credit, Inc.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • <i>THL Credit Senior Loan Strategies LLC does not share with nonaffiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • <i>THL Credit Senior Loan Strategies LLC does not share with nonaffiliates so they can market to you</i>