

FORM ADV Part 2A Firm Brochure as of March 24, 2016

Babson Capital Global Advisors Limited

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This brochure provides information about the qualifications and business practices of Babson Capital Global Advisors Limited (“BCGA”). If you have any questions about the contents of this firm brochure, please contact us at +44 203 206 4678 or at rkent@babsoncapital.com. 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.

Additional information about BCGA is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply that BCGA possesses any certain level of skill or training.

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SEC File Number: 801-73074

Date: March 24, 2016

Item 2 – Material Changes

Item 4 – Since registering with the SEC, BCGA's assets under management have increased to US\$11,723,227,299 (as at 31 December 2015).

Item 12 – Updated Allocation Procedures – High Yield and Allocation Procedures – Private Finance

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Item 4 – Advisory Business

BCGA is a private limited company organized under the laws of England and Wales. It is a wholly-owned indirect subsidiary of Babson Capital Management LLC (“Babson Capital Management”), which in turn is a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”) and a member of the MassMutual Financial Group. The MassMutual Financial Group is a family of financial services companies providing investment management services and individual protection insurance to clients worldwide.

BCGA was formed on 5 May 2011 and acquired by Babson Capital Management (UK) Limited (formerly known as Babson Capital Europe Limited) (“Babson Capital (UK)”) on 25 May 2011. It was authorized by the Financial Services Authority (“FSA”) of the United Kingdom on 21 October 2011 and has been regulated in the United Kingdom by the FSA’s successor, the Financial Conduct Authority (“FCA”), since 1 April 2013.

BCGA was granted registration with the SEC on 7 February 2012. It commenced trading as an investment adviser on 30 March 2012.

Babson Capital (UK) filed with the SEC as an exempt reporting adviser on 29 March 2012 (SEC File Number 802-75339).

BCGA provides a broad range of investment advisory and management services to sophisticated investors. BCGA also provides investment advisory and management services to its ultimate parent company, MassMutual, and certain of MassMutual’s subsidiaries and affiliates. It also provides services to other investors, including investment companies registered with the SEC pursuant to the Investment Company Act of 1940, as amended (the “1940 Act”).

To provide these services, BCGA’s investment activities are divided as follows:

- A. The HIGH YIELD GROUP primarily manages senior secured loans, publicly issued senior secured bonds, high yield bonds, special situations and distressed debt. It seeks to achieve superior, risk adjusted returns from portfolios built through disciplined credit selection and prudent diversification.
- B. The PRIVATE FINANCE GROUP manages certain types of loan and private equity investments. Its capabilities include mid-market senior loans, mezzanine loans, unitranche loans, payment-in-kind (PIK) loans, loan stock, private equity securities and limited partnership interests.
- C. The EMERGING MARKETS GROUP manages certain types of emerging markets high yield corporate bonds. It seeks to achieve superior, risk adjusted returns from portfolios built through discipline credit selection and prudent diversification.

The investments made by the High Yield Group and the Private Finance Group are primarily issues by companies organized (or with substantial operations) in Western Europe.

The investments made by the Emerging Markets Group are primarily issued by companies organized in the developing countries of Europe and countries in the regions of Africa, Asia, the Middle East and Latin America.

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In addition to the investments mentioned elsewhere in this Part 2A, BCGA may invest in any security or financial instrument consistent with client investment policies and restrictions.

BCGA provides investment management and advisory services in standard and customized specific account formats. These services are provided pursuant to a written investment advisory agreement between BCGA and each client under which BCGA agrees to manage the client's funds in accordance with client-mandated investment objectives. BCGA tailors services based on the client's or prospective client's individual needs. For example, depending on the client's individual needs, BCGA may create a separately managed account for the client's investment and allow the client to provide specific investment objectives and guidelines for that account. BCGA may also allow the client to impose specific restrictions on investments, including types of investments within a separately managed account. BCGA does not participate in any wrap fee programs.

BCGA's institutional investment styles have minimum investment requirements. In general, for separate or individually-managed institutional accounts, the minimum investment requirement is approximately \$125 million. BCGA may also decide to offer commingled investment vehicles for some of its strategies; the minimum investment requirement for these vehicles will be determined on a case-by-case basis. BCGA retains the ability to waive the minimum investment requirement in its sole discretion.

Assets Under Management:

As at 31 December 2015 BCGA's regulatory assets under management were US\$11,723,227,299 (converted into US dollars (where necessary) from the relevant local currencies in which the assets are denominated).

Item 5 – Fees and Compensation

Advisory Fees:

I. Institutional Separate Accounts

BCGA does not offer investment advice to institutional separate accounts in a standardized format. Instead, it offers investment advice to institutional clients in customized mandates, as described above. Fees for these accounts are negotiated on a case-by-case basis, but generally are based on the assets being managed by BCGA, payable on a quarterly basis in arrears. Fees for these accounts are billed by invoice by BCGA directly to the vehicle set up for the mandate (or, if none, to the client). Where a third party administrator has been appointed in relation to an account, such administrator calculates and deducts fees in accordance with the investment advisory agreement. Like fees, other terms of the investment advisory agreement, such as termination and notice requirements, are negotiated on a case-by-case basis.

BCGA also expects to offer investment advice to private investment fund clients. These services will be provided pursuant to written investment advisory agreements between BCGA and the client. Fees for these accounts will be calculated and deducted from such client's assets by the third party administrator in accordance with the investment advisory agreement and will generally be payable in arrears. Fees will typically be calculated monthly or quarterly pursuant to the investment advisory agreement.

It is anticipated that clients of BCGA may enter into agreements with other service providers such as custodians or administrators, and such service providers may charge the clients additional fees. It is expected that investors in private investment funds or registered investment companies managed or sub-

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advised by BCGA will pay additional fund related fees. Clients may also pay certain brokerage and transaction fees in connection with investment activity in their portfolios. For a discussion of these brokerage and transaction fees, please refer to Item 12 – Brokerage Practices.

BCGA does not have any arrangements whereby it or its supervised persons are paid for the sale of securities or other products.

II. Affiliate Accounts

BCGA manages certain investment portfolios of its ultimate parent company, MassMutual (and certain of its affiliated companies), on a sub-advisory basis. BCGA charges asset based fees in relation to those accounts.

III. Registered Investment Companies

BCGA acts as a sub-adviser to certain closed-end investment companies, which are registered with the SEC under the 1940 Act. Complete information concerning each SEC-registered investment company, including advisory and sub-advisory fees, minimum account requirements (if any) and termination provisions, will be disclosed in the prospectus and/or statement of additional information of such SEC-registered investment company.

IV. Private Investment Funds

BCGA may provide investment advisory and management services to private investment funds or other investment or finance entities. Management services for these accounts may include BCGA serving as adviser, sub-adviser, collateral manager, portfolio manager or co-manager. Fees and other terms would be negotiated on a fund-by-fund basis. Fees for each private investment fund managed by BCGA will be disclosed in the offering materials for such private investment fund. Additional information pertaining to any private funds managed will also be filed on Part 1 of Form ADV.

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

BCGA may receive performance-based fees in relation to the advisory accounts that it manages such as a regulated collective investment scheme or a mezzanine loan fund. Affiliates of BCGA (including Babson Capital (UK)) may also receive performance-based fees in relation to the advisory accounts that they manage and may have an ownership or economic interest in certain private investment funds that may be managed by BCGA. In addition, the investment professionals of BCGA are also employees of Babson Capital (UK) and may have an ownership or economic interest in certain private investment funds and/or other accounts managed by Babson Capital (UK). BCGA recognizes that such arrangements may create potential conflicts of interest. To address these conflicts, BCGA has adopted a Conflicts Management Policy and a Remuneration Policy to identify and describe the manner in which BCGA addresses the conflicts of interest that can arise when affiliates of BCGA and/or their respective employees have an ownership or economic interest in a private investment fund or account managed by BCGA or Babson Capital (UK) and may potentially have an incentive to favour that private investment fund or account over BCGA's other advisory clients.

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Potential Conflicts Among Advisory Clients:

Investment Allocations: Allocation of aggregate trades, particularly trades that are only partially filled as a result of the limited availability of desired securities, could be viewed as raising a potential conflict of interest, as BCGA or its investment professionals may have an incentive to allocate securities that are expected to increase in value to certain advisory clients, such as advisory accounts in which affiliates of BCGA and/or their respective investment professionals have an ownership or economic interest. To address the potential conflict of interest, all allocations of investment opportunities and allocations of aggregated trades for client accounts are required to be made in accordance with BCGA's fund allocation procedures (that form part of the investment policies and procedures manual of BCGA) (the "Fund Allocation Procedures"), which are summarized below in Item 12 – Trade Aggregation.

Cross Trading: Despite their potential benefits to clients, cross trades among advisory clients of BCGA could be effected in a manner perceived to favour one advisory client over another. BCGA could be viewed, for example, as crossing trades that are expected to increase in value from an advisory account to a private investment fund in order to benefit itself as a result of the ownership or economic interest of affiliates of BCGA and/or their respective employees in the private investment fund. To address the potential conflict of interest, cross trades involving a private investment fund and other advisory clients are required to comply with BCGA's Fund Allocation Procedures and its Order Execution Policy, which ensure any such cross transaction is consistent with BCGA's fiduciary obligations to act in the best interests of its clients, including its ability to obtain best execution in connection with the cross-trade transaction, and is in compliance with applicable legal and regulatory requirements.

Allocation of Time and Resources; Patterns of Trading: The head(s) of each investment group are responsible for periodically monitoring the performance, portfolio composition and trading activity, as appropriate, of all accounts managed by each investment professional in his or her respective investment group who manages private investment funds in which BCGA and/or its affiliates and/or their respective employees have an ownership or economic interest to ensure that there is no pattern suggesting that the investment professional (i) inappropriately favoured such private investment fund(s) with respect to the time or resources expended in managing the fund(s) or the allocation of investment opportunities or (ii) purchased or sold securities in other advisory accounts for the purpose of benefiting positions held by the private investment fund.

Potential Conflicts of Interest with Private Investment Fund Investors:

Personal Securities Transactions: All investment professionals are required to comply with the Global Code of Ethics and Personal Securities Transactions Policy adopted by Babson Capital Management, Babson Capital (UK) and BCGA (the "Code of Ethics"), which is summarized below in Item 11 – "Code of Ethics".

Due to the diverse nature of the investment strategies that may be employed by a private investment fund and the diverse nature of the responsibilities of BCGA's investment professionals assigned to manage such funds, this Item 6 is not exhaustive in identifying all the potential conflicts of interest that may arise when BCGA, its affiliates and/or investment professionals have an ownership or economic interest in a private investment fund for which they are responsible. No ownership or economic interest in a private investment fund may be awarded, nor will an investment professional be permitted to invest in a private investment fund (or the entity receiving the performance fee or profit allocation from such fund) unless and until the Chief Compliance Officer has determined that the potential conflicts of interest have been identified and addressed.

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Item 7 – Types of Clients

BCGA provides a broad range of investment advisory and management services to sophisticated investors including investment companies registered with the SEC pursuant to the 1940 Act, and foundations. It is anticipated that, in due course, they will also include, among others, pension plans, family offices, endowments, government entities and agencies, insurance companies, banks and private investment funds.

BCGA's institutional investment styles have minimum investment requirements. In general, for separate or individually-managed institutional accounts, the minimum investment required is approximately \$125 million. BCGA may also decide to offer commingled investment vehicles for some of its strategies; the minimum investment requirement for these vehicles will be determined on a case-by-case basis. BCGA retains the ability to waive the minimum investment requirement in its sole discretion.

Customer Identification Program Notice:

To help fight the funding of terrorism and money laundering activities, English law and U.S. federal law require financial institutions, including BCGA, to obtain, verify and record information that identifies each investor and person who opens an account on behalf of an investor. This means that BCGA may request from such person his or her name, address, date of birth, social security or other government issued identification number and any other such information as determined necessary to allow BCGA to identify him or her. BCGA may also ask for identifying documents so that it can verify his or her or an institution's identity and may also verify the identity through non-documentary means, such as through the comparison of the information provided by such person with information provided by public databases or other sources. If a person refuses or is unable to provide the information requested, BCGA in its discretion may refuse to open an account for the investor.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

BCGA uses economic, fundamental, technical and quantitative analyses. Economic analysis emphasizes ongoing review of economic and financial data that impact key macroeconomic variables such as interest rates, exchange rates, and the GDP of key countries and international industrial sectors which are relevant to the performance of portfolio companies. Fundamental analysis examines qualitative and quantitative factors to determine an issuer's current financial strength and expected future performance. Factors examined often include: historic and projected company financial results, credit metrics, capital structure, management assessment, financial discipline, competitive forces, economic analysis and life cycle analysis. Technical analysis involves a daily analysis of yields relative to other asset classes and other indicators as deemed appropriate in the marketplace. Quantitative analysis involves a daily analysis of the risk and return characteristics of securities and portfolios. BCGA may use proprietary models as well as models developed by third parties to enhance its analysis and to augment its risk analytic and performance attribution systems.

Sources of Information:

BCGA, particularly with respect to loan and private equity investments, often relies on information supplied directly by the respective issuers or agents and private equity sponsors and their advisers. BCGA

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may also use media sources including, but not limited to, Financial News, Capital Structure, Bloomberg, S&P's Leveraged Commentary and Data and Markit.

Investment Strategies:

European High Yield

BCGA's European high yield efforts are managed by a team in London. BCGA's strategy is to invest in senior secured loans, senior secured bonds, high yield bonds, special situations and distressed debt in Western Europe. BCGA's portfolio management strategy is based upon building diversified portfolios of issuers and industries. BCGA generally manages portfolios to a total return, typically looking to generate high current income and, where appropriate, capital appreciation. Generally, BCGA bases its credit decisions on fundamental bottom-up analysis incorporating industry trends and broad economic themes as appropriate, unless it is felt that a portfolio requires hedging against macro-economic events in which case a top down analysis may be considered.

European Private Finance

BCGA's European private finance efforts are managed by a team in London. BCGA's strategy generally is to invest in private debt in private equity sponsored transactions. BCGA's private finance team has actively built long-term relationships with a diverse group of private equity sponsors that produce new deal opportunities. A key tenet of BCGA's strategy is to build a portfolio of private debt investments that is well diversified, thus limiting exposure to any particular company, industry or geography.

Emerging Markets

BCGA's emerging markets investment strategy is to invest in bond issuances by emerging market corporations. BCGA generally manages portfolios to a total return, typically looking to generate high current income and, where appropriate, capital appreciation. BCGA bases its credit decisions on fundamental bottom-up analysis incorporating industry trends and broad economic themes as appropriate.

Material Risks:

Convertible Security Risk (a material risk for Emerging Markets Corporate Debt): This strategy may invest in convertible securities, which include corporate notes or preferred stock, but are ordinary long-term debt obligations of the issuer convertible at the stated exchange rate into common stock of the issuer. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying the convertible securities exceeds the conversion price, the price of the convertible securities tends to reflect the value of the underlying security common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and may not depreciate to the same extent as the underlying common stock. Convertible securities generally rank senior to common stocks in the issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security.

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Credit Risk (a material risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt, and European Private Debt): Investments in fixed income securities may involve risk exposure tied to the credit risk of the obligor on the purchased loans and securities, which is determined by the obligor's ability to make required interest and principal payments.

Currency Risk (a material risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt, and European Private Debt): These strategies may take currency exposure to multiple currencies on an opportunistic basis, including, but not limited to, the Argentine Peso, Australian Dollar, Brazil Real, Canadian Dollar, Chilean Peso, Chinese Yuan, Columbian Peso, Euro, Hungarian Forint, Indonesian Rupiah, Japanese Yen, Kenyan Shilling, Korean Won, Malaysian Ringgit, Mexican Peso, New Zealand Dollar, Nigerian Naira, Peruvian Nuevo Sol, Polish Zloty, Romanian Leu, Russian Ruble, South African Rand, Thai Baht, Turkish Lira and Sterling. Currency exposure to both emerging markets and developed countries, including cross-currency positions, which are not related to bond and cash equivalent positions, may be assumed. Currency hedging activities and active currency positions will be implemented using spot and forward foreign currency exchange contracts and currency futures, options and swaps.

Default Risk (a material risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt, and European Private Debt): The market value of debt securities will generally fluctuate with, among other things, general economic conditions, world political events, developments or trends in any particular industry, the conditions of financial markets and the financial condition of the obligors. Therefore, if an event of default occurs with respect to the debt securities, there can be no assurance that the proceeds of any sale of the debt securities will be sufficient to pay in full amounts payable, expenses and the amount of principal and interest owed with respect to such debt securities.

Derivative/Counterparty Risk (a material risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt, and European Private Debt): Some swap contracts, contracts for differences and other over-the-counter derivatives are not cleared through clearinghouses or execution facilities, rather banks and dealers act as principals in these markets. As a result, derivatives are subject to the risk of the inability or refusal of a participant to perform with respect to such contracts. Participants in the uncleared over-the-counter derivatives market may in some cases not be regulated by any regulatory authority. In addition, adverse market movements may occur while replacement transactions are executed. Over-the-counter derivatives may also expose participants to additional liquidity risks.

Emerging Markets (a material risk for Emerging Markets Corporate Debt): There are greater risks involved in emerging markets than in developed foreign markets. Specifically, the economic structures in emerging markets are less diverse and mature than those in developed countries and their political systems are less stable. Investments in emerging markets may be affected by national policies that restrict foreign investment. Information about emerging market issuers may not be readily available and reporting and disclosure requirements may be less sophisticated than in developed markets. Emerging markets may have less developed structures and the small size of their securities markets and low trading volume can make investments illiquid and more volatile than investments in developed countries. As a result, the emerging markets strategies may be required to establish special custody or other arrangements before investing.

Equity Market Risk (a material risk for European Private Equity): Private equity securities may involve substantial risk and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses.

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Illiquidity of Investments (a material risk for European Private Finance): Private debt and private equity investments consist of private, illiquid securities. There is often no readily available after-market to sell private debt or private equity investments and BCGA must rely on private equity sponsors to refinance or to sell a company for realisations.

Interest Rate Risk (a material risk for the following investment strategies: European High Yield and Emerging Markets Corporate Debt): Interest rate changes may affect the value of a debt security indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of securities whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt security and falling interest rates will have a positive effect on price. Adjustable rate securities also react to interest rate changes in a similar manner although generally to a lesser degree (depending on the characteristics of the reset terms, including the index chosen, frequency of reset and reset cap and floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in securities with uncertain payment or prepayment schedules.

Investments are Subordinate (a material risk for European Private Debt): Private debt securities are subordinate to certain other obligations of a company (in respect of payments and the right to share in the proceeds of the enforcement of security interests, mortgages and other liens). A private lender's rights and remedies are generally limited and can be delayed pursuant to contractual agreements with a senior lender.

Nature of Private Debt Securities (a material risk for European Private Debt): Investing in private debt securities includes a possibility that adverse changes in the general economic conditions of a company may adversely affect a company's ability to pay principal and interest on its debt obligations. Also, companies are leveraged and specific developments, such as reduced cash flow from operations or the inability to refinance debt at maturity, may adversely affect a company's ability to meet its debt service obligations.

Political and/or Regulatory Risk (a material risk for European Markets Corporate Debt): The value of assets may be affected by uncertainties, such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which the assets are exposed through investment.

Prepayment Risk (a material risk for the following investment strategies: European High Yield and Emerging Markets Corporate Debt): The frequency at which prepayments occur are affected by a variety of factors including interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. Generally, prepayments occur on fixed rate obligations when prevailing interest rates fall below coupon rates and on floating rate obligations when spreads narrow. There are two adverse effects of prepayments: (1) investments may experience outright losses; and (2) investments may underperform relative to hedges that may have been constructed for these markets, industries or securities.

Restricted Investments; Liquidity of Investments (a material risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt, European Private Finance): Senior secured loan, senior secured bond and high yield bond investments are subject to legal or other restrictions on transfer or for which no liquid market exists. The market price, if any, for such assets tends to be volatile and BCGA may not be able to sell them when it desires to do so or realise what it perceives to be their fair value in the event of a sale. The sale of restricted and/or illiquid securities often requires more time and results in high broker charges or dealer discounts and other selling expenses than does the sale of

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securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Small Capitalization Companies/Limited Operating History (a material risk for the following investment strategies: Emerging Markets Corporate Debt and European Private Finance): From time to time, a significant portion of assets may be invested in securities of small capitalization companies and recently organized companies. Small capitalization companies generally are not as well known to the investing public and have less of an investor following than larger capitalization companies. Consequently, small capitalization companies are often overlooked by investors or are undervalued in relation to their earnings power. These relative inefficiencies in the marketplace may provide greater opportunities for long-term capital growth. Historically, however, such securities have been more volatile in price than those of larger capitalized, more established companies included in the S&P 500 Index or FTSE 100 Index. The securities of small capitalization and recently organized companies pose greater investment risks because such companies may have limited product lines, distribution channels and financing and managerial resources. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. These securities are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, it may be necessary to dispose of such securities or cover a short position over a longer (and potentially less favourable) period of time than is necessary to dispose of or cover a short position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volume. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investment are often higher than those of larger capitalization companies.

General Risks (a material risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt, European Private Finance): Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on dividend or interest payments, limitations on the removal of funds or other assets, political or social instability or diplomatic developments. An obligor may be domiciled in a country other than either the country in whose currency the instrument is denominated or in which an investor is domiciled. Such issues may adversely affect the return received by investors. The values and relative yields of investments in the debt and equity capital markets of different countries, and their associated risks, are expected to change independently of each other.

Risk of Loss (a risk for the following investment strategies: European High Yield, Emerging Markets Corporate Debt and European Private Debt):

The risks described above are not a complete list of all risks associated with the described investment strategies. Investing in securities of any type is speculative and can involve a high degree of risk. Investing in securities involves the risk of loss, sometimes of an entire investment, that clients should be prepared to bear.

Item 9 – Disciplinary Information

Item 9 is not applicable.

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Item 10 – Other Financial Industry Activities and Affiliations

As noted in Item 4 – Advisory Business, BCGA was authorized by the FCA (formerly known as the FSA) on 21 October 2011 (Firm reference no. 552931) and was granted registration with the SEC on 7 February 2012 (SEC File Number 801-73074).

Babson Capital Management is a registered investment adviser under the 1940 Act. Babson Capital Securities LLC (formerly known as Babson Capital Securities Inc.) (“Babson Capital Securities”) is a wholly-owned subsidiary of Babson Capital Management and an SEC- registered broker-dealer and member of the Financial Industry Regulatory Authority. Babson Capital Securities also relies on the International Dealer exemption with the Ontario Securities Commission, the Quebec Financial Markets Authority and the British Columbia Securities Commission. Babson Capital Securities acts as a placement agent for private investment funds, including funds sponsored and/or advised by affiliates of BCGA, as well as from time to time, unaffiliated third parties. As such, Babson Capital Securities may receive compensation for its placement services, including, but not limited to, placement services related to the offering and sale to BCGA clients of private investment funds sponsored and/or advised or sub-advised by BCGA, its affiliates or unaffiliated third parties.

Please see the response under Item 5 above for a description of the registered, open-end and closed-end investment companies and the private investment funds and other investment or finance entities for which BCGA serves as adviser or sub-adviser (or for which it is contemplated that it will do so in the future). Affiliates of BCGA and their employees may have investments in the investment funds that BCGA advises. Employees of BCGA and its affiliates serve as officers, directors and/or trustees of certain investment funds and other investment or finance entities that will be advised by it or are advised by affiliates of BCGA.

BCGA is directly owned by Babson Capital (UK), a private limited company incorporated in England and Wales and authorized and regulated in the conduct of investment business by the FCA (Firm reference no. 194662). Babson Capital (UK) filed with the SEC as an exempt reporting adviser on 29 March 2012 (SEC File Number 802-75339). BCGA and Babson Capital (UK) have entered into a services agreement whereby Babson Capital (UK) provides staff (including investment professionals), office space and certain administrative services to BCGA (including, but not limited to, financial accounting, and technology services). Babson Capital (UK) acts as a placement agent for private investment funds, including funds sponsored and/or advised by affiliates of BCGA. In the future, Babson Capital (UK) may act as a placement agent for any private investment funds sponsored and/or advised by BCGA. As such, Babson Capital (UK) may receive compensation for its placement services, including, but not limited to, placement services related to the offering and sale to BCGA clients of private investment funds sponsored and/or advised or sub-advised by affiliates of BCGA.

BCGA’s ultimate parent company, MassMutual, is a mutual life insurance company. Additionally, BCGA has entered into sub-advisory agreements with Babson Capital Management and serves as sub-adviser to Babson Capital Management in relation to the MassMutual general investment account and to certain of MassMutual’s life insurance company subsidiaries and affiliates. As a result, these affiliate accounts will co-invest jointly and concurrently with BCGA’s other advisory clients and therefore share in the allocation of investment opportunities. BCGA may also act as investment adviser or sub-adviser to certain investment funds in which MassMutual or an affiliate has invested and/or for which MassMutual or an affiliate serves as investment manager.

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Certain of BCGA's investment advisory clients may be solicited to invest in one or more of the private investment funds described under section IV of Item 5 above or established in the future by BCGA or an affiliate, or in which BCGA or an affiliate has invested. Certain of these private investment funds may be structured as limited partnerships or limited liability companies with respect to which BCGA, or an affiliate, serves as general partner, managing member or manager. Additionally, BCGA's affiliated broker-dealer, Babson Capital Securities, may solicit clients to invest in funds that are not managed by BCGA, but in which BCGA or an affiliate has an economic interest and/or holds an ownership interest in the fund's manager.

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

Code of Ethics:

The following is a summary of the Code of Ethics, which has been adopted by BCGA in compliance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act, as amended. A copy of the Code of Ethics is available to any client or prospective client without charge, upon request.

Personal Trading:

The Code of Ethics applies to all Babson employees and officers of BCGA designated as "Access Persons", along with any other individual the Chief Compliance Officer deems appropriate. Access Persons include, as a sub-set, investment professionals.

While Access Persons may trade in securities for their personal accounts, such personal transactions are subject to a number of limitations. Access Persons must receive approval before trading in any security (including participating in private placements or initial public offerings), absent an exemption in the Code of Ethics and are generally subject to a ban on trading in a security on the same day as the purchase or sale of a security by any client account (except for securities exempt as described below) and short-term trading. Access Persons are also prohibited from engaging in short sales of securities. Access Persons must generally obtain approval and disclose any possible conflicts of interest prior to serving on the board of directors of any business entity or other outside business.

Access Persons generally cannot personally trade in a security within seven (7) calendar days before or after the purchase or sale of a security by any client account, except for securities exempted from the Code of Ethics, as defined below.

Access Persons are obligated to make periodic reports to BCGA, including an initial holdings report to be provided within ten (10) days of becoming an Access Person and annually thereafter a holdings report containing information that must be current as of a date no more than forty-five (45) days prior to submission. Furthermore, all Access Persons are required to submit detailed quarterly reports covering personal transactions in substantially all securities (other than exempted securities). Information regarding brokerage accounts held by an Access Person is disclosed in these reports. BCGA requires all Access Persons to submit duplicate confirmations of all personal securities transactions to BCGA's Compliance Department (whether via their brokers or directly).

Certain types of securities and transactions are exempted, in whole or in part, from the coverage of the Code of Ethics. For example, preclearance and most reporting requirements would not apply to

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transactions in direct obligations of the United States government, bankers' acceptances, bankers' certificates of deposit, commercial paper (although reporting is required for mutual funds advised by BCGA or an affiliate, unless held through a long term incentive plan maintained by BCGA or an affiliate), high quality short-term debt instruments, including repurchase agreements, and securitites transactions for an account over which an Access Person has no direct or indirect control. In addition, preclearance requirements would not apply to certain gifts of securities, automatic investment plans, involuntary transactions, *pro rata* distributions, and other limited defined securities or transactions.

Participation or Interest in Client Transactions:

Transactions with Affiliates: Affiliates of BCGA, including MassMutual and its affiliates, may from time to time, acting as principal, buy securities or other investments for themselves from, or sell securities or other investments they own to, their advisory clients or the advisory clients of BCGA. Likewise, BCGA may, on behalf of MassMutual, purchase and/or hold securities or other investments that are subsequently sold or transferred to advisory clients. BCGA has a conflict of interest in connection with a transaction where it or an affiliate is acting as principal since it may have an incentive to favour itself or its affiliates over its advisory clients in connection with the transaction. To address the conflicts of interest, BCGA has adopted a Conflicts Management Policy and an Order Execution Policy, which ensure any such transaction is consistent with BCGA's fiduciary obligations to act in the best interests of its clients, including its ability to obtain best execution in connection with the transaction, and is in compliance with applicable legal and regulatory requirements.

Cross Trades: BCGA may, in accordance with applicable law, effect cross-trades on behalf of its advisory clients whereby one advisory client buys securities or other investments from, or sells securities or other investments to, another advisory client. BCGA may also effect cross-transactions involving advisory accounts or funds in which it or its affiliates, including MassMutual, and their respective employees, have an ownership interest. As a result, BCGA has a conflict of interest in connection with the cross-transaction since it may have an incentive to favour the advisory client or fund in which it or its affiliate has an ownership interest. To address these conflicts of interest, BCGA has adopted a Conflicts Management Policy and an Order Execution Policy, which ensures any such cross-transaction is consistent with BCGA's fiduciary obligations to act in the best interests of each of its advisory clients, including its ability to obtain best execution for each advisory client in connection with the cross-trade transaction, and is in compliance with applicable legal and regulatory requirements. BCGA will not receive a commission or any other remuneration (other than its advisory fee) for effecting cross-transactions between advisory clients.

Loan Origination Transactions: While neither BCGA nor any of its affiliates generally act as an underwriter or member of a syndicate in connection with a securities offering, each may act as an underwriter, originator, agent, or member of a syndicate in connection with the origination of senior secured loans, mezzanine loans or other lending arrangements with borrowers, where such loans may be purchased by BCGA advisory clients during or after the original syndication. BCGA or its affiliates may directly or indirectly receive underwriting, origination, or agent fees in connection with such loan originations. As a result, BCGA could have a conflict of interest in connection with such loan origination transactions since it has an incentive to base its investment recommendation to its advisory clients on the amount of compensation, underwriting, origination or agent fees it would receive rather than on its advisory clients' best interests. However, BCGA will not act as agent (and so will not receive any agent fees) and will pass all of any underwriting or origination fees that it may receive to its advisory clients that invest in the relevant loan, with each client receiving a *pro rata* share of such fees. This ensures that any such transaction is consistent with BCGA's fiduciary obligations to act in the best interests of its clients,

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including its ability to obtain best execution in connection with the transaction, and is in compliance with applicable legal and regulatory requirements.

Investments by Advisory Clients: BCGA may invest client assets in securities or other investments that are also held by (i) BCGA or its affiliates, including MassMutual; (ii) other BCGA advisory accounts; (iii) funds or accounts in which BCGA or its affiliates or their respective employees have an ownership or economic interest; or (iv) employees of BCGA or its affiliates. BCGA may also, on behalf of its advisory clients, invest in the same or different securities or instruments of issuers in which (a) BCGA or its affiliates, including MassMutual; (b) other BCGA advisory accounts; (c) funds or accounts in which BCGA, its affiliates, or their respective employees have an ownership or economic interest; or (d) employees of BCGA or its affiliates, have an ownership interest as a holder of the debt, equity or other instruments of the issuer. BCGA has a conflict of interest in connection with any such transaction since investments by its advisory clients may directly or indirectly benefit BCGA and/or its affiliates and employees by potentially increasing the value of the securities or instruments it holds in the issuer. Any investment by BCGA on behalf of its advisory clients will be consistent with its fiduciary obligations to act in the best interests of its advisory clients, and otherwise be consistent with such clients' investment objectives and restrictions.

Employee Co-Investment: BCGA may permit certain of its portfolio managers and other employees to invest in private investment funds advised by BCGA or its affiliates. If the portfolio manager or other employee was responsible for both the portfolio management of the private fund and other BCGA advisory accounts, such person could have a conflict of interest in connection with investment decisions since the person may have an incentive to direct the best investment ideas, or to allocate trades, in favour of the fund in which he or she is invested or otherwise entitled to share in the performance or incentive fees received from such fund. To address these conflicts of interest, BCGA has adopted a Conflicts Management Policy, a Remuneration Policy, Fund Allocation Procedures and an Order Execution Policy which require, among others things, that BCGA treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits BCGA from unfairly favouring any particular advisory account as a result of the ownership or economic interests of BCGA, its affiliates or employees, in such advisory account. Any co-investment by a BCGA employee must be consistent with the Code of Ethics, as summarized above.

Management of Multiple Accounts: As noted above, BCGA's portfolio managers may be responsible for the day-to-day management of multiple accounts, including, among others, separate accounts for institutional clients, closed-end and open-end registered investment companies, and/or private investment funds, as well as for proprietary accounts of MassMutual and its affiliates. The potential for material conflicts of interest exist whenever a portfolio manager has responsibility for the day-to-day management of multiple advisory accounts. These conflicts may be heightened to the extent a portfolio manager is responsible for managing a proprietary account for an affiliate or where the portfolio manager or an affiliate has an investment in one or more of such accounts or an interest in the performance of one or more of such accounts.

Investment Allocation: Such potential conflicts include those relating to allocation of investment opportunities. For example, it is possible that an investment opportunity may be suitable for more than one account managed by BCGA, but may not be available in sufficient quantities for all accounts to participate fully. Similarly, there may be limited opportunity to sell an investment held by multiple accounts. A conflict arises where the portfolio manager has an incentive to treat an account preferentially because the account pays BCGA or its affiliates a performance-based fee or the portfolio manager, BCGA or an affiliate has an ownership or other economic interest in the account. As noted above, BCGA acts as

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a sub-adviser for certain of its affiliates, including MassMutual. These affiliate accounts will co-invest jointly and concurrently with BCGA's other advisory clients and therefore share in the allocation of such investment opportunities. To address the conflicts of interest associated with the allocation of trading and investment opportunities, BCGA has adopted Fund Allocation Procedures that govern the allocation of portfolio transactions and investment opportunities across multiple advisory accounts, including affiliated accounts, which are summarized below under Item 12 – "Investment Allocation Policy". In addition, as noted above, to address these conflicts of interest, BCGA has adopted a Conflicts Management Policy, an Order Execution Policy and Fund Allocation Procedures which require, among other things, that BCGA treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits BCGA from unfairly favouring any particular advisory account as a result of the ownership or economic interests of BCGA, its affiliates or employees, in such advisory accounts. Any investment by a BCGA employee in one of its private funds must also be consistent with the Code of Ethics, as summarized above.

Personal Securities Transactions: Potential conflicts of interest may also arise related to the knowledge and timing of an account's trades, investment opportunities and broker selection. BCGA and its portfolio managers have information about the size, timing and possible market impact of the trades of each account they manage. It is possible that portfolio managers could use this information for their personal advantage and/or to the advantage or disadvantage of various accounts which they manage. To address these conflicts, BCGA has adopted policies and procedures, including Fund Allocation Procedures, which require, among other things, that BCGA treats each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits BCGA from favouring any particular account as a result of the ownership or economic interest of BCGA, its affiliates or employees and the Code of Ethics, as summarized above.

Trade Errors: Potential conflicts of interest may also arise if a trade error occurs in a client account. A trade error is deemed to occur if there is a deviation by BCGA from the applicable standard of care in connection with the placement, execution or settlement of a trade for an advisory account that results in (1) BCGA purchasing securities not permitted or authorized by a client's investment advisory agreement or otherwise failing to follow a client's specific investment directives; (2) BCGA purchasing or selling the wrong security or the wrong amount of securities on behalf of a client's account; or (3) BCGA purchasing or selling securities for, or allocating securities to, the wrong client account. When correcting these errors, conflicts of interest between BCGA and its advisory accounts may arise as decisions are made on whether to cancel, reverse or reallocate the erroneous trades. In order to address the conflicts, BCGA has adopted a Trading Errors Policy governing the resolution of trading errors, and will follow the Trading Errors Policy in order to ensure that trade errors are handled promptly and appropriately and that any action taken to remedy an error places the interest of a client ahead of BCGA's interest.

Best Execution; Directed Brokerage: Typically, BCGA will determine which broker to use to execute each order, consistent with its fiduciary duty to seek best execution of the transaction. BCGA may manage certain accounts, however, for clients who limit its discretion with respect to the selection of brokers or direct it to execute such client's transaction through a particular broker. In these cases, trades for such an account in a particular security may be placed separately from, rather than aggregated with, those in the same security for other accounts. Placing separate transaction orders for a security may temporarily affect the market price of the security or otherwise affect the execution of the transaction to the possible detriment of one or more of the other account(s) involved. BCGA has adopted an Order Execution Policy and a Directed Brokerage Policy which are summarized below under Item 12 – "Broker Selection/Recommendations" and "Directed Brokerage".

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As discussed above, BCGA's employees may trade in securities that are purchased, held and sold by or on behalf of BCGA's advisory clients, subject to a number of limitations. See above for a discussion of restrictions on employee personal securities transactions contained in the Code of Ethics.

BCGA and its portfolio managers or employees may have other actual or potential conflicts of interest in managing an advisory account, and the list above is not a complete description of every conflict of interest that could be deemed to exist.

Information Barriers:

BCGA has adopted a Fraud and Market Conduct Policy designed to detect and prevent insider trading and to establish effective information barriers between certain groups of BCGA's investment professionals to prevent the unauthorized access to or flow of inside information between and among such groups.

Those companies about which BCGA (or in certain situations, an affiliate of BCGA), has inside information will be placed on the restricted list applicable to all BCGA investment groups. This may result in BCGA being unable to buy and sell securities for a client's account while the issuer of such security remains on the restricted list, notwithstanding the fact that BCGA may have otherwise determined that such purchase or sale would be in a client's best interest.

Item 12 – Brokerage Practices

Broker Selection/Recommendations:

BCGA seeks to place loan and securities transactions in secondary markets for advisory clients with brokerage firms in such a manner that the advisory client's total costs or proceeds in each transaction are the most favourable under the circumstances ("best execution").

Individuals in the trading department of BCGA who are responsible for selecting broker-dealers to execute specific transactions in the secondary markets on behalf of BCGA's clients are expected to use their best judgment in selecting the broker-dealer best able to provide overall best execution. The determinative factor in this analysis and selection is not the lowest possible execution cost but whether a trade represents the best qualitative execution for the client's advisory account.

BCGA considers the full range and quality of a broker-dealer's services, and may consider, among others, the following factors (each of which may carry more or less weight in the context of a particular trade): competitiveness of price; speed of execution; likelihood of execution and settlement; cost (i.e. transaction fees); size of the transaction and any other particular strengths of the relevant broker-dealer.

Research and Other Soft Dollar Benefits:

BCGA does not participate in any brokerage and research soft dollar arrangements or receive any such services and products either directly or through third parties with whom its broker-dealers have arrangements. Should BCGA's practices in this regard change in the future, it will adopt appropriate policies and procedures to address the potential conflicts that they involve. BCGA may receive research from broker-dealers with whom it places trades. While BCGA does not pay for this research, we understand that to the extent that a wider spread is charged by those brokers the receipt of such research could be considered soft dollars within the safe harbor of Section 28(e). In order to ensure that conflicts

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do not drive trading with brokers providing research BCGA reviews best execution of all of the brokers with whom it deals.

Brokerage for Client Referrals:

BCGA does not enter into directed brokerage arrangements with broker-dealers as compensation for client referrals or as compensation for the efforts of such broker-dealer in connection with the sale of interests in BCGA's private funds or other investment products. BCGA may, however, use such broker-dealers to effect transactions for such referred clients or private funds consistent with BCGA's best execution obligations.

Directed Brokerage:

In certain circumstances, BCGA may allow an advisory client to limit or restrict BCGA's discretion to execute trades for the client's account through a particular broker. In return for the brokerage commissions from the client's transactions, the broker may provide services directly to the client, pay certain expenses of the client, or provide a cash rebate to the client through a commission recapture program.

BCGA makes an effort to obtain prices for a directed brokerage order comparable to those obtained for non-directed brokerage orders, however, directed brokerage trades generally will be executed after non-directed brokerage trades.

A client who limits BCGA's discretion with respect to the selection of brokers or directs BCGA to execute its securities transactions or other transactions through a specific broker may forego certain benefits and may result in BCGA being unable to achieve best execution of a client's transactions. Particularly, a client who directs BCGA to use a specific broker may pay higher transaction costs on some transactions than might be otherwise attainable by BCGA, or may receive less favourable execution of some transactions than might be attainable by BCGA, or both. In addition, the client may forego any benefits or savings in execution costs that BCGA could obtain for its clients through negotiating volume discounts on aggregated transactions (as directed brokerage trades will generally be executed, at BCGA's discretion, after non-directed trades). Accordingly, non-aggregated directed brokerage transactions may be subject to price movements, particularly in volatile markets, that may result in a client receiving a price that is less favourable than the price obtained in the aggregated order. A client directing brokerage may not be able to participate in an allocation of shares of a new issue of securities if those new issue shares are provided by another broker. BCGA does not permit directed brokerage arrangements of one client to interfere with BCGA's efforts to obtain best execution on behalf of its other clients.

A client's request that BCGA execute trades for the client's account through a particular broker must be in writing. In addition, BCGA may require a client directing brokerage to represent in writing to BCGA that: (i) the client has the power and authority to enter into the directed brokerage arrangement; (ii) the directed brokerage arrangement will not violate any obligations by which the client or the account is bound by reason of contract, operation of law, the Financial Industry Regulatory Authority rule, or otherwise; (iii) the client understands that the directed brokerage arrangement may impair BCGA's ability to achieve best execution; and (iv) the account may forego the possibility of receiving lower transaction costs that could be achieved by BCGA's "aggregation" of orders.

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Trade Aggregation:

Investment Allocation Procedures

Many of the investment transactions effected by BCGA on behalf of its clients will be conducted as aggregated transactions made for a number of accounts, including the account of its affiliates, including MassMutual and its subsidiaries and affiliates, for other accounts or funds in which BCGA, its affiliates, or their respective employees, may have a beneficial or proprietary interest, or for accounts which affiliates of BCGA receive a performance-based advisory fee. To address the potential conflicts of interest associated with the allocation of trading and investment opportunities, BCGA has adopted Fund Allocation Procedures setting forth general principles of allocation for aggregated investment transactions, and establishing procedures designed to result in the fair and equitable distribution of aggregated investment opportunities across all BCGA investment advisory accounts (“Allocation Procedures”). These Allocation Procedures are summarized below.

No allocation will be made to a client based on performance, the amount or structure of the management fees, the existence of any performance fees or profit sharing allocations, the direct or indirect participation of an employee of BCGA or one of its affiliates in either of the foregoing or a private investment fund, or based on whether the account is public or private, proprietary or third party.

The overriding principle is that BCGA has a duty of care to act in the best interests of all clients. It must act honestly, fairly and professionally in the best interests of its clients. BCGA seeks to ensure that these obligations are met, amongst others, by maintaining a framework process with comprehensive asset appraisal and ongoing monitoring procedures regarding credit quality, structure and pricing with well documented investment decisions.

BCGA and Babson Capital (UK) share trading desks. Investment opportunities are allocated across the respective clients of BCGA and Babson Capital (UK) on an aggregated basis, without differentiation between the two sets of clients. BCGA’s portfolio managers determine the appetite of any given account for a particular investment opportunity (whether senior debt or mezzanine debt and whether a primary or secondary asset) according to the procedures set forth below, in particular the factors listed under Allocation Procedures – High Yield. Optimum Investment Amount. Given the constraints applicable to a specific client at a particular time, there are clearly identifiable limits to the appetite of a client for a particular investment opportunity and consequently no ability for a portfolio manager to “overbid” for a limited asset (to the detriment of other clients in relation to which there has been no “overbid”) in order to receive an allocation, following scaleback, that is closer to the optimal allocation desired by the relevant portfolio manager for that account.

Allocation Procedures – High Yield

I. Targeted Investment Amount

Credit quality and risk/reward criteria should be consistent for all clients based on core leveraged loan, mezzanine and high yield bond products depending on market conditions when assets are allocated to each account. However, the appetite of any given account for a particular investment opportunity will be a function of the client's unique investment objectives, needs, size, legal constraints and traditional portfolio management concerns. In establishing an account’s targeted investment amount of a particular asset, the following factors (which are not intended to be exhaustive or presented in order of importance) will be considered:

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- Investment objectives of the respective account
- Diversification
- Relative size of the respective account
- Cash flow
- Liquidity requirements
- Asset class restrictions
- Preferred asset classes
- Duration targets and/or constraints
- Industry diversification requirements
- Individual credit diversification requirements
- Existing asset allocation targets
- Minimum investment size/holding
- Maximum investment size
- Transfer restrictions
- Tax implications
- Legal, contractual or regulatory constraints

II. Principles for Allocating Investment Opportunities

Having established each High Yield Fund's Targeted Investment Amount of any individual asset, allocations between High Yield accounts should be made in accordance with the following priorities:

1. Allocations amongst High Yield Funds should be pro rata according to bid size of each fund, with bid sizes dependent upon the net asset value and underlying objectives of the funds.
2. The Portfolio Management Team working alongside the Trading Team sets the final allocation between High Yield Funds according to bid levels. The bid level of each Fund is circulated to the entire team through email at the time the order is submitted.
3. If supply of a particular asset is exceeded by the High Yield Fund's demand, it is fair and equitable and in the long-term best interests of each Fund to allocate amongst High Yield Funds on a *pro rata* basis relative to each High Yield Fund's targeted investment amount.
4. Since each investment opportunity and High Yield Fund is unique, exceptions to the general *pro rata* allocation rule will be required.

III. Secondary Trading Considerations

An outright purchase of an asset as approved by High Yield Investment Committee will be allocated between Funds as above.

The final decision to trade is taken by the Chief Investment Officer of European High Yield or the portfolio manager taking into account the above principles.

Allocation Procedures – Private Finance

I. Optimum Investment Opportunity

In establishing a Fund's optimum investment amount of a particular asset, the same factors as listed above in relation to High Yield Allocation Procedures should be considered.

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II. Principals for Allocating Investment Opportunities

Processes and allocation procedures differ for primary deal flows consisting of senior, unitranche and mezzanine assets generated from new deal opportunities, and traded assets available on the secondary market which are predominantly sourced by the Private Finance team.

A primary asset proposal will initially be considered at a Screening Committee. At this Investment Committee each Funds' appetite for the investment will be considered in light of available capacity, ability to underwrite and arrange the relevant facility, asset suitability, portfolio balance, and funding constraints, including the ability to fund at completion, amongst other issues. Although it may be decided at Screening Committee how assets will be allocated, the allocation decision will be finalised or revisited at Underwriting Committee once full deal details are available. Any deviation away from the allocation method requires Private Finance Investment Committee approval and all allocations are ratified via Closing Memorandum.

Secondary asset opportunities are generally assets already known to the Private Finance Funds and therefore proposals are likely to be considered at an Amendment/Waiver Memorandum which also enables a quick reaction in the secondary trading market. For assets that are unknown to the Private Finance Funds, a normal Private Finance Investment Committee process including Screening Committee and Underwriting Committee is operated as set out above for primary assets.

Each funds' appetite to 'bid' for the asset will be considered by the Private Finance Investment Committees in light of available capacity, asset suitability, portfolio balance, and funding constraints, amongst other issues. Any bid must be both capable of being funded and appropriate for the bidding entity at the level proposed. Once Fund appetite has been determined, the Private Finance Investment Committee will allocate between Funds.

Item 13 – Review of Accounts

Advisory accounts managed by BCGA are reviewed regularly and generally daily for many accounts such as institutional separate accounts and registered investment companies. Account level reviews are generally performed by the account portfolio manager or team responsible for account management, who review portfolio holdings and monitor compliance with, to the extent applicable, any client-mandated investment guidelines. Reviews are supplemented by other BCGA support professionals that monitor valuation, credit quality, duration, spread and market activity and other factors, as applicable, as well as compliance professionals who monitor security holdings on an account basis to ensure compliance with account investment guidelines. In addition to account level review, securities held on behalf of client advisory accounts are subject to economic, fundamental, technical and/or quantitative analyses that BCGA utilizes in its investment-decision making.

Client reports are tailored to meet the needs of the respective client, and vary in scope, format, approach and timing in accordance with each client's requirements. Clients receive written reports.

Item 14 – Client Referrals and Other Compensation

BCGA's affiliated broker-dealer, Babson Capital Securities and immediate parent, Babson Capital (UK), may each act as placement agent for certain private investment funds where BCGA is not a sponsor or adviser to the fund, but where an affiliate of BCGA may be a lead investor, sub-adviser or pay a reduced

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fee. Affiliates of BCGA may solicit clients of BCGA to invest in such funds and receive compensation from the adviser to the fund or its affiliates in connection with such placement agent services.

In certain circumstances, and in accordance with applicable law, BCGA may pay a fee to employees of its affiliates or other selected individuals, or entities who introduce business to BCGA. The amount of fees paid to third parties would be negotiated between BCGA and such persons.

Item 15 – Custody

BCGA does not have custody of client assets as defined under Rule 206(4)-2 of the Advisers Act. Should the position change, appropriate policies and procedures will be adopted.

Item 16 – Investment Discretion

BCGA's investment management agreements generally provide BCGA with discretionary authority to determine which securities, and in what amounts and on what terms, to buy or sell on behalf of a client's account, which broker-dealers to use in executing client trades, and the brokerage commissions to be paid in connection with the transaction. Investment decisions for a client are made with a view to achieving the client's investment objectives. Clients may establish specific investment guidelines for their accounts, which may limit BCGA's investment discretion for those accounts by requiring BCGA to abide by certain investment limitations and restrictions in such guidelines. In determining when to purchase or sell securities for an advisory account, BCGA considers many factors, including those summarized above in Item 12 – Brokerage Practices, Trade Aggregation. In making these determinations for clients in light of each account's investment objectives, it may result that a particular security is bought or sold only on behalf of certain clients of BCGA, even though it could have been bought or sold for other clients of BCGA. Likewise, a particular security may be bought or held by one or more client portfolios when one or more other client portfolios are selling the security.

Transactions on European stock exchanges, futures markets and other agency transactions may involve the payment by a client of brokerage commissions. Such commissions vary among different broker-dealers. A particular broker-dealer may charge different commissions according to such factors as the difficulty and size of the transaction. In the case of securities traded in the over-the-counter markets, the price paid by a client may include an undisclosed dealer commission or mark-up. In under-written offerings, the price paid by a client includes a disclosed, fixed commission or discount retained by the underwriter or dealer which, in certain circumstances and to the extent not prohibited by applicable law, may be an affiliated broker-dealer of BCGA. To the extent there is a client mandated or other prohibition against the use of an affiliated broker-dealer, such trades may not be aggregated in accordance with the Investment Allocation Policy described above in Item 12.

Item 17 – Voting Client Securities

BCGA views the voting of proxies in respect of securities as an integral part of its investment management responsibility and believes, as a general principle, that proxies should be acted upon (voted or abstained) solely in the best interest of its clients (i.e. in a manner it believes is most likely to enhance the economic value of the underlying securities held in client accounts).

To implement this general principle, it is BCGA's policy to work with the various client custodians, agents and trustees to ensure that it is aware of and votes appropriately on all relevant proxy votes on a

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case-by-case basis. This policy applies to all client relationships and is relevant to all types of underlying assets, regardless of their nature (i.e. public or private).

The procedures set forth in the Proxy Voting Policy are designed to ensure that votes have been made in the best interest of clients and are not the result of any material conflict of interest (a “Material Conflict”). For purposes of the Proxy Voting Policy, a Material Conflict shall mean any position, relationship or interest, financial or otherwise, of BCGA (or any person authorised under the Proxy Voting Policy to vote proxies on behalf of BCGA) that would or could reasonably be expected to affect BCGA’s (or such person’s) independence or judgment concerning how to vote proxies.

BCGA votes all client proxies for which it has voting discretion solely in the best interests of its clients. The decision of how to vote is dependent on various things including, the client’s portfolio requirements (as outlined in the applicable management agreement), analysis of the relevant market conditions, the possible impact that the vote could have on the asset in question in the market and whether the decision will cause any material conflicts of interest within BCGA. All proxy vote decisions, are documented, referred to and signed off by BCGA’s Chief Investment Officer before being actioned.

Where any Material Conflict is identified no action will be taken without the relevant proxy instruction being referred to the relevant credit committee and the Chief Compliance Officer. The credit committee will consult with the Chief Compliance Officer and decide what action to take (whether to follow the proposed relevant recommendation or to abstain from voting the proxy). The decision of the credit committee will be documented appropriately and will be final.

Nothing in this policy prevents BCGA from splitting a vote among different clients as BCGA deems this appropriate, providing each of these decisions is authorised in line with the process documented above.

BCGA’s investment management agreements for separate account management generally convey the authority to vote proxies to BCGA. If the investment management agreement states that the client has delegated proxy voting authority to BCGA, BCGA will vote such proxies in accordance with the Proxy Voting Policy (to the extent that such policy is applicable). In the event a client makes a written request that BCGA votes in accordance with such client’s proxy voting instruction, BCGA will vote that client’s securities as instructed by the client. In the event an investment management agreement is silent on the matter, BCGA should get written confirmation from such client as to the client’s preference, where possible. Because BCGA views proxy voting as integral to the investment process, BCGA takes the position that it will assume proxy voting responsibilities in situations where the investment management agreement is silent and the client has not provided written instructions as to its preference.

Clients may obtain a copy of BCGA’s Proxy Voting Policy and information about how BCGA voted proxies related to their securities, free of charge, by contacting their client service representative at BCGA.

Item 18 – Financial Information

Item 18 is not applicable.