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This brochure provides information about the qualifications and business practices of Babson Capital Global Advisors Limited (“Babson Capital Global Advisors”). If you have any questions about the contents of this brochure, please contact us at +44 203 206 4500 or at investorrelationseurope@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 Babson Capital Global Advisors also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration as an investment adviser does not imply that Babson Capital Global Advisors possesses any certain level of skill or training.

FORM ADV
Part 2A

Applicant:
**Babson Capital Global Advisors
Limited**

SEC File Number:
801-73074

Date:
05/29/2012

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Item 2 – Material Changes

Item 4 - On February 7, 2012, Babson Capital Global Advisors registered with the SEC as a newly formed adviser relying on rule 203A-2(c) under the Investment Advisers Act of 1940. Babson Capital Global Advisors is filing this amendment in compliance with rule 203A-2(d) under the Investment Advisers Act of 1940, which requires newly formed advisers to update their Form ADV within 120 days of their initial registration.

Item 4 - Babson Capital Europe Limited (“Babson Capital Europe”), an affiliate of Babson Capital Global Advisors, filed with the SEC as an exempt reporting adviser on March 29, 2012 (SEC File Number 802-75339).

Item 4 - Since registering with the SEC, Babson Capital Global Advisors’s assets under management have increased from zero to US\$231,941,426 (as at April 30, 2012).

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Item 4 – Advisory Business

Babson Capital Global Advisors 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 is in turn 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.

Babson Capital Global Advisors was formed on May 5, 2011, acquired by Babson Capital Europe Limited on May 25, 2011, authorized by the Financial Services Authority of the United Kingdom (the “FSA”) on October 21, 2011 and was granted registration with the SEC on February 7, 2012. It commenced trading as an investment adviser on March 30, 2012. Babson Capital Europe filed with the SEC as an exempt reporting adviser on March 29, 2012 (SEC File Number 802-75339).

Babson Capital Global Advisors provides a broad range of investment advisory and management services to sophisticated investors. Babson Capital Global Advisors provides investment advisory and management services to its ultimate parent company, MassMutual, and certain of its subsidiaries and affiliates. It is anticipated that it will also provide services to other investors, including investment companies registered with the SEC pursuant to the Investment Company Act of 1940, as amended (the “1940 Act”), pension plans, family offices, endowments, foundations, government entities and agencies, insurance companies, banks and private investment funds. To provide these services, Babson Capital Global Advisors’s investment activities are divided into the following groups:

- A. The SENIOR DEBT GROUP primarily manages senior secured loans, publicly issued senior secured bonds and high yield bonds. It seeks to achieve superior, risk adjusted returns from portfolios built through disciplined credit selection and prudent diversification.
- B. The MEZZANINE AND PRIVATE EQUITY GROUP manages subordinated loan and private equity investments. Its capabilities include mezzanine loans, payment-in-kind (PIK) loans, loan stock, private equity securities and limited partnership interests.

The investments made by the Senior Debt Group and the Mezzanine and Private Equity Group are issued by companies organized (or with substantial operations) in Western Europe.

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

Babson Capital Global Advisors provides investment management and advisory services in standard and customized specific account formats. These services are provided pursuant to written investment advisory agreements between Babson Capital Global

Advisors and each client under which Babson Capital Global Advisors agrees to manage the client's funds in accordance with client-mandated investment objectives. Babson Capital Global Advisors tailors services based on the client's or prospective client's individual needs. For example, depending on the client's individual needs, Babson Capital Global Advisors 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. Babson Capital Global Advisors may also allow the client to impose specific restrictions on investments, including types of investments within a separately managed account. Babson Capital Global Advisors does not participate in any wrap fee programs.

Assets Under Management:

As at April 30, 2012, Babson Capital Global Advisors's regulatory assets under management were US\$231,941,426 (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

Babson Capital Global Advisors does not offer investment advice in a standardized format for institutional separate accounts. However, 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 Babson Capital Global Advisors, payable on a quarterly basis in arrears. Fees for these accounts are billed by invoice by Babson Capital Global Advisors 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.

Babson Capital Global Advisors also expects to offer investment advice to private investment fund clients. These services will be provided pursuant to written investment advisory agreements between Babson Capital Global Advisors 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 Babson Capital Global Advisors 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-advised by Babson Capital Global Advisors 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.

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

II. Affiliate Accounts

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

III. Registered Investment Companies

Babson Capital Global Advisors expects to serve as sub-adviser to certain open-end and closed-end investment companies 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

Babson Capital Global Advisors may provide investment advisory and management services to private investment funds or other investment or finance entities. Management services for these accounts may include Babson Capital Global Advisors 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 Babson Capital Global Advisors 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

Babson Capital Global Advisors does not receive any performance-based fees in relation to the advisory accounts that it manages. However, affiliates of Babson Capital Global Advisors (including Babson Capital Europe) may 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 Babson Capital Global Advisors. In addition, the investment professionals of Babson Capital Global Advisors are also employees of Babson Capital Europe and may have an ownership or economic interest in certain private investment funds/or and other accounts managed by Babson Capital Europe. Such an economic interest may include a right to participate in incentive fees payable to Babson Capital Europe in relation to such funds and/or accounts. Babson Capital Global Advisors recognizes that such arrangements may create potential conflicts of interest. To address these conflicts, Babson Capital Global Advisors has adopted a Conflicts Management Policy and a Remuneration Policy to identify and describe the manner in which Babson Capital Global Advisors addresses the

conflicts of interest that can arise when affiliates of Babson Capital Global Advisors and/or their respective employees have an ownership or economic interest in a private investment fund or account managed by Babson Capital Global Advisors or Babson Capital Europe and may potentially have an incentive to favor that private investment fund or account over Babson Capital Global Advisors's other advisory clients.

Potential Conflicts Among Advisory Clients:

Investment Allocations: Allocation of aggregated 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors's Fund Allocation Procedures (that form part of the investment policies and procedures manual of Babson Capital Global Advisors) (the "Fund Allocation Procedures"), which are summarized below in Item 12 – Trade Aggregation.

Cross Trades: Despite their potential benefits to clients, cross trades among advisory clients of Babson Capital Global Advisors could be effected in a manner perceived to favor one advisory client over another. Babson Capital Global Advisors 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors's Fund Allocation Procedures and its Order Policy, which ensure any such cross transaction is consistent with Babson Capital Global Advisors'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 Babson Capital Global Advisors 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 favored 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 with Private Investment Fund Investors:

Personal Securities Transactions: All investment professionals are required to comply with Babson Capital Global Advisors's Code of Ethics and Personal Securities Transactions Policy, 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 Babson Capital Global Advisors's investment professionals assigned to manage such funds, this Item 6 is not exhaustive in identifying all the potential conflicts of interests that may arise when Babson Capital Global Advisors, 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 head of the investment group has determined that the potential conflicts of interest have been identified and addressed.

Item 7 – Types of Clients

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

Babson Capital Global Advisors'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. Babson Capital Global Advisors 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. Babson Capital Global Advisors 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 Babson Capital Global Advisors, to obtain, verify and record information that identifies each investor and person who opens an account on behalf of an investor. This means that Babson Capital Global Advisors 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 Babson Capital Global Advisors to identify him or her. Babson Capital Global Advisors may also ask for identifying documents so that it can verify his or her or an institution's identity and may also verify 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, Babson Capital Global Advisors 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:*

Babson Capital Global Advisors uses economic, fundamental, technical and quantitative analyses. Economic analysis emphasizes daily and historical review of economic and financial data that impact short, intermediate and long-term interest rates. 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. Babson Capital Global Advisors 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:

Babson Capital Global Advisors, particularly with respect to loan and private equity investments, often relies on information supplied directly by the respective issuers or agents. Babson Capital Global Advisors may also use media sources including, but not limited to, Financial News, CapitalStructure, Bloomberg, S&P's Leveraged Commentary and Data and Markit.

*Investment Strategies:*European High Yield

Babson Capital Global Advisors's European high yield efforts are managed by a team in London. Babson Capital Global Advisors's strategy is to invest in senior secured loans, senior secured bonds and high yield bonds in Western Europe. Babson Capital Global Advisors's portfolio management strategy is based upon building diversified portfolios of issuers and industries. Babson Capital Global Advisors generally manages portfolios to a total return, typically looking to generate high current income and, where appropriate, capital appreciation. Babson Capital Global Advisors bases its credit decisions on fundamental bottom-up analysis incorporating industry trends and broad economic themes as appropriate.

European Mezzanine Debt and Private Equity

Babson Capital Global Advisors's European mezzanine debt and private equity efforts are managed by a team in London. Babson Capital Global Advisors's strategy generally is to invest in mezzanine debt and private equity in private equity sponsored leveraged buyouts. Babson Capital Global Advisors's mezzanine team has actively built long-term relationships with a diverse group of private equity sponsors that produce new deal opportunities. A key tenet of Babson Capital Global Advisors's strategy is to build a

portfolio of mezzanine debt and private equity investments that is well diversified, thus limiting exposure to any particular company, industry or geography.

Material Risks:

Credit Risk (a material risk for the following investment strategies: European High Yield and European Mezzanine 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.

Default Risk (a material risk for the following investment strategies: European High Yield and European Mezzanine 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.

Equity Market Risk (a material risk for the following investment strategy: 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.

Illiquidity of Investments (a material risk for the following strategy: European Mezzanine Debt and Private Equity): Mezzanine debt and private equity investments consist of private, illiquid securities. There is often no readily available after-market to sell mezzanine debt or private equity investments and Babson Capital Global Advisors must rely on private equity sponsors to refinance or to sell a company for realizations.

Interest Rate Risk (a material risk for the following investment strategies: European High Yield): 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 the following investment strategy: European Mezzanine Debt): Mezzanine 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 mezzanine lender's rights and remedies are generally limited and can be delayed pursuant to contractual agreements with a senior lender.

Nature of Mezzanine Debt Securities (a material risk for the following investment strategy: European Mezzanine Debt): Investing in mezzanine 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.

Prepayment Risk (a material risk for the following investment strategies: European High Yield): 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 strategy: European High Yield, European Mezzanine Debt and Private Equity): 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 tend to be volatile and Babson Capital Global Advisors may not be able to sell them when it desires to do so or to realize 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 higher broker charges or dealer discounts and other selling expenses than does the sale of 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.

General Risks (a material risk for the following investment strategies: European High Yield, European Mezzanine Debt and Private Equity): 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:

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.

Item 10 – Other Financial Industry Activities and Affiliations

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

Babson Capital Management is a registered investment adviser under the 1940 Act. Babson Capital Securities LLC (f/k/a 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 Babson Capital Global Advisors, 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 Babson Capital Global Advisors clients of private investment funds sponsored and/or advised or sub-advised by Babson Capital Global Advisors, 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 Babson Capital Global Advisors serves as adviser or sub-adviser (or for which it is contemplated that it will do so in the future). Affiliates of Babson Capital Global Advisors and their employees may have investments in the investment funds that Babson Capital Global Advisors advises. Employees of Babson Capital Global Advisors 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 Babson Capital Global Advisors.

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

offering and sale to Babson Capital Global Advisors clients of private investment funds sponsored and/or advised or sub-advised by affiliates of Babson Capital Global Advisors.

Babson Capital Global Advisors's ultimate parent company, MassMutual, is a mutual life insurance company and an SEC-registered investment adviser. Additionally, Babson Capital Global Advisors 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 Babson Capital Global Advisors's other advisory clients and therefore share in the allocation of investment opportunities. Babson Capital Global Advisors 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.

Certain of Babson Capital Global Advisors'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 Babson Capital Global Advisors or an affiliate, or in which Babson Capital Global Advisors 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 Babson Capital Global Advisors, or an affiliate, serves as general partner, managing member or manager. Additionally, Babson Capital Global Advisors's affiliated broker-dealer, Babson Capital Securities, may solicit clients to invest in funds that are not managed by Babson Capital Global Advisors, but in which Babson Capital Global Advisors or an affiliate has an economic interest and/or holds an ownership interest in the fund's manager.

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

Code of Ethics:

The following is a summary of Babson Capital Global Advisors's Code of Ethics, which has been adopted by Babson Capital Global Advisors 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 employees and officers of Babson Capital Global Advisors ("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 Babson Capital Global Advisors, 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. Babson Capital Global Advisors requires all Access Persons to submit duplicate confirmations of all personal securities transactions to Babson Capital Global Advisors'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 transactions in direct obligations of the United States government, bankers' acceptances, bankers' certificates of deposit, commercial paper, shares of registered open-end investment companies including exchange-traded funds (although reporting is required for mutual funds advised by Babson Capital Global Advisors or an affiliate, unless held through a long term incentive plan maintained by Babson Capital Global Advisors or an affiliate), high quality short-term debt instruments, including repurchase agreements, and securities 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 Babson Capital Global Advisors, 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 Babson Capital Global Advisors. Likewise, Babson Capital Global Advisors may, on behalf of MassMutual, purchase and/or hold securities or other investments that are subsequently sold or transferred to advisory clients. Babson Capital Global Advisors 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 favor itself or its affiliates over its advisory clients in connection with the transaction. To address these conflicts of interest, Babson Capital Global Advisors has adopted a Conflicts Management Policy and an Order Policy, which ensure any such transaction is consistent with Babson Capital Global Advisors'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: Babson Capital Global Advisors 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. Babson Capital Global Advisors 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, Babson Capital Global Advisors has a conflict of interest in connection with the cross-transaction since it may have an incentive to favor the advisory client or fund in which it or its affiliate has an ownership interest. To address these conflicts of interest, Babson Capital Global Advisors has adopted a Conflicts Management Policy and an Order Policy, which ensure any such cross-transaction is consistent with Babson Capital Global Advisors'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. Babson Capital Global Advisors 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors advisory clients during or after the original syndication. Babson Capital Global Advisors or its affiliates may directly or indirectly receive underwriting, origination, or agent fees in connection with such loan originations. As a result, Babson Capital Global Advisors 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, Babson Capital Global Advisors 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 Babson Capital Global Advisors'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.

Investments by Advisory Clients: Babson Capital Global Advisors may invest client assets in securities or other investments that are also held by (i) Babson Capital Global Advisors or its affiliates, including MassMutual, (ii) other Babson Capital Global Advisors advisory accounts, (iii) funds or accounts in which Babson Capital Global Advisors or its affiliates or their respective employees have an ownership or economic interest or (iv) employees or affiliates of Babson Capital Global Advisors. Babson Capital Global Advisors may also, on behalf of its advisory clients, invest in the same or different securities or instruments of issuers in which (i) Babson Capital Global Advisors or its affiliates, including MassMutual, (ii) other Babson Capital Global Advisors advisory accounts, (iii) funds or accounts in which Babson Capital Global Advisors, its

affiliates, or their respective employees have an ownership or economic interest or (iv) employees of Babson Capital Global Advisors or its affiliates, have an ownership interest as a holder of the debt, equity or other instruments of the issuer. Babson Capital Global Advisors has a conflict of interest in connection with any such transaction since investments by its advisory clients may directly or indirectly benefit Babson Capital Global Advisors and/or its affiliates and employees by potentially increasing the value of the securities or instruments it holds in the issuer. Any investment by Babson Capital Global Advisors 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: Babson Capital Global Advisors may permit certain of its portfolio managers and other employees to invest in private investment funds advised by Babson Capital Global Advisors or its affiliates. If the portfolio manager or other employee was responsible for both the portfolio management of the private fund and other Babson Capital Global Advisors 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 favor 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, Babson Capital Global Advisors has adopted a Conflicts Management Policy, a Remuneration Policy, Fund Allocation Procedures and an Order Policy which require, among others things, that Babson Capital Global Advisors treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson Capital Global Advisors from unfairly favoring any particular advisory account as a result of the ownership or economic interests of Babson Capital Global Advisors, its affiliates or employees, in such advisory account. Any co-investment by a Babson Capital Global Advisors employee must be consistent with Babson Capital Global Advisors's Personal Code of Ethics, as summarized above.

Management of Multiple Accounts: As noted above, Babson Capital Global Advisors'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 exists 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 Babson Capital Global Advisors, 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 can arise when the portfolio manager has an incentive to treat an account preferentially because the account pays Babson Capital Global Advisors or one of its affiliates a performance-based fee or the portfolio manager, Babson Capital Global Advisors or an affiliate, has an ownership or other economic interest in the account. As

noted above, Babson Capital Global Advisors acts as a sub-advisor for certain of its affiliates, including MassMutual. These affiliate accounts will co-invest jointly and concurrently with Babson Capital Global Advisors's other advisory clients and therefore share in the allocation of such investment opportunities. To address these conflicts of interest associated with the allocation of trading and investment opportunities, Babson Capital Global Advisors 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, Babson Capital Global Advisors has adopted a Conflicts Management Policy, an Order Policy and Fund Allocation Procedures which require, among others things, that Babson Capital Global Advisors treat each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson Capital Global Advisors from unfairly favoring any particular advisory account as a result of the ownership or economic interests of Babson Capital Global Advisors, its affiliates or employees, in such advisory accounts. Any investment by a Babson Capital Global Advisors employee in one of its private funds must also be consistent with Babson Capital Global Advisors's 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. Babson Capital Global Advisors 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 the advantage or disadvantage of various accounts which they manage. To address these conflicts, Babson Capital Global Advisors has adopted policies and procedures, including Fund Allocation Procedures, which require, among other things, that Babson Capital Global Advisors treats each of its advisory clients in a manner consistent with its fiduciary obligations and prohibits Babson Capital Global Advisors from favoring any particular account as a result of the ownership or economic interest of Babson Capital Global Advisors, its affiliates or employees and the Code of Ethics, as summarized above.

Trade Errors: Potential material 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 Babson Capital Global Advisors 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) Babson Capital Global Advisors 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) Babson Capital Global Advisors purchasing or selling the wrong security or the wrong amount of securities on behalf of a client's account; or (3) Babson Capital Global Advisors purchasing or selling securities for, or allocating securities to, the wrong client account. When correcting these errors, conflicts of interest between Babson Capital Global Advisors and its advisory accounts may arise as decisions are made on whether to cancel, reverse or reallocate the erroneous trades. In order to address these conflicts, Babson Capital Global Advisors has adopted a Trading Errors Policy (that forms part of the investment policies and procedures manual of Babson Capital Global Advisors) (the "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 Babson Capital Global Advisors's interests.

Best Execution; Directed Brokerage: Typically, Babson Capital Global Advisors will determine which broker to use to execute each order, consistent with its fiduciary duty to seek best execution of the transaction. Babson Capital Global Advisors 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. Babson Capital Global Advisors has adopted an Order Policy and a Directed Brokerage Policy which are summarized below under Item 12 "Broker Selection/Recommendations" and "Directed Brokerage."

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

Babson Capital Global Advisors 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.

Insider Trading/Information Barriers:

Babson Capital Global Advisors 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 Babson Capital Global Advisors's investment professionals to prevent the unauthorized access to or flow of inside information between and among such groups.

Those companies about which Babson Capital Global Advisors (or in certain situations, an affiliate of Babson Capital Global Advisors), has inside information will be placed on the restricted list applicable to all Babson Capital Global Advisors investment groups. This may result in Babson Capital Global Advisors 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 Babson Capital Global Advisors may have otherwise determined that such purchase or sale would be in a client's best interest.

Item 12 – Brokerage Practices

Broker Selection/Recommendations:

Babson Capital Global Advisors seeks to place loan and securities transactions in the 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 favorable under the circumstances ("best execution").

Individuals in the trading department of Babson Capital Global Advisors who are responsible for selecting broker-dealers to execute specific transactions in the secondary markets on behalf of Babson Capital Global Advisors'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.

Babson Capital Global Advisors 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:

Babson Capital Global Advisors 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 Babson Capital Global Advisors's practices in this regard change in the future, it will adopt appropriate policies and procedures to address the potential conflicts that they involve. Babson Capital Global Advisors may receive research from broker-dealers with whom it places trades. While Babson Capital Global Advisors 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 do not drive trading with brokers providing research Babson reviews best execution of all of the brokers with whom it deals.

Brokerage for Client Referrals:

Babson Capital Global Advisors 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 Babson Capital Global Advisors's private funds or other investment products. Babson Capital Global Advisors may, however, use such broker-dealers to effect transactions for such referred clients or private funds consistent with Babson Capital Global Advisors's best execution obligations.

Directed Brokerage:

In certain circumstances, Babson Capital Global Advisors may allow an advisory client to limit or restrict Babson Capital Global Advisors's discretion to execute trades for the client's account through a particular broker or dealer. 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.

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

A client's request that Babson Capital Global Advisors execute trades for the client's account through a particular broker must be in writing. In addition, Babson Capital Global Advisors may require a client directing brokerage to represent in writing to Babson Capital Global Advisors that: (a) the client has the power and authority to enter into the directed brokerage arrangement; (b) 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; (c) the client understands that the directed brokerage arrangement may impair Babson Capital Global Advisors's ability to achieve best execution; and (d) the account may forego the possibility of receiving lower transaction costs that could be achieved by Babson Capital Global Advisors's "aggregation" of orders.

Trade Aggregation:

Investment Allocation Procedures

Many of the investment transactions effected by Babson Capital Global Advisors 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 Babson Capital Global Advisors, its affiliates, or their respective employees, may have a beneficial or proprietary interest, or for accounts which affiliates of Babson Capital Global Advisors receive a performance-based advisory fee. To address the potential conflicts of interest

associated with the allocation of trading and investment opportunities, Babson Capital Global Advisors 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors 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. Babson Capital Global Advisors 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.

Babson Capital Global Advisors and Babson Capital Europe share a single trading desk. Investment opportunities are allocated across the respective clients of Babson Capital Global Advisors and Babson Capital Europe on an aggregated basis, without differentiation between the two sets of clients. Babson Capital Global Advisors'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 – Senior Debt/I. 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 - Senior Debt

I. Optimum 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 optimum 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 by the relevant portfolio manager:

- 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

Allocations between accounts are made in accordance with the following priorities:

1. Existing accounts will be maintained as fully invested as quality and quantity of primary and secondary supply of opportunities, the accounts' various bucket limits and financial criteria allow.
2. Warehousing funds will generally be allocated only after existing accounts have been satisfied.
3. Allocations amongst accounts will be pro rata according to bid size of each account, with bid sizes dependent upon cash availability, eligibility criteria, liquidity in the secondary market and diversity targets.
4. Eligible accounts will be determined by the senior debt funds credit committee at the time the credit is approved. The portfolio management and trading team will set the final allocation between accounts according to bid levels.
5. If client demand exceeds supply of a particular asset, allocations amongst accounts will be made on a pro rata basis relative to each account's optimum investment amount.
6. Since each investment opportunity and account is unique, exceptions to the general pro rata allocation rule will be required. Any exception must be approved by the senior debt funds credit committee and the rationale for the exception recorded.

The basis of and reason for any allocation or re-allocation are to be recorded in stage papers and minutes. Allocations and re-allocations may be adapted if a particular account has insufficient cash to participate at the time of the relevant allocation, and/or has more or less cash at the time of the re-allocation.

Where Babson Capital Global Advisors bids for new assets using the flexibility of multiple accounts to bid for an amount exceeding the available cash resources for investment and is scaled back, it will normally prorate allocations according to cash availability and account size. Further situations may arise where, due to delays in funding some syndications, another suitable asset becomes available which reduces or removes capacity in an account to take up its "entitlement." In such cases, the original

asset allocations will be revisited. Changes must be approved by the senior debt funds credit committee and will be clearly documented.

III. Secondary Trading Considerations

In any account where discretionary secondary trading is permissible, trading will generally be targeted on names from such account's "Buy" and "Sell" lists, as determined by the relevant deal executive, approved by two members of senior debt funds credit committee and reviewed at switch trade meetings, subject to the following principles:

1. Targeted names can be client specific. However, where multiple accounts are interested in acquiring the same asset, the general allocation guidelines will be followed.
2. Considerations taken into account when targeting specific names for trading include, but are not limited to, credit fundamentals, relative value and portfolio concentration.

The final decision to trade is taken by the head of portfolio management and trading or the portfolio manager, who will take into account the above principles.

Allocation Procedures – Mezzanine Debt

I. General

Processes and allocation procedures differ for primary deal opportunities, which generally relate only to mezzanine and secondary opportunities which can also include second lien assets.

Babson Capital Global Advisors will not invest in any company where any executive of Babson Capital Global Advisors or its affiliates has an investment, without first obtaining clearance from the mezzanine credit committee and the Chief Compliance Officer.

II. Primary Assets

A primary asset proposal will initially be considered at an early stage discussion with either the mezzanine credit committee or the mezzanine credit committee and the senior debt funds credit committee together. At this credit committee each account's appetite for the investment will be considered in light of available capacity, ability to underwrite and arrange the mezzanine facility, asset suitability, portfolio balance, and funding constraints, including the ability to fund at completion, amongst other issues outlined above. Once client appetite has been determined, the mezzanine credit committee and the senior debt funds credit committee will allocate between accounts in line with the procedures set out below.

An asset allocation decision made at an early stage may be revisited at a later point of the credit process after additional deal details are available. Any change in allocations requires credit committee approval.

Mezzanine funds, which are more asset concentrated than the senior debt funds, are entitled to first right of refusal on asset allocation within their funds for deals originated by their own origination team. Excluded from this provision are senior debt funds that already have an existing mezzanine investment in a deal which shall be entitled to rollover their investment into a new deal from the same borrower, provided their funding restrictions are no less onerous than the mezzanine funds.

Primary mezzanine asset opportunities sourced from the senior debt team shall be offered for investment across both the senior debt funds and mezzanine funds, with allocation determined by mezzanine credit committee and the senior debt funds credit committee acting in consultation with each other.

III. Secondary Assets

Each client's appetite to "bid" for an asset will be considered at the mezzanine credit committee in light of available capacity, asset suitability, portfolio balance, and funding constraints amongst other issues outlined above. Any bid must be both capable of being funded and appropriate for the bidding entity at the level proposed. Once client appetite has been determined, the mezzanine credit committee will allocate between accounts in line with the procedures highlighted below. Any deviation away from the original allocation method requires credit committee approval.

Offers of secondary trading opportunities for mezzanine and second lien assets are communicated to the Babson Capital Global Advisors investment professionals, regardless of their source, and all accounts shall have a right to participate.

Where it has been determined that more than one account has appetite to invest in a secondary opportunity, mezzanine credit committee and senior debt funds credit committee will determine the allocation between clients in consultation with each other, considering a number of factors including (but not limited to) comparability of bid prices, availability of liquidity and ability to adhere to the sellers' timetable.

Item 13 – Review of Accounts

Advisory accounts managed by Babson Capital Global Advisors 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 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 Babson Capital Global Advisors 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 Babson Capital Global Advisors 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

Babson Capital Global Advisors's affiliated broker-dealer, Babson Capital Securities and immediate parent, Babson Capital Europe, may each act as placement agent for certain private investment funds where Babson Capital Global Advisors is not a sponsor or adviser to the fund, but where an affiliate of Babson may be a lead investor and/or Babson or an affiliate may share in the economics as a general partner, sub-adviser or pay a reduced fee. Affiliates of Babson Capital Global Advisors may solicit clients of Babson Capital Global Advisors 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 the applicable law, Babson Capital Global Advisors may pay a fee to employees of its affiliates or other selected individuals, or entities who introduce business to Babson Capital Global Advisors. The amount of fees paid to third parties would be negotiated between Babson Capital Global Advisors and such persons.

Item 15 – Custody

Babson Capital Global Advisors 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

Babson Capital Global Advisors's investment management agreements generally provide Babson Capital Global Advisors 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 Babson Capital Global Advisors's investment discretion for those accounts by requiring Babson Capital Global Advisors to abide by certain investment limitations and restrictions in such guidelines. In determining when to purchase or sell securities for an advisory account, Babson Capital Global Advisors considers many factors, including those summarized above in Item 12 under "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 Babson Capital Global Advisors, even though it could have been bought or sold for other clients of Babson Capital Global Advisors. 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, spread 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 Babson Capital Global Advisors. 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

Babson Capital Global Advisors views the voting of proxies in respect of securities that it manages 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 Babson Capital Global Advisors'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 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 Babson Capital Global Advisors (or any person authorized under the Proxy Voting Policy to vote proxies on behalf of Babson Capital Global Advisors) that would or could reasonably be expected to affect Babson Capital Global Advisors's (or such person's) independence or judgment concerning how to vote proxies.

Babson Capital Global Advisors 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 Babson Capital Global Advisors. All proxy vote decisions, are documented, referred to and signed off by Babson Capital Global Advisors'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 Babson Capital Global Advisors from splitting a vote among different clients as Babson Capital Global Advisors deems this appropriate, providing each of these decisions is authorised in line with the process documented above.

Babson Capital Global Advisors's investment management agreements for separate account management generally convey the authority to vote proxies to Babson Capital Global Advisors. If the investment management agreement states that the client has delegated proxy voting authority to Babson Capital Global Advisors, Babson Capital Global Advisors 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 Babson Capital Global Advisors votes in accordance with such client's proxy voting instruction, Babson Capital Global Advisors will vote that client's securities as instructed by the client. In the event an investment management agreement is silent on the matter, Babson Capital Global Advisors should get written confirmation from such client as to the client's preference, where possible. Because Babson Capital Global Advisors views proxy voting as integral to the investment process, Babson Capital Global Advisors 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 Babson Capital Global Advisors's Proxy Voting Policy and information about how Babson Capital Global Advisors voted proxies related to their securities, free of charge, by contacting their client service representative at Babson Capital Global Advisors.

Item 18 – Financial Information

Item 18 is not applicable.