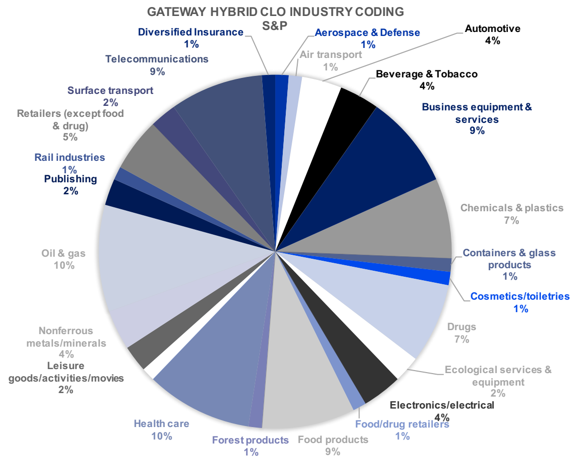
CBLO Portfolio Overview

Portfolio - Output, Ratings and Diversity

Portfolio Composition	
Bonds	50
Loans	32

Weighted Average	
Price	90.07
Coupon	7.5%
Current Yield	8.3%
Yield to Worst	10.7%
Yield to Maturity	10.9%
Duration	2.1 Years
Net MAD / EBITDA* (market adjusted Debt)	3.0X

S&P Ratings	
BBB-	0.0%
BB+	2.5%
BB	5.0%
BB-	7.5%
B+	16.3%
B	38.8%
B-	18.8%
CCC+	10.0%
CCC	0.0%
CCC-	1.3%
NR	0.0%



Why a Hybrid Structure of Bonds and Loans?

Bonds

- The high yield asset class is massive at $1.8 trillion.
- Bond issues come with standardized covenant packages.
- Typically better liquidity than loans. Bonds are securities whereas loans are contracts.
- On a per unit of leverage basis, superior yield is available in many bonds today.
- Bank regulatory legislation has created temporary artificial stress in the market, creating an arbitrage for active credit managers in a closed-end vehicle.

Loans

- The leveraged loan market is ~ $875 billion.
- Loans have less volatility than bonds.
- Loans are floating rate contracts, providing the portfolio with a natural interest rate hedge.
- Loans typically have better collateral packages than bonds.
- Our expertise in secondary trading gives us a sustainable advantage over traditional buyers in the primary market.

Management & Performance Fees

- Management fees are 1% of assets under management.
- Performance fees are 20% of all capital gains accrued inside the portfolio (realized upon call).

* Based on Gateway Credit Partners' estimates for 2016

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