

BENEFIT STREET PARTNERS SENIOR PRIVATE DEBT

Strategy Profile

STRATEGY SNAPSHOT

Inception Date:

October 2010

Benchmark:

S&P Leveraged Loan Index

Key Sources of Expected**Return:**

- Cash Yield
- Original Issue Discount

Regulatory and structural changes over the last decade have led to banks reducing their lending activities, which has resulted in a significant funding gap for small and mid-sized businesses. Benefit Street Partners ('BSP') believes this gap represents a large and attractive opportunity set. BSP's private credit capabilities focus on middle market lending, with a large capital base and robust sector experience; BSP's expertise is well positioned to fill this need.

BSP has been investing in private debt since 2008, with a focus on the middle market. The Senior Private Debt strategy is specifically focused on senior secured debt (primarily 1st lien investments), which are expected to account for at least 80% of the portfolio.

INVESTMENT COMMITTEE²

**Thomas Gahan**

CEO

36 Years of
Experience

**Michael Paasche**

Senior Managing
Director

33 Years of
Experience

**Blair Faulstich**

Senior Portfolio
Manager

26 Years of
Experience

INVESTMENT OBJECTIVE¹

The strategy seeks to generate attractive investment performance and maintain downside protection by investing mainly in senior secured debt (primarily 1st lien investments) issued by middle market companies based in North America.

HIGHLIGHTS

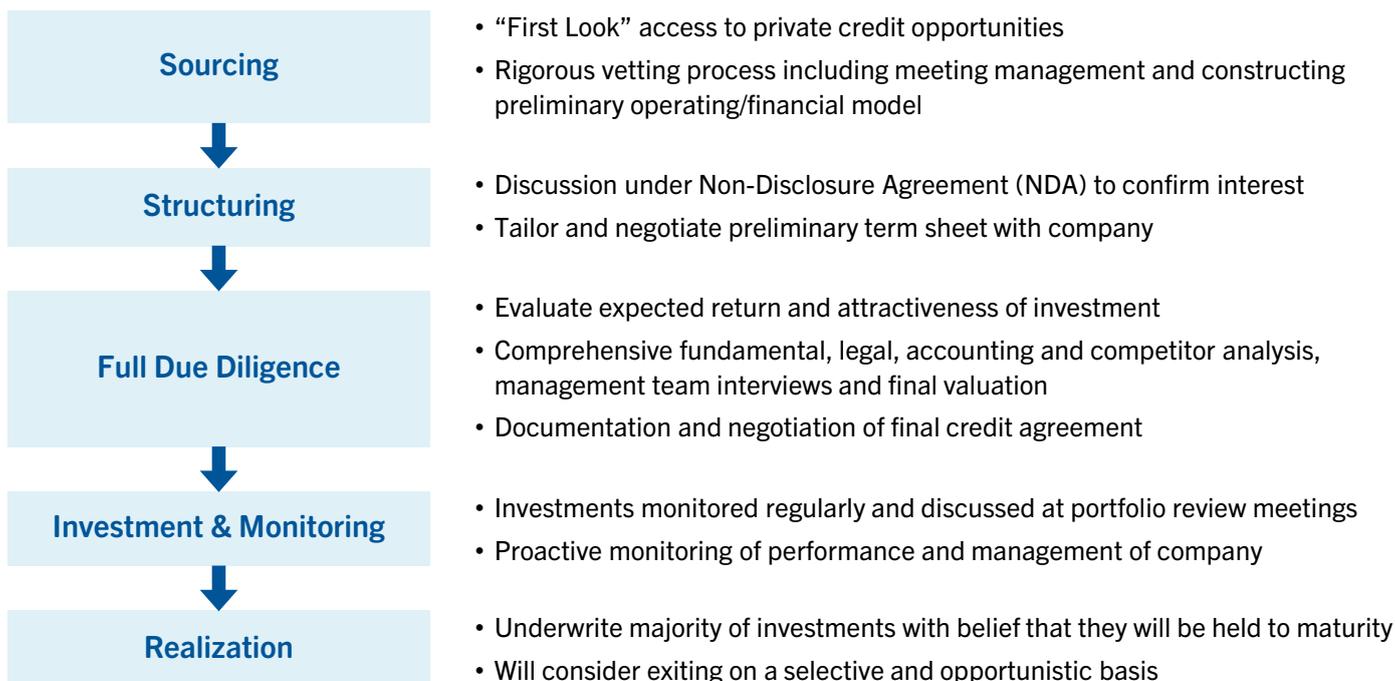
- **Direct Sourcing Model.** BSP is supported by a dedicated private debt origination team with extensive proprietary networks and strong relationships.
- **Emphasis on Non-Competitive Lending.** BSP prioritizes "strategic" non-competitive lending, which BSP expects to lead to enhanced returns and terms.
- **Senior Portfolio with Focus on Capital Preservation.** The strategy will target at least 80% in 1st lien/unitranche investments offering structural seniority and enhanced downside protection.
- **Scale and Experience.** BSP's scale and experience results in greater influence over terms and pricing. As one of only a few middle market lenders who can make investments over \$200 million, BSP can be a "one-stop shop" for borrowers.

1. There is no assurance that the employment of the strategy will result in the investment objective or intended targets being achieved.

2. As of June 30, 2020. There can be no assurance that any of these professionals will remain with the Fund or that past performance or such professionals serve as an indicator of his or her performance or success.

INVESTMENT PROCESS³

Benefit Street Partners utilizes a robust and systematic process when analyzing and managing investments and takes a hands-on approach in order to preserve and create value.



UNDERWRITING PROCESS

Screening

- Opportunities generated through primary and secondary investments
- Sector analysts provide PMs with high-level idea and investment outlook

Diligence

- Analysts provide in depth fundamental credit research: business review, borrower/creditor analysis, evaluate relative value

Formal Approval

- PMs approve/reject trade and provide instruction to traders

Portfolio Construction

- Proprietary models help guide PMs and Senior Management in daily review of the portfolio
- PMs have weekly meetings with senior management and trading to assess market opportunity, current position, asset allocation and performance

Monitoring/Risk Management

- Daily review of the portfolio
- Analysts re-underwriting investments on a continuous basis
- Run pre- and post-trade compliance testing



3. This is a hypothetical example intended solely to illustrate our investment process. It is for illustrative purposes only and is not intended to reflect any actual positioning of the fund and does not constitute investment advice.

TARGET PORTFOLIO GUIDELINES

- **Individual position size:** 1-2% of total assets
- **Expected holding period:** 2-3 years
- **Approximately 100 investments** in the portfolio
- **Invests primarily in 1st lien securities**, across the capital structure, in all industries where BSP has expertise
- **Targeted net returns:** 8 -10%
- **Average Loan to Value (LTV):** < 50%
- **Net cash yield** distributed quarterly to investors

EXPERTISE⁴

- **Dedicated Private Debt Origination Team:**
27 Investment Professionals
- **Additional Corporate Credit Team:**
35 Investment Professionals
- **Investment Committee:**
Thomas Gahan, Michael Paasche and Blair Faulstich

BENEFIT STREET PARTNERS OVERVIEW

Multi-strategy approach targeting attractive opportunities in the global credit markets:

Private Debt/Oppportunistic Credit

Entire Capital Structure	Senior Secured Only	Special Situations	CLOs	Liquid High Yield	Commercial Real Estate
\$9.3 billion AUM⁵	\$3.0 billion AUM⁵	\$806 Million AUM⁵	\$9.6 billion AUM⁵	\$1.1 billion AUM⁵	\$3.9 billion AUM⁵
Flexibility to invest across the capital structure	Primarily 1st lien investments	Stressed/distressed credit investing	Closed 18 CLOs backed by broadly syndicated leveraged loans	Actively managed high yield strategy	Debt & equity investments in commercial real estate with a focus on the middle market

INVESTMENT TEAM

Established more than a decade ago, BSP has \$28 billion in assets under management⁵ and is based in New York City, with six offices across the United States. BSP offers a broad spectrum of investment capabilities to its investors covering corporate performing and distressed private credit, structured credit and commercial real estate credit. BSP has an established team of 111 investment professionals and 220 employees⁴, with substantial expertise in multi-functional credit markets.

The BSP Senior Private Debt Strategy is led by a dedicated 27-person private debt origination team⁴ in parallel with the Investment Committee of Thomas Gahan, Michael Paasche and Blair Faulstich. The team also has access to an additional 35 corporate credit investment professionals and 18 sector-focused research analysts⁴. All senior team members employ a hands-on diligence approach and are involved in all aspects of the investment process. The team collectively possesses substantial experience in structuring, negotiating and executing debt financings across the capital structure through multiple business cycles.

4. As of June 30, 2020. There can be no assurance that any of these professionals will remain with the Fund or that past performance or such professionals serve as an indicator of his or her performance or success.

5. AUM refers to the assets under management for all credit funds and separately managed accounts managed by BSP. AUM amounts are approximate as of June 30, 2020 and are unaudited. Certain amounts are preliminary and remain subject to change.

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