

professionals and 19 support staff. The ING Senior Loan Group currently manages over \$9 billion in assets that are substantially similar to the Collateral Obligations and Eligible Investments that it will manage for the Issuer across 16 portfolios, including nine CLOs (including the Issuer). For the purposes of this Offering Memorandum, all descriptions of the investment process, personnel and duties of the Investment Manager refer to the ING Senior Loan Group within the Investment Manager.

ING Group has adopted a formal restructuring plan that was approved by the European Commission in November 2009 under which the ING life insurance businesses, including the retirement services and investment management businesses, which include the Investment Manager, would be divested by ING Group by the end of 2013. To achieve this goal, ING Group announced in November 2010 that it plans to pursue two separate initial public offerings: one a U.S. focused offering that would include U.S. based insurance, retirement services, and investment management operations, and the other a European based offering for European and Asian based insurance and investment management operations. There can be no assurance that the restructuring plan will be carried out through two offerings or at all.

The restructuring plan and the uncertainty about its implementation, whether implemented through the planned initial public offerings or through other means, in whole or in part, may be disruptive to the business of the Investment Manager, including, among other things, an interruption of or reduction in the Investment Manager's business and services, diversion of management's attention from day-to-day operations, and loss of key employees or customers. A failure to complete the offerings or other means of implementation on favorable terms could have a material adverse impact on the operations of the Investment Manager. The restructuring plan may result in the Investment Manager's loss of access to services and resources of ING Group and its other subsidiaries, which could adversely affect its businesses and profitability. Currently, the Investment Manager does not anticipate that the restructuring will have a material adverse impact on its operations or on its ability to perform the services required under the Investment Management Agreement and this Indenture.

#### **Investment Process**

The Investment Manager employs a disciplined process to identify, analyze, purchase and monitor investments. This process begins with macroeconomic research. The Investment Manager continually monitors world events, interest rate trends, domestic and global economic cycles and other economic variables. This research helps the Investment Manager identify industries for further review and analysis.

Once industries have been identified for further review and analysis, the Investment Manager analyzes those industries in terms of whether they are cyclical or non-cyclical, production or distribution, durable or non-durable, integrated or non-integrated, industrial or consumer, domestic or international, and analyzes their capital flows, developing trends, pricing power and supply/demand dynamics.

Fundamental credit analysis is the foundation of the Investment Manager's portfolio construction. The Investment Manager analyzes potential investments with respect to both the individual company and the deal structure. Fundamental credit analysis of a company is an in-depth, independent analysis focused on free cash flow generation, liquidity and adequacy of collateral coverage. In addition, the Investment Manager evaluates a company's management, its competitive position, its market share within its industry, and the strengths and weaknesses of its business segments.

The Investment Manager's review of the structure of a proposed investment focuses on the provisions of the credit documents, particularly the strength of the protective covenants and the voting rights of lenders. The Investment Manager also analyzes the sponsors of the transaction to determine whether they are proven, committed, and have the financial resources required to support the company if necessary.

Proposed investments that are recommended after the foregoing review and analysis are presented to the Investment Manager's Investment Committee. The Investment Committee is comprised of the ING Senior Loan Group's two group heads and a senior credit officer. The Investment Committee approves all new credit exposure, sets maximum per issuer credit limits and makes portfolio allocations. It also oversees secondary trading and compliance, validates credit scores, sets trading policy and provides approval of regular quarterly monitoring. All investment decisions of the Investment Committee must receive majority approval.