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PTO Form 1960 (Rev 10/2011)

OMB No. 0651-0050 (Exp 07/31/2017)

Request for Reconsideration after Final Action

The table below presents the data as entered.

Input Field	Entered
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LAW OFFICE ASSIGNED	LAW OFFICE 116
MARK SECTION	
MARK FILE NAME	http://tmng-al.uspto.gov/resting2/api/img/86420447/large
LITERAL ELEMENT	BABSON CAPITAL MANAGEMENT
STANDARD CHARACTERS	NO
USPTO-GENERATED IMAGE	NO
COLOR(S) CLAIMED (If applicable)	Color is not claimed as a feature of the mark.
DESCRIPTION OF THE MARK (and Color Location, if applicable)	The mark consists of the word "Babson" and starting under the second "b" in the word "Babson" are the words "Capital Management".
ARGUMENT(S)	
See attachments in the evidence section	
EVIDENCE SECTION	
EVIDENCE FILE NAME(S)	
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DESCRIPTION OF EVIDENCE FILE	Attached is the response to the Office Action and Exhibits A-D in support of the response. Additionally, we have attached the Declaration of Mr. Christopher A. DeFrancis and Exhibits A-F in support of the declaration
ADDITIONAL STATEMENTS SECTION	
ACTIVE PRIOR REGISTRATION(S)	The applicant claims ownership of active prior U.S. Registration Number(s) 3433684, 3433685, 3433683, and others.
SECTION 2(f) Claim of Acquired Distinctiveness, IN PART, BASED ON EVIDENCE	BABSON CAPITAL MANAGEMENT has become distinctive of the goods/services, as demonstrated by the attached evidence.
2(f) EVIDENCE FILE NAME(S)	
ORIGINAL PDF FILE	epart-20710182-154757950_._Binder1_-_Declaration_and_Ex._Babson__Design_pdf.pdf
CONVERTED PDF FILE(S) (157 pages)	\\TICRS\EXPORT16\IMAGEOUT16\864\204\86420447\xml8\RFR0273.JPG
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MISCELLANEOUS STATEMENT	In connection with this Request for Reconsideration, Applicant is also filing an Amendment to Allege Use and a Notice of Appeal.
SECTION 2(f) Claim of Acquired Distinctiveness, IN PART, based on Active Prior Registration(s)	BABSON CAPITAL MANAGEMENT has become distinctive of the goods/services as evidenced by the ownership on the Principal Register for the same mark for sufficiently similar goods/services of active U.S. Registration No(s). 3433684, 3433685, 3433683, 3433682
SIGNATURE SECTION	
DECLARATION	The filing Attorney has elected not to submit the signed declaration, believing

SIGNATURE	no supporting declaration is required under the *Trademark Rules of Practice.*
RESPONSE SIGNATURE	/Catherine H. Stockell/
SIGNATORY'S NAME	Catherine H. Stockell
SIGNATORY'S POSITION	Attorney for Applicant, NY bar member
SIGNATORY'S PHONE NUMBER	212-641-2351
DATE SIGNED	02/05/2016
AUTHORIZED SIGNATORY	YES
CONCURRENT APPEAL NOTICE FILED	YES
FILING INFORMATION SECTION	
SUBMIT DATE	Fri Feb 05 18:18:43 EST 2016
TEAS STAMP	USPTO/RFR-XXX.XX.XX.X-201 60205181843995572-8642044 7-550e9d57dbe1a824615165d e47be1f112c3711937245e965 5871ebca08f3fcd1-N/A-N/A-20160205154757950902

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OMB No. 0651-0050 (Exp 07/31/2017)

Request for Reconsideration after Final Action

To the Commissioner for Trademarks:

Application serial no. **86420447** BABSON CAPITAL MANAGEMENT (Stylized and/or with Design, see http://tmng-al.uspto.gov/resting2/api/img/86420447/large) has been amended as follows:

ARGUMENT(S)
In response to the substantive refusal(s), please note the following:

See attachments in the evidence section

EVIDENCE
Evidence in the nature of Attached is the response to the Office Action and Exhibits A-D in support of the response. Additionally, we have attached the Declaration of Mr. Christopher A. DeFrancis and Exhibits A-F in support of the declaration has been attached.

Original PDF file:
evi_20710182-20160205154757950902_._Binder1.pdf
Converted PDF file(s) (114 pages)
Evidence-1
Evidence-2
Evidence-3
Evidence-4
Evidence-5
Evidence-6
Evidence-7
Evidence-8
Evidence-9
Evidence-10
Evidence-11
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Original PDF file:
evi_20710182-20160205154757950902_._Binder1_-_Declaration_and_Ex._Babson__Design_pdf.pdf
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Evidence-157

ADDITIONAL STATEMENTS
Claim of Active Prior Registration(s)
The applicant claims ownership of active prior U.S. Registration Number(s) 3433684, 3433685, 3433683, and others.

SECTION 2(f) Claim of Acquired Distinctiveness, IN PART, BASED ON EVIDENCE
BABSON CAPITAL MANAGEMENT has become distinctive of the goods/services, as demonstrated by the attached evidence.

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epart-20710182-154757950_._Binder1_-_Declaration_and_Ex._Babson__Design_pdf.pdf
Converted PDF file(s) (157 pages)
2(f) evidence-1
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Miscellaneous Statement
In connection with this Request for Reconsideration, Applicant is also filing an Amendment to Allege Use and a Notice of Appeal.

SECTION 2(f) Claim of Acquired Distinctiveness, IN PART, based on Active Prior Registration(s)
BABSON CAPITAL MANAGEMENT has become distinctive of the goods/services as evidenced by the ownership on the Principal Register for the same mark for sufficiently similar goods/services of active U.S. Registration No(s). 3433684, 3433685, 3433683, 3433682

SIGNATURE(S)
Declaration Signature
The filing Attorney has elected not to submit the signed declaration, believing no supporting declaration is required under the *Trademark Rules of Practice.*

Request for Reconsideration Signature
Signature: /Catherine H. Stockell/ Date: 02/05/2016
Signatory's Name: Catherine H. Stockell
Signatory's Position: Attorney for Applicant, NY bar member

Signatory's Phone Number: 212-641-2351

The signatory has confirmed that he/she is an attorney who is a member in good standing of the bar of the highest court of a U.S. state, which includes the District of Columbia, Puerto Rico, and other federal territories and possessions; and he/she is currently the owner's/holder's attorney or an associate thereof; and to the best of his/her knowledge, if prior to his/her appointment another U.S. attorney or a Canadian attorney/agent not currently associated with his/her company/firm previously represented the owner/holder in this matter: (1) the owner/holder has filed or is concurrently filing a signed revocation of or substitute power of attorney with the USPTO; (2) the USPTO has granted the request of the prior representative to withdraw; (3) the owner/holder has filed a power of attorney appointing him/her in this matter; or (4) the owner's/holder's appointed U.S. attorney or Canadian attorney/agent has filed a power of attorney appointing him/her as an associate attorney in this matter.

The applicant is filing a Notice of Appeal in conjunction with this Request for Reconsideration.

Serial Number: 86420447
Internet Transmission Date: Fri Feb 05 18:18:43 EST 2016
TEAS Stamp: USPTO/RFR-XXX.XX.XX.X-201602051818439955
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-N/A-20160205154757950902

Attorney Docket No.: 38265-0009001

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	Babson Capital Management LLC	Law Office:	116
Serial No.:	86/420,447	Examiner:	Susan K. Lawrence
Filed:	October 10, 2014		
Mark:	Babson CAPITAL MANAGEMENT		

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

REQUEST FOR RECONSIDERATION

Applicant Babson Capital Management LLC ("Applicant" or "Babson") files this Request for Reconsideration in response to the Office Action dated August 5, 2015 (the "Office Action") issued against Application Serial No. 86/420,447 (the "Application") for the mark BABSON CAPITAL MANAGEMENT and Design (the "Mark" or "Applicant's Mark"). Applicant is filing simultaneously with this Request for Reconsideration a Notice of Appeal of the Office Action with the Trademark Trial and Appeal Board in the event that the Examiner does not withdraw the Office Action.

AMENDMENTS

In the response to the Office Action, Applicant has amended the Application as follows:

1. Amended the basis of the Application to Section 1(a) based on use in commerce of Applicant's Mark for the services since at least as early as January 8, 2015.

2. Inserted the following claim of distinctiveness in part under Section 2(f) with respect to the word portion of Applicant's Mark, namely, BABSON CAPITAL

MANAGEMENT:

> The term BABSON CAPITAL MANAGEMENT in the mark BABSON CAPITAL MANAGEMENT and Design has become distinctive as used on or in connection with Applicant's services in commerce.

3. Inserted a claim of ownership of the following registrations:

- Registration No. 3433682, dated May 27, 2008, for the mark BABSON CAPITAL and Design in International Class 36;
- Registration No. 3433683, dated May 27, 2008, for the mark BABSON CAPITAL in International Class 36;
- Registration No. 3433684, dated May 27, 2008, for the mark BABSON CAPITAL MANAGEMENT LLC in International Class 36;
- Registration No. 3433685, dated May 27, 2008, for the mark BABSON CAPITAL MANAGEMENT LLC and Design in International Class 36.

RESPONSE

In the Office Action, the Examining Attorney made final the refusal of registration pursuant to Section 2(e)(4) of the Lanham Act, 15 U.S.C. § 1052(e)(4), on the grounds that Applicant's Mark is primarily merely a surname.

As discussed more fully below, Applicant respectfully disagrees that Applicant's Mark is primarily merely a surname. While it is true that "Babson" is a surname (as witnessed by the fact that the original founder of Applicant was an individual named David L. Babson), Applicant submits that the primary significance BABSON and BABSON CAPITAL MANAGEMENT are as trademarks for Applicant's financial services. Alternatively, and without conceding the question of whether Applicant's Mark is primarily merely a surname, Applicant has amended the Application to claim acquired distinctiveness of the word portion of Applicant's Mark, BABSON CAPITAL MANAGEMENT, based on its long use of BABSON for over 75 years and BABSON CAPITAL MANAGEMENT for over 11 years in commerce for its financial services. Applicant's claim of acquired distinctiveness is also based on its ownership of four subsisting, incontestable registrations of marks that consist of BABSON CAPITAL and BABSON CAPITAL MANAGEMENT for services that are virtually same as those claimed in the Application.

ARGUMENT

I. Applicant's Mark is Not Primarily Merely A Surname

To support her contention that Applicant's Mark is primarily merely a surname, the Examining Attorney submits that the term BABSON is not a rare surname, there is no other recognized meaning of the term BABSON, the slight stylization of Applicant's Mark does not obviate a finding that the primary significance of the mark is as a surname, and, finally, combining a surname with "generic" matter does not overcome the mark's surname significance.

A. Babson is a Rare Surname.

The rarity of a surname is an important factor to be considered in determining whether a mark containing the surname is primarily merely a surname. *See, e.g., In re Joint-Stock Co. "Baik,"* 84 USPQ2d 1921, 1924 (TTAB 2007) (finding the extreme rarity of BAIK weighed against surname refusal); *In re Benthin Mgmt. GmbH,* 37 USPQ2d 1332, 1333 (TTAB 1995) (the rarity of BENTHIN as a surname weighed against a finding that the term would be perceived as primarily merely a surname).

To support her argument that BABSON is not a rare surname, the Examining Attorney submitted a telephone directory page from www.whitepages.com in which there are 1100 listings for the surname Babson. Although 1100 residential listings for "Babson" may, at first blush, seem significant, that number only represents *a tiny fraction* of the 270 million people currently living in the United States.[1] Moreover, the Census Bureau database of surnames, taken from the

[1] See *Technical Documentation: Demographic Aspects of Surnames - Census 2000,* available at http://www2.census.gov/topics/genealogy/2000surnames/surnames.pdf -- Attached as Exhibit A.

most recent decennial census in 2000, orders surnames by rank. Babson, with 858 occurrences, ranks as number 26,694 of the most common surnames in the United States. As such, out of every 100,000 people in the United States, only .32 people have the surname Babson.[2] Stated differently, out of every 300,000 people in the United States, only one has the Babson surname. To put the rarity of Babson as a surname further in perspective, Applicant notes that the most common surname, Smith, occurs over 2 million times within the population. Further, because the Census database reflects the number of individuals with a particular name, rather than the number of households, search results from the Census database should be deemed more persuasive evidence of surname frequency or infrequency than results from telephone directory listings. *See* TMEP § 1211.02(b)(iii). As can be seen, the evidence from the Census database clearly shows that Babson is a rare surname in the United States.

The Examining Attorney's other evidence also demonstrates that the surname Babson is rare. In particular, the Examining Attorney submitted evidence from the "Forebears" website showing that 1 in every 286,724 people in the United States has the surname Babson, giving it a ranking of 27,199 among all surnames in the United States. That ranking is even lower than the ranking assigned to the Babson surname by the Census Bureau. Additional evidence submitted by the Examining Attorney also explicitly acknowledges that Babson is a rare surname. "The name comes from Somerset, England, but the origins are not known. *The name is rare in England today*. It is sometimes spelled Bapson. If you meet another Bapson or Babson, you are probably related."[3]

B. Applicant's Mark has Significance Other Than as a Surname

[2] Attached as Exhibit B is an excerpt of the Census database of Surnames Occurring 100 or more times, referred to as "File B" in Section 5.3 of the *Census 2000* report attached as Exhibit A.
[3] http://babsonhistorical.org/faqs/ submitted by the Examining Attorney in her Office Action dated January 30, 2015.

The question of whether a mark is primarily merely a surname depends on the mark's primary significance to the purchasing public. *See, e.g., Ex parte Rivera Watch Corp.*, 106 USPQ 145, 149 (Comm'r Pats. 1955). Each case must be decided on its own facts, based upon the evidence in the record. *See In re The Monotype Corp. PLC*, 14 U.S.P.Q.2d 1070, 1070-71 (T.T.A.B. 1989). A mark is primarily merely a surname if the *primary* significance of the mark to the purchasing public is that of a surname. *See In re Hutchinson Technology, Inc.*, 7 U.S.P.Q. 1490 (Fed. Cir. 1988). "In this context, 'merely' is synonymous with 'only,' meaning the question is whether the significance of the mark is 'primarily only a surname.'" *Lane Capital Mgmt., Inc. v. Lane Capital Mgmt., Inc.*, 52 U.S.P.Q. 1094, 1098, *citing In re Lewis Cigar Mfg. Co.*, 98 U.S.P.Q. 265 (C.C.P.A. 1953).

To demonstrate that the primary significance of Babson to the purchasing public is as a surname, the Examining Attorney offers the profiles of a handful of individuals named Babson. However, evidence of a handful of people with the surname Babson does not support a finding that the primary or only significance of "Babson," as used for financial services, is as a surname. Indeed, a Google search of the term "BABSON" did not turn up a single one of those references until the end of the fourth page of results.[4]

In contrast, Applicant has submitted the declaration of Christopher A. DeFrancis, Co-General Counsel and Chief Compliance Officer of Applicant (The "DeFrancis Declaration"). As can be seen from the DeFrancis Declaration, for over 75 years, the public has understood that BABSON, as used in connection with financial services, means and identifies Applicant and its financial services. Applicant was founded in 1940 as "David L. Babson and Company Inc." DeFrancis Decl. ¶5; Ex. A. Over the years, the company and its financial services became to be

[4] See Google search results for Babson at Exhibit C.

known by and identified simply as BABSON. Based on that recognition and understanding, on July 1, 2004, Babson was rebranded as "Babson Capital Management LLC," which it continues to use today. DeFrancis Decl. ¶5. Over the course of the past seven and a half decades, Applicant has used BABSON both alone and as part of the marks DAVID L. BABSON & COMPANY INC., BABSON CAPITAL MANAGEMENT LLC, BABSON CAPITAL MANAGEMENT, and BABSON CAPITAL for its financial services. DeFrancis Decl. ¶8. By way of example of its use of BABSON alone, since at least as early as 1981, Applicant has continuously distributed to the public and its customers THE BABSON STAFF REPORT, which is a quarterly report on equity and commodity investment performance and opportunities. More recently, Applicant also began distributing a company brochure entitled BABSON AT A GLANCE. DeFrancis Decl. ¶8; Ex. B. The foregoing uses of both BABSON and BABSON CAPITAL MANAGEMENT for Applicant's business and financial services demonstrates that the primary significance of those terms is as Applicant's marks and not as primarily merely surnames.

In addition, Applicant also submits that a search of the Trademark Register shows that there are fifteen (15) active registrations of marks containing the term BABSON on the Principal Register. Of these active registrations, only one recent registration by Babson College for the mark BABSON alone claimed acquired distinctiveness to secure registration of the mark. None of the other BABSON registrations were required to disclaim BABSON or claim that it had acquired distinctiveness.[5] Copies of the details of the foregoing BABSON registrations are attached hereto as Exhibit D.

[5] The Registration for WEBBER INTERNATIONAL UNIVERSITY ERUDITIO ET INTEGRITAS EST. 1927 BABSON PARK FLORIDA (Reg. No. 3,739,374) does contain a disclaimer of "BABSON PARK FLORIDA," but that disclaimer is because it is a geographic location not because BABSON is a surname.

Finally, Applicant has claimed ownership of four subsisting, incontestable registrations of the marks BABSON CAPITAL, BABSON CAPITAL and Design, BABSON CAPITAL MANAGEMNT LLC, and BABSON CAPITAL MANAGEMENT LLC and Design. *See also* DeFrancis Decl. ¶14; Ex. F (which contains copies of the registration certificates and the respective TSDR printouts of each of the foregoing BABSON registrations). No surname refusal was ever raised in Applicant's applications to register the design marks BABSON CAPITAL and Design and BABSON CAPITAL MANAGEMENT LLC and Design, and the marks issued into registrations without a disclaimer or claim of acquired distinctiveness of BABSON. The examiners for Applicant's applications to register the word marks BABSON CAPITAL and BABSON CAPITAL MANAGEMENT LLC initially raised surname refusals on both applications, but later withdrew them after a "careful" review of Applicant's evidence of record demonstrated that the primary significance of the marks was not primarily merely as a surname. In other words, the Patent and Trademark Office has *already carefully considered* the question of whether BABSON CAPITAL and BABSON CAPITAL MANAGEMENT are primarily merely surnames, and found that they are not. As a result, the word marks BABSON CAPITAL and BABSON CAPITAL MANAGEMENT LLC also issued into registrations without a disclaimer or claim of acquired distinctiveness of BABSON.

C. Addition of "CAPITAL MANAGEMENT"

Applicant further submits that the addition of the wording CAPITAL MANAGEMENT to BABSON renders Applicant's Mark, as a whole, not primarily merely a surname.

The "treatment of marks that include wording in addition to a term that, standing by itself, is primarily merely a surname, depends on the significance of the non-surname wording." TMEP §1211.01(b)(vi). If the wording combined with a purported surname is generic, then the addition of the generic wording will not overcome the overall mark's significance as a surname. *See, e.g., In re Hamilton Pharm. Ltd.*, 27 USPQ2d 1939 (TTAB 1993) (holding HAMILTON PHARMACEUTICALS for pharmaceutical products primarily merely a surname). However, if the wording combined with the surname is capable of functioning as a mark (*i.e.,* matter that is arbitrary, suggestive, or *merely descriptive* of the goods or services), the mark is not considered to be primarily merely a surname under Section 2(e)(4) of the Lanham Act. *See In re Hutchinson Tech. Inc.*, 852 F.2d 552, 555, 7 USPQ2d 1490, 1493 (Fed. Cir. 1988) (holding HUTCHINSON TECHNOLOGY for computer components not primarily merely a surname when the mark is considered as a whole, even with a disclaimer of the descriptive term "TECHNOLOGY").

The Examining Attorney summarily states that the addition of the "generic" wording CAPITAL MANAGEMENT to Applicant's Mark does not overcome the mark's surname significance. However, the Examining Attorney does not offer any evidence that the wording CAPITAL MANAGEMENT is *generic*. Specifically, the Examining Attorney submits in support of her conclusory statement web pages from businesses that use "capital management" in their names. At most, this evidence supports a conclusion that the term "capital management" is descriptive of businesses and services that manage capital and other financial assets. It does not demonstrate that the term is generic.

Applicant concedes that the term CAPITAL MANAGEMENT is descriptive, and has disclaimed the exclusive right to use the term apart from its mark BABSON CAPITAL MANAGEMENT and Design. However, the fact that CAPITAL MANAGEMENT is descriptive, or even disclaimed, does not mean that the overall significance of Applicant's Mark BABSON CAPITAL MANAGEMENT and Design is primarily merely a surname. To the contrary, the addition of that descriptive terminology establishes that BABSON CAPITAL MANAGEMENT and Design, when considered in its entirety, is not primarily merely a surname but rather functions as a mark for Applicant's financial services. *See In re Hutchinson Tech. Inc.*, 852 F.2d at 555, 7 USPQ2d at 1493.

Applicant submits that the manner of its use of BABSON and BABSON CAPITAL MANAGEMENT for its business and financial services, the long and extensive nature of that use, as well as its prior incontestable registrations of BABSON marks, all demonstrate that the primary significance of Applicant's Mark is not primarily merely as a surname. If there is any doubt as to whether a term is primarily merely a surname, the Examining Attorney should resolve the doubt in favor of the applicant. *In re Yeley*, 85 USPQ2d 1150,1151 (TTAB 2007); *In re Benthin Mgmt. GmbH,* 37 USPQ2d 1332, 1334 (TTAB 1995).

II. <u>"BABSON CAPITAL MANAGEMENT" HAS AQUIRED DISTINCTIVENESS</u>

As noted above, and without conceding that Applicant's Mark is primarily merely a surname, Applicant submits alternatively that the word portion of Applicant's Mark, BABSON CAPITAL MANAGEMENT, has acquired distinctiveness for Applicant's financial services.

Because its claim of acquired distinctiveness is in the alternative, unlike the situation in which an applicant initially seeks registration under §2(f) or amends its application without objection, the alternative claim does not constitute a concession that BABSON is primarily merely a surname. TMEP §1212.02(c). *See In re Thomas Nelson, Inc.*, 97 USPQ2d 1712, 1713 (TTAB 2011); *In re E S Robbins Corp.*, 30 USPQ2d 1540, 1542 (TTAB 1992); *In re Prof'l Learning Ctrs., Inc.*, 230 USPQ 70, 71 n.2 (TTAB 1986).

When an applicant claims acquired distinctiveness in the alternative, the Examining

Attorney must consider both the underlying basis of refusal and whether acquired distinctiveness has been established. TMEP §1212.02(c).

A. BABSON CAPITAL MANAGEMENT Has Been in Use in Connection With Financial Services for At Least Five Years

As noted in the DeFrancis Declaration, Applicant was founded in 1940 under the name David L. Babson & Company Inc. DeFrancis Decl. ¶5. Over the years, the company and its financial services became to be known by and identified simply as BABSON. Based on that recognition and understanding, on July 1, 2004, Babson was rebranded as "Babson Capital Management LLC," which it continues to use today. DeFrancis Decl. ¶¶5-6; Ex. A.

Based on the foregoing, Applicant entered the following verified statement into the Application: "The mark has become distinctive of the services through Applicant's substantially exclusive and continuous use in commerce for at least five years immediately before the date of this statement."

B. BABSON and BABSON CAPITAL MANAGEMENT Have Acquired Distinctiveness through Extensive and Continuous Use in Connection with Applicant's Financial Services

As noted above, since it was originally founded over 75 years ago, Applicant has continuously used BABSON as its primary name and mark for its business and its financial services. DeFrancis Decl. ¶¶5-8; Exs. A, B.

Over the past seven and a half decades, Applicant grew its business under the BABSON name and mark from a local Massachusetts financial investment firm to one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world. DeFrancis Decl. ¶6. Applicant focuses on creating innovative investment strategies and solutions for sophisticated investors under the BABSON mark. Among other things, Applicant offers a unique and broad array of innovative investment alternatives under the BABSON name and mark for its clients, including structured products, corporate finance, real estate finance and quantitative risk & derivatives management. DeFrancis Decl. ¶7. Applicant also offers investors under the BABSON name and mark fixed income and quantitative equity relative return strategies and access to capital and transactions through established partnerships. DeFrancis Decl. ¶7.

Applicant has expended well over $1,000,000 per year in each of the past four years on the advertising, marketing and promotion of its services to prospective clients under the BABSON name and mark. Applicant places BABSON advertisements and promotional sponsorships in such industry magazines as *Institutional Investor; InvestmentNews; Private Debt Investor; Buyouts; Pensions & Investments.* DeFrancis Decl. ¶9; Ex. C. Applicant has also appeared at numerous financial industry conferences and other speaking engagements to market and promote its innovative investment strategies and solutions under the BABSON name and mark. For example, in the past few years, Applicant has participated in the following industry conferences, among others: Asian Investor; CIE Cash and Dividends Income Conference; FPA Massachusetts (multiple small regional events); Fund Forum International; IJ Global Infrastructure and Energy Finance Forum; IMN ABS Vegas; IMN CLO Conference; ISI Summits (East and West); LSTA Conference (Tokyo and Seoul); MassMutual Retirement Services Conferences (multiple throughout year); NCII Forum and Roundtable; SuperReturn International; TD Ameritrade National LINC Conference; and TEXPERS Annual Conference. DeFrancis Decl. ¶10; Ex. D.

Applicant's unique financial services and effective counsel of clients have also been featured in numerous financial publications, such as *Barron's; Bloomberg; Buyouts; Financial*

Times; The Institutional Investor; InvestmentNews; Leveraged Finance News; Loan Market Week; Bank Loan Report; Pensions and Investments; Private Debt Investor; The New York Times; Thomson Reuters; and *The Wall Street Journal,* as well as on such television programs as *Bloomberg TV; CNBC,* and *Asset TV.* DeFrancis Decl. ¶11; Ex. E. These feature articles further promote the BABSON name and mark throughout the United States.

Applicant is also very active in philanthropic efforts in various communities throughout the United States. The Boston Youth Symphony Orchestra, the YMCA of Greater Charlotte, The Mint Museum, The American Heart Association, U.S. Fund for UNICEF, Habitat for Humanity and The Boys & Girls Club are examples of the organizations that benefit from Babson's generosity and commitment to the public. DeFrancis Decl. ¶11; Ex. E. Babson supports over 40 charitable organizations in the United States, and its philanthropic efforts further distinguish Babson and promote the BABSON name and mark throughout the United States. DeFrancis Decl. ¶11.

As a result of Applicant's extensive promotional, advertising and philanthropic efforts, Applicant's customers and the public have come to know and understand that BABSON and BABSON CAPITAL MANAGEMENT, as used for financial services, mean and refer to Applicant and Applicant's financial services. Accordingly, BABSON and BABSON CAPITAL MANAGEMENT constitute valuable marks associated with quality financial advice, strategy and success, whose primary significance is not primarily merely a surname. DeFrancis Decl. ¶13.

C. Prior BABSON CAPITAL and BABSON CAPITAL MANAGEMENT Registrations for the Same Services

Under Trademark Rule 2.41(a)(1), 37 C.F.R. §2.41(a)(1), ownership of one or more active prior registrations on the Principal Register of the same mark may accepted as *prima facie* evidence of distinctiveness if the goods or services are sufficiently similar to the goods or services in the application.

As noted above, Applicant owns four prior, incontestable registrations of the marks BABSON CAPITAL, BABSON CAPITAL and Design, BABSON CAPITAL MANAGEMENT LLC, and BABSON CAPITAL MANAGEMENT LLC and Design for the same services in the Application. *See* DeFrancis Decl. ¶14; Ex. F.

The differences between Applicant's Mark and the prior registrations of the marks BABSON CAPITAL MANAGEMENT LLC and BABSON CAPITAL MANAGEMENT LLC and Design are immaterial. The deletion of the limited liability company designation "LLC" and the differences in design and stylization are not meaningful differences and would not change the overall commercial impressions created by the marks. Likewise, the differences between Applicant's Mark and the prior registrations of the marks BABSON CAPITAL and BABSON CAPITAL and Design are also immaterial. The addition of the descriptive, disclaimed word "Management" and the differences in design and stylization also do not change the overall commercial impressions created by the marks.

Applicant submits that the BABSON CAPITAL MANAGEMENT and BABSON CAPITAL marks shown in Applicant's prior registrations are, for all intents and purposes, essentially identical to the Applicant's Mark and are for the same services. As such, Applicant submits that its prior registrations should serve as *prima facie* evidence of the acquired distinctiveness Applicant's Mark.

CONCLUSION

Based on all of the foregoing, Applicant submits that it has demonstrated that Applicant's Mark is not primarily merely a surname or, alternatively, is entitled to registration on the

Principal Register based on a showing of acquired distinctiveness. Since Applicant believes that it has satisfied all outstanding refusals raised in the Office Action, Applicant respectfully requests that the Examining Attorney withdraw the final Office Action and pass the Application to publication.

Respectfully submitted,

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Attorney for Applicant,
Babson Capital Management LLC

Exhibit A

Demographic Aspects of Surnames from Census 2000

David L. Word, Charles D. Coleman, Robert Nunziata and Robert Kominski

ACKNOWLEDGEMENTS

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1. INTRODUCTION

A person's name is one of the most basic pieces of information that describes them. Moreso than a person's race, sex or age, we most often recognize people by their name. But names are not divorced from other aspects of an individual. Often, by knowing a name, we can infer many other things about the person. Names also have a historical context, ebbing and increasing over time with changes in popular culture.

This report documents both the overall frequency of surnames (last names), as well as some of the basic demographic characteristics that are associated with surnames. **The presentation of data in this report focuses on summarized aggregates of counts and characteristics associated with surnames, and, as such, do not in any way identify any specific individuals.**

The data for this project were taken from records from the 2000 decennial census of population. The primary purposes of the U.S. decennial census of population are to provide data with geographic detail on the population for use in reapportionment and redistricting, and administering governmental programs. However, for decades, decennial census data have been used by government agencies, researchers, academicians, businesses, the news media, and many others to describe and understand demographic trends and patterns in the U.S. population.

In releasing any data or information from the decennial census, the U.S. Census Bureau has a legal obligation under Title 13 of the U.S. Code to protect the confidentiality of individuals' information. In this regard, individual questionnaires of any specific census, (generally of interest for genealogical and historical research), are not released by the National Archives until 72 years after that specific census has been taken. Additionally, no public-use microdata files of any type contain name information

This report has been undertaken to provide a better understanding of the overall distribution of surnames in the population, and to provide some idea of the relationship between surnames and basic demographic characteristics such as gender, race and ethnicity. Even in this highly aggregate form, this information may be helpful in genealogical, marketing, and cultural research, as well as a variety of other applications. As such, it is useful information in helping to understand the ever-changing nature of the cultural mosaic that helps to define our nation.

2. THE BASE DATA

While Census 2000 is the first decennial census that permits examining demographic detail with names, this report is by no means the first to present tabulations of names. The Social Security Administration has published counts of frequently occurring surnames numerous times (SSA, 1957, 1964, 1975, 1985). Their tabulations consist of surnames of all people who had obtained Social Security Numbers as of the dates of these reports. The number of distinct surnames reported have ranged from about 1,500 (SSA, 1957) to over 8,000 (SSA, 1985). These names, however, have been limited to six characters. Six characters are certainly sufficient to uniquely identify shorter names like SMITH, BROWN and JONES. On the other hand, a name such as MARTIN could be MARTIN, or, it could be something like MARTINI, or MARTINEZ. The Social Security Administration has had ongoing data releases on the first names of newborns for each year since 1990 (SSA, 2003). SSA's first compilation of newborns first names was released in Shackleford (1998). These data, however, lack race and ethnicity information and are limited to the 1,000 most frequent male first names and the 1,000 most frequent female first names.

In July 1995, the Census Bureau placed summary information on male and female first names and last names on its website (Census Bureau, 1995). The data released in 1995 were created from a sample of 7.2 million census records (about 3 percent of the population) developed as part of the 1990 Post-Enumeration Survey (PES) operation, following the 1990 decennial census. Word and Perkins (1996) have used these same data to develop a Spanish surname list, also available from the Census Bureau

This report uses name responses from almost 270 million people with valid name information in Census 2000. As part of the Census 2000 form, individuals were asked to print their name, as well as the names of all other persons enumerated at a given address. All information on the census forms, including written information such as names, was captured in an optical scanning process conducted at four census processing centers around the country. After scanning, the original forms were shredded and destroyed. The scanned forms were then converted into strings of characters data, using optical character recognition software (OCR). These strings of characters become the base data for use in this report. More discussion about the process of converting the written-in names to data, including the assumptions used to define and edit names, will be discussed in the section, "Methodology of Measuring Names".

3. CHARACTERISTICS OF SURNAMES

3.1 How many names are there?

Even after applying various edits and acceptance criteria to the names, there are a sizable number of unique names in the population. Over 6 million last names were identified. Many of these names were either unique (occurred once) or nearly so (occurred 2-4 times) raising questions about the actual validity of the name. Cursory examination of the data indicates that many of these unique names were probably the entire name of the person (first and last, or first, middle initial and last) concatenated into a single continuous string, with some other information. At this time, it is not possible to easily break a fully concatenated name back into its' constituent parts. Doing so, however, would have reduced the counts of unique names sizably, while only slightly increasing the numbers of person with more common names. While a relatively large proportion of all names relate to only one person or a few people, a large proportion of the entire population can be identified with a relatively small proportion of all names. Table 1 better explains this phenomenon.

Table 1 shows the frequency of last names and the numbers of people who are defined by them. Seven last names are held by a million or more people. The most common last name reported was SMITH, held by about 2.3 million people, or about .9 percent of the population. Another 6 names with over a million respondents (JOHNSON, WILLIAMS, BROWN, JONES, MILLER and DAVIS), along with SMITH, account for about 4 percent of the population, or one in every 25 people. There are another 268 last names each occurring at least 100,000 times, but less than 1 million times. Together, these 275 last names, just 4/100,000 of all reported last names, account together for 26 percent of the population, or about one of every four people. On the flip side of this distribution, about 65 percent (or 4 million) of all captured last names were held by just one person, and about 80 percent (or 5 million) were held by no more than 4 people.

Table 1

Last Names by Frequency of Occurrence and Number of People: 2000

	Last Names			People with these Names		
Frequency of Occurrence	Number	Cumulative Number	Cumulative Proportion (percent)	Number	Cumulative Number	Cumulative Proportion (percent)
1,000,000+	7	7	0.0	10,710,446	10,710,446	4.0
100,000-999,999	268	275	0.0	60,091,601	70,802,047	26.2
10,000-99,999	3,012	3,287	0.1	77,657,334	148,459,381	55.0
1,000-9,999	20,369	23,656	0.4	58,264,607	206,723,988	76.6
100-999	128,015	151,671	2.4	35,397,085	242,121,073	89.8
50-99	105,609	257,280	4.1	7,358,924	249,479,997	92.5
25-49	166,059	423,339	6.8	5,772,510	255,252,507	94.6
10-24	331,518	754,857	12.1	5,092,320	260,344,827	96.5
5-9	395,600	1,150,457	18.4	2,568,209	262,913,036	97.5
2-4	1,056,992	2,207,449	35.3	2,808,085	265,721,121	98.5
1	4,040,966	6,248,415	100.0	4,040,966	269,762,087	100.0

3.2 Characteristics of surnames

Table A-1 shows the distribution of the top 50 last names in terms of numeric count, crosstabulated by Race/Hispanic origin. As Section 4.4.7 explains, race data in this analysis is constructed so that any person identified as Hispanic is placed in that classification, regardless of reported race. As such, race identification is used only for those persons who are not Hispanic.

As can be seen, many surnames have race/Hispanic distributions that appear to be quite distinct from the race/Hispanic distribution of the population as a whole. Especially in the case of the Hispanic population, which constitutes about 12 percent of the overall population in this study, it is clear that there are names which might be characterized as strongly "Hispanic" last names. In Table A1 this includes such names as GARCIA, RODRIQUEZ, MARTINEZ, HERNANDEZ, LOPEZ, GONZALEZ, and several others. Each of these surnames have race/Hispanic proportions which are over 90 percent Hispanic.

While other surnames have strong associations with specific race groups, none show the kind of strength in association as with these Hispanic-related names. The name MILLER, for example belongs about 86 percent of the time to persons classified as White, while Whites make up about 70 percent of this population. BAKER is another surname with a higher-than average percentage of White ownership, at 82 percent. Among Black persons there appear to be high-than-expected occurrences for names such as WILLIAMS, JACKSON, HARRIS AND ROBINSON, for example.

Large differentials for persons in the race categories of American Indian/Alaskan Native, Asian/Pacific Islander and persons choosing two or more races, are less clear in the short list of the fifty highest occurring last names. For this reason, the list of the 1000 most frequently occurring last names was examined with a view toward identifying those last names that are held by the highest concentration of a single race/Hispanic group.

Table 2 shows, for each race/Hispanic group, the ten last names with the highest relative concentration for that group. Included in this table is the name, the overall rank of that name out of the top 1000 last names, the total number of persons with that last name, its frequency per 100,000 people in the population, and the percentage of people holding that name that occupy the race/Hispanic group in which it is shown.

Table 2. Last names with greatest likelihood by race and Hispanic origin groups

NAME	RANK	COUNT	per 100K	% in this group	NAME	RANK	COUNT	per 100K	% in this group
WHITE					**AIAN**				
YODER	707	44245	16.4	98.1	LOWERY	752	41670	15.4	4.4
KRUEGER	863	36694	13.6	97.1	HUNT	157	151986	56.3	3.9
MUELLER	467	64305	23.8	97.0	SAMPSON	844	37234	13.8	3.8
KOCH	657	47286	17.5	96.9	JACOBS	233	115540	42.8	3.7
SCHWARTZ	330	84699	31.4	96.8	LUCERO	945	33922	12.6	3.1
SCHMITT	898	35326	13.1	96.8	MOSES	858	36814	13.6	2.9
NOVAK	899	35282	13.1	96.8	BIRD	944	33962	12.6	2.6
SCHNEIDER	272	100553	37.3	96.7	JAMES	80	233224	86.5	2.5
SCHROEDER	450	66412	24.6	96.7	ASHLEY	852	37021	13.7	2.4
HAAS	941	34032	12.6	96.7	PROCTOR	918	34682	12.9	2.3
BLACK					**TWO OR MORE RACES**				
WASHINGTON	138	163036	60.4	89.9	ALI	876	36079	13.4	17.5
JEFFERSON	594	51361	19.0	75.2	KHAN	665	46713	17.3	15.6
BOOKER	902	35101	13.0	65.6	SINGH	396	72642	26.9	15.3
BANKS	278	99294	36.8	54.2	SHAH	831	37833	14.0	5.9
JACKSON	18	666125	246.9	53.0	PATEL	172	145066	53.8	5.8
MOSLEY	699	44698	16.6	52.8	JOSEPH	356	80030	29.7	5.3
DORSEY	763	41104	15.2	51.8	COSTA	900	35227	13.1	5.2
GAINES	739	42369	15.7	50.3	ANDRADE	666	46702	17.3	5.0
RIVERS	879	35980	13.3	50.2	SILVA	214	126164	46.8	4.8
JOSEPH	356	80030	29.7	48.8	VANG	982	32333	12.0	4.8
API					**HISPANIC**				
ZHANG	963	33202	12.3	98.2	BARAJAS	989	32147	11.9	96.0
HUANG	697	44715	16.6	96.8	OROZCO	690	45289	16.8	95.1
CHOI	872	36390	13.5	96.5	ZAVALA	938	34068	12.6	95.1
LI	519	57786	21.4	96.4	VELAZQUEZ	789	40030	14.8	94.9
HUYNH	790	40011	14.8	96.2	IBARRA	662	46895	17.4	94.7
YU	874	36285	13.5	96.2	JUAREZ	429	68785	25.5	94.7
NGUYEN	57	310125	115.0	95.9	MEZA	835	37662	14.0	94.7
PHAM	498	59949	22.2	95.9	HUERTA	959	33348	12.4	94.6
WU	683	45815	17.0	95.9	CERVANTES	520	57685	21.4	94.5
TRAN	188	136095	50.5	95.6	VAZQUEZ	328	84926	31.5	94.5

Last names which are 'dominated' by a single race/Hispanic group are not necessarily names which occur in high relative frequency in the population. Note that many of the names shown in Table 2 rank near the lower end of the 1000-name list. However, there are exceptions. JACKSON, which is held 53 percent of the time by Blacks, is the 18th most common last name. NGUYEN, held 96 percent of the time by Asian/Pacific islanders, is the 57th most frequent name.

Some groups, notably, Whites, Asian/Pacific Islanders, and Hispanics, demonstrate very high 'ownership' of some names – at levels exceeding ninety percent. These situations constitute places where a given name can, with high certainty, be assumed to be held by a person of a single specific race. Note that the relative distribution of the group in the overall population is somewhat irrelevant to this – Whites constitute 70 percent of the overall population in these data, and Hispanics are 12 percent, but Asian/Pacific Islanders are only 3.7 percent, yet dominate the ten names most singly-associated with their race group.

4. METHODOLOGY OF MEASURING NAMES

4.1 Turning names into data

Turning a written name on a census form into usable data for tabulation purposes is a task which involves a number of assumptions and decision rules. This section describes both the operational and logical decision rules used to turn 'names into data'.

As was discussed earlier, the data for this research comes from the written-in names persons provided when they filled out their census form. In most cases, answers to questions in the census are made by marking an appropriate box among a list of answers. For example, to designate one's sex, the respondent chooses from two boxes, one labeled 'male', the other labeled 'female', and marks the box that best describes them. In the process of transforming the marks into data, the mark is 'read' in the scanning process, and is then assigned a value by the OCR software (such as 1 for male, 2 for female).

Some items, such as race and relationship, allow a respondent to either mark a box, or if they feel no box is appropriate, to write in a response. Other items, such as language, are write-in only. In cases such as these, all write-ins must eventually either be assigned a numeric value, or excluded as an unacceptable or inappropriate response In the case of language, for example, the Census Bureau codes about 360 unique languages, each with its own numeric coding value (so, for example, language code # 625 corresponds to the language "Spanish"). Obviously, many factors enter into the process of turning a written response on paper into a numerically–coded value. For instance, alternate spellings, including incorrect spellings, random marks on the paper, abbreviations, etc., must all have decision rules associated with them, in order to code them. Doing so makes it possible to have a reasonable number of coded languages: while the Census has 380 distinct language codes, it received well over 100,000 unique character strings or "words" that people wrote down as their language.

Transformation of names into data follows much the same route, but is much more complex, engaging a larger set of rules and procedures. In addition to the possible sources of error already mentioned, a number of other issues relevant to the character strings defining names come into play. This includes things such as: 1) scanning or reading errors by the OCR software, 2) mis-keying, 3) respondents entering data into incorrect locations in questionnaires, 4) respondents entering no name or an invalid name, and 5) concatenation of multiple name parts (e.g, first and initial) when they are written in the space for a single name. Each of these problems must be addressed either with some kind of editing or resolution rule, or the name must be left as is. It is due to many of these issues that there are a large number of 'names' which occur only once or twice – many of these 'unique' names are variants of more common names which short of inspection on a one-by-one basis, cannot be "corrected" to the character string they actually are supposed to represent.

4.2 Definition of a name

For purposes of these tabulations, a captured name from Census 2000 is considered to be "valid" if it satisfies the following two criteria:

1. Both the first and last names must have at least two alphabetic characters.

2. A first or last name may also be considered valid if it has support in the Social Security Administration's 1998 NUMIDENT file. The NUMIDENT file used in this research is a 5 percent sample of all people who had been issued Social Security numbers as of November 1998. The advantage of using the NUMIDENT file as a benchmark is that individuals receive Social Security cards with the names they provide on their applications. If an individual receives a card with an error in their name, they have an incentive to report the error and have it corrected. Thus, it is assumed that the NUMIDENT file is the most current and correct source for validating names. The NUMIDENT file contains the most recent name (first and last) and demographic characteristics (sex, date of birth, and race) of each individual on it, as of the date of its production. The NUMIDENT file was not screened to eliminate deceased individuals nor those living outside the United States in November 1998. Twenty million people are represented in the sample, about one-fourteenth of the number of people enumerated in Census 2000. Thus, on average, the ratio of the Census 2000 count for a name (last, male first, or female first) to the NUMIDENT sample count should be about 14 to 1. Ratios far larger than 14 to 1 indicate possible "invalid" names. In this project, a census-captured name with a ratio of approximately 50 or more to 1 triggered an investigation into its validity and whether it should be changed or deleted.

Records with names that did not satisfy the two criteria were deleted for purposes of these tabulations. For example, names such as A LINCOLN or MISTER T would be ruled invalid because neither the first name A nor the last name T contains two letters, thus violating criterion 1. Another example of an invalid name under criterion 1 would include a string like PETERJDAVIS as a first name, along with a blank last name. In this case, while it is possible that the correct name is PETER J DAVIS, the action of the respondent in writing the entire name in the space allotted for the first name only means there is no name in the space for the last name, thus violating criterion 1.

Some persons originally had blanks in either or both of their name fields, and thus failed criterion 1. Titles such as JR, SR and III were removed from the last name field, but not from the first name field. Intervening blanks and hyphens were also deleted. So, for example, the last names of LOPEZ-GARCIA, LOPEZ GARCIA and LOPEZGARCIA were all retained as LOPEZGARCIA. A similar example for the first name MARY ANN would show that it appears in the file as the concatenated entry MARYANN.

Examples of invalid names under criterion 2 are strings such as PERSON (as a first name), ADULT, BABY, HOUSEHOLDER, or SPOUSE. Thus, a census record with the name BABY MILLER would have been dropped from the analysis, because BABY is not supported as a valid name in the NUMIDENT file. In general, criterion 2 was applied independently to first names and last names. However, the "complete names" (that is, first and last name in combination) of JOHN DOE and JANE DOE were ruled invalid because the proportion of the people who reported the last name DOE and who also reported a first name of JOHN or JANE is far higher in the Census records file than in the NUMIDENT file. Other possibly invalid names like ELMER FUDD and MICKEY MOUSE remain on the file because we did not subject all complete names to the process used for JOHN and JANE DOE.

As names become less frequent, the possibility that a string of letters is not a valid name increases. As has been noted, this is due to many factors – misplaced or mis-scanned letter(s), bad spelling, and a variety of other causes. All names occurring 300 or more times were reviewed for validity, using a series of rules described in section 4.4.5, although certainly this process did not delete or modify all invalid names. However, names occurring fewer than 300 times were not examined at all, because of their large relative volume.

The initial data file used for this report contains 279,132,770 data-defined person records (census records with at least two data fields with valid responses) from an intermediate file created during the processing for Census 2000. After applying the criteria and the edits we developed for improving names, the final number of records for analysis comprises 269,762,087 people, or approximately 96 percent of all people counted in Census 2000.

4.3 Editing names

A variety of edits were developed to improve the quality of the name strings. Simply summarized, the edits attempted to identify and resolve a series of basic problems in name strings. These edits include:

1) elimination of some characters to yield a cleaner name
2) resolving similar but inconsistent last names within households
3) switching transposed first and last names

Not every possible edit that might be imagined to 'clean up' names was developed. Two examples of edits not made are noted here. One edit not developed would 'break apart' those names entered by respondents as single string. It is not uncommon for people to write in their full name in the last name space, realize they have made an error, and then write in their first name again in the first name space. Based on visual inspection of subsets of single-occurrence names, we believe this error may account for the large number of "unique" names. An edit to break apart compound names was considered too intensive a task for this research, and since compound names only account for a small fraction of the total population, it is unlikely they would change the overall distribution of names in the population in any substantively significant way.

The list of edits undertaken and resultant impact on data records is detailed in Appendix A.

4.4 Edits

4.4.1 The preliminary edit

The preliminary edit performed several minor operations to produce cleaner names. It implemented the Criterion 1 rule that both the first and last names of a respondent needed to contain at least two letters for retention. Titles, such as JR, SR, III, and IV, which were either separated from first names by spaces or erroneously concatenated, were removed. JOHN DOE and JANE DOE records were deleted. Names with embedded numerals (e.g., HEN6RY) had the numerals deleted. Finally, CHRISTOPHEJR and CHRISTOPHESR were edited to CHRISTOPHER. (First names are limited to 13 captured characters. The problem – truncation by the respondent in order to fit in a "JR/SR" title -- occurred to the name CHRISTOPHER with great frequency, nearly 15,000 times.)

The count of first names edited or deleted was 5,637,813. The vast majority of these changes were the removal of titles

4.4.2 Edit 1: Removing dangling initials

As noted above, the modifications applied to the basic file removed most embedded blanks. Because many middle initials were entered in either the first or last name field and not in the box marked "M.I.," the preliminary edit deleted the intervening blanks, causing these middle initials to be concatenated to names. In order to trim the dangling initials, the ratio of the name as captured (e.g., JOHNL) to its stem name (e.g., JOHN) was computed and compared to the similar ratio from the NUMIDENT file. For each name type (last, male first, or female first), a threshold value for each letter appended to the stem name was created. If a name in the census file had fewer than a prespecified threshold value of occurrences (generally in the range of 1 to 2 per thousand), the name was contracted back to the stem name. For example, JOHNL, SMITHB, and JENNIFERG were edited to JOHN, SMITH, and JENNIFER, respectively, while CAROL(E), ROBERT(O), and BROWN(E) are retained as CAROLE, ROBERTO, and BROWNE, respectively. In other words, when the ratio of the count of a name with an appended initial to its stem is small, it is assumed that the appended name is the actual name.

Dangling initials were eliminated from 2,226,434 last names.

4.4.3 Edit 2: Making last names agree within households

While we recognize that Mr. SMITH and Ms. JOHNSON may reside in the same household, generally within many households one would expect most of the last names to agree. However, when Mr. SMITH and Ms. SNITH share a household, it is likely that one of the two last names was captured incorrectly. Working on the assumption that people within households share last names, edit 2 operated on all two-or-more-person households where at least two individuals had differently-spelled last names. This is done using a method called a "string comparator". Simply put, a string comparator "score" quantifies the degree to which two strings are the same. Factors such as length of the string, as well as similarity in specific characters, enter into the score assigned to two compared strings. If two strings are exactly the same, they have a comparator score of 1.0. If they are highly dissimilar (no letters in common) they have a value of zero. Table 3 shows six examples of name pairs with their comparator scores.

Table 3

Selected Name Pairs and Their Comparator Scores

Name 1	Name 2	Comparator Score
PADERAWSKI	PADEREWSKI	.9800
BROWN	BROVN	.9347
WORD	WARD	.8950
WOOD	WORD	.8667
WOOD	WARD	.7450
KNIGHT	DAY	.0000

Table 3 shows that KNIGHT and DAY are very dissimilar, as one would expect, so their value is 0. Slight variations in short strings, such as WORD, WARD and WOOD, lead to lower scores than a small variation in a longer string, such as BROWN. Relatively high scores accrue to longer strings with only small variations, such as PADEREWSKI/PADERAWSKI.

In this research, the Lynch-Winkler (1994) string comparator was used to help measure the similarity between each pair of last names whose lengths differed by no more than one letter. Two names were judged to be similar based on a combination of the comparator score and the frequency of the less frequent name. When the string comparator score of two last names exceeded the prespecified threshold shown in Table 4, we computed the initial frequencies of the two last names and changed the less frequent last name to the more frequent one. Table 4 shows the criteria for editing last names. If the string comparator returns the score in the left column, the less frequent name is edited to the more frequent name, when the former's frequency is less than the value shown in the right column. Thus, in a household with a SMITH and a SNITH, the SNITH entry was edited to SMITH. For a fuller description of this algorithm, see the discussion in Coleman, Word, and Nunziata (2003).

Table 4

Criteria for Editing Last Names

Comparator Score	Less Common Name Frequency
0.9 or more	unbounded
0.8-0.8999	100
0.7-0.7999	10

The number of records edited in this step was 6,721,444 (last names only).

4.4.4 Edit 3: Correcting transposed names

Despite extensive testing and development of the census questionnaire, not every respondent answers questions in the way we expect them to. Particularly in the case of write-in information, respondents often fail to detect directions or cues that are intended to assist them in providing their response in a correct manner. One common error made by respondents in entering their name is the tendency to transpose their name, that is, to write their first name in the space provided for their last name, and to write their last name in the space provided for their first name. A preliminary examination of the data showed that respondents did occasionally transpose their names on their Census 2000 forms. That is, they wrote their last name in the first name field and vice versa. Edit 3 sought to reduce these errors while not introducing new transposition errors. Analysis of a sample of data after Edit 2 suggested that about 1 in 170 respondents transposed their names, or a probability of transposition of about 0.6 percent. Thus, the 0.6 percent probability was used to create a threshold to trigger transposition of the captured name.

One intuitively believes that a male named "SMITH JOHN has most likely transposed his name, given that SMITH and JOHN are the most common last and male first names, respectively and that these names rarely occur in the reverse order. However, intuition cannot determine whether or not a male captured as THOMAS JAMES should be transposed to JAMES THOMAS, as both THOMAS and JAMES frequently occur as both last names and male first names. Edit 3 operationalizes these intuitions by creating an odds ratio that a name as captured was transposed. The nature of names makes it possible to define an odds ratio measure to detect whether a name as captured was likely to have been transposed.

The odds that a first name, such as JOHN, is correct as captured is essentially the ratio count of JOHN as a first name for the given sex to the count of JOHN as a last name for the same sex. The computation of the odds for a last name, such as SMITH, is done similarly. Two complications occur. The first is simply the possibility of a zero in the numerator or denominator of the odds ratio. To remedy this, we add an arbitrary small number, 0.5, to the initial counts of both the first and last names. The second is the possibility of spuriously increased last name counts for a sex due to contamination by transpositions of first names. For this reason, we use the minimum count by sex for last names. For example, although JENNIFER is a legitimate but infrequent last name, the number of females with the last name JENNIFER greatly exceeds the number of males with the last name JENNIFER, since JENNIFER as a first name is almost exclusively female. Transposition by females spuriously increases the count of females with last name JENNIFER, while males with the last name JENNIFER are virtually unaffected. Taking the minimum of the two counts gets closer to the true count of females (or males) with last name JENNIFER.

The odds ratio, R, is the product of the odds that the first name as given is correct, R_1, and the odds that the last name as given is correct, R_2. Table 5 shows the four ways that a name can be captured.

Table 5

The Four Ways That a Name Can Be Captured

	Sex	
Position	Male	Female
First	w	x
Last	y	z

The variables w, x, y and z are the counts for a given name in the four cells.

Given a first name, last name pair and a sex, we can compute the components of the odds ratio R. Let the subscripts 1 and 2 indicate the first and last names, respectively. For females, $R_1 = (x_1 + 0.5) / (\min(y_1, z_1) + 0.5)$ and $R_2 = (\min(y_2, z_2) + 0.5) / (x_2 + 0.5)$. Likewise, for males, $R_1 = (w_1 + 0.5) / (\min(y_1, z_1) + 0.5)$ and $R_2 = (\min(y_2, z_2) + 0.5) / (w_2 + 0.5)$.

Now, given a respondent's full name after Edit 2 (first_name, last_name) and his/her sex S, which can take the values M for male and F for female, the odds ratio R that the name as captured is correct, as opposed to being transposed, is computed as

$$R = \frac{\text{first\_name}_{1S} + 0.5}{\min(\text{first\_name}_{2M}, \text{first\_name}_{2F}) + 0.5} \times \frac{\min(\text{last\_name}_{2M}, \text{last\_name}_{2F}) + 0.5}{\text{last\_name}_{1S} + 0.5}, \qquad (1)$$

where first_name_{tX} and last_name_{tX} are the total counts of first_name and last_name as names of type t, where $t = 1, 2$ denote first and last names, respectively, for sex X, where M is male and F is female. The first term in equation (1) is the odds that the first name as captured is correct, assuming independence between first and last names. The second term is the odds that the last name as captured is correct, again assuming independence.

Table 6 illustrates the results of applying this algorithm. For four name pairs, it shows the odds ratio that the entries as captured were not transposed and the probabilities that they are correct. For purposes of Table 6, last names are assumed to be divided equally between the two sexes.

Table 6

Name Pairs as Captured and Their Transposition Odds and Probabilities

First Name	Last Name	Sex	Odds Ratios R_1	R_2	R	Probability of Being Correct
KING	JENNIFER	Female	0.007	0.069	0.00045	<0.001
JONES	WILLIAM	Male	0.004	0.012	0.00005	<0.001
LINDA	SMITH	Female	102.083	2861.176	292075.92159	1.000
THOMAS	JAMES	Male	4.890	0.125	0.61284	0.380

In the first two pairs, the odds that the captured names are transposed are overwhelming, much less than the 1:170 (i.e., $R < 0.006$) threshold needed to trigger transposition by Edit 3. In the JENNIFER KING example, Edit 3 would transpose the two name entries. LINDA SMITH, on the other hand, has almost certainly been captured correctly, given the massively large odd ration it produces. THOMAS JAMES is a more interesting situation. The R value is far above .006, translating to a probability of correctness of 0.38, which means not even a 50-50 chance that it is transposed. Thus, when a male gives his name as THOMAS JAMES, we have insufficient evidence to transpose it. Likewise, a male giving his name as JAMES THOMAS also lacks sufficient evidence of transposition.

The count of edits via transposition was 1,352,881. The numbers of first and last names changed are equal.

4.4.5 Edit 4: Edits of large occurrence names

At the completion of the preedit and edits 1 through 3, all first and last names which had 300 or more occurrences were further reviewed. During this process three additional edits were implemented.

4.4.5.1 Edit 4, Part a: Editing or deleting invalid first and last names

The first part of this edit implemented the Criterion 2 rule (validation from the SSA NUMIDENT file), and compared counts of all names with at least 300 occurrences to their respective counts in the 5 percent sample of the Social Security NUMIDENT file. For each name of each type (last, male first, and female first), we computed the ratio of Census file occurrences after Edit 3 to the NUMIDENT sample occurrences. Names which either did not occur at all in the NUMIDENT sample or had ratios of 50:1 or greater were then determined to be either invalid (BABY, BOY, GIRL), mis-scanned (HAII for HALL), or misspelled (JOESPH for JOSEPH). Mis-scanned and misspelled names were edited to the most likely alternative; invalid names were deleted.
This edit resulted in 97,129 deletions.

4.4.5.2 Edit 4, Part b: Deleting spurious multiplicates

The second part of this edit involved an examination of records where the exact name and date of birth occurred six or more times. While the majority were due to coincidence (e.g., LINDA SMITH born September 30, 1947 and JOSE HERNANDEZ born March 19, 1963), some seemed invalid – multiple occurrences on the same form, or in the same specific geographic place. These spurious records may have resulted from respondents entering their names multiple times on the same form, or from a respondent completing multiple forms. All identified spurious multiplicate records were deleted.
The counts of these edits and deletions were: first names, 711,027; last names, 215,743.

4.4.5.3 Edit 5: Spurious male first initials

A final examination revealed a few male first names where it appeared that a single letter was attached to the beginning of a valid name. For example, if F. Scott Fitzgerald gave his first name as F SCOTT, the file would have retained it as FSCOTT. This edit was similar to Edit 1, with the difference that the first letter of various names was trimmed. This edit was only applied to male first names, as no female first name occurring more than 300 times had this type of error.

The number of male first names edited was 124,118.

4.4.6 Edits summary

In all, 8,701,943 changes were made to first names and 10,266,502 to last names. In every instance, the original name had fewer occurrences than the name to which it was changed. Since every change had to result from the application of a replicable edit rule, many errors in names were not corrected, and as noted earlier, likely result in many of the unique occurrence names in the file. Nevertheless, we believe the quality of the resulting name files is considerably higher than that of the initial, unedited data.

4.4.7 Definitions of race and Hispanic origin used in this report

The race categories shown in these files are the modified race categories used in the Census Bureau's population estimates program. The Census Bureau's population estimates program modified the Census 2000 race data to eliminate the "Some Other Race" category to be more consistent with the race categories that appear on the administrative records used to produce population estimates.

The race modification generally conforms to the Office of Management and Budget's (OMB, 1997) standards for collecting and presenting data on race and ethnicity. The OMB (1997) standards identified five race categories: 1) White, 2) Black or African American, 3) American Indian and Alaska Native, 4) Asian, and 5) Native Hawaiian and Other Pacific Islander. Additionally, OMB (1997) recommended that respondents be able to select one or more races to indicate their racial identity. For respondents unable to identify with any of the five race categories, OMB (1997) approved including a sixth category - "Some Other Race" – on the Census 2000 questionnaires.

About 18.5 million people checked "Some Other Race" alone or in combination with one or more other races. These people were primarily of Hispanic origin and many wrote in a specific Hispanic-origin type (e.g., Mexican or Puerto Rican) as their race. To conform to the U.S. Census Bureau's population estimates program's race definitions, responses that were only "Some Other Race" were modified by blanking the "Some Other Race" response and imputing one or more OMB standard races. Standard Census Bureau procedures achieved the imputation by assigning the race response(s) of another Census respondent who had the same response to the Hispanic-origin question. Reponses that included both "Some Other Race" and one or more OMB standard races were modified just by blanking the "Some Other Race" response.

For purposes of this report, all people were categorized into six mutually exclusive racial and Hispanic origin groups. People indicating that they were Hispanic were categorized as Hispanic, regardless of race. The remaining non-Hispanic population was collapsed into five non-Hispanic race categories: 1) White only, 2) Black only, 3) American Indian and Alaskan Native only, 4) Asian and Pacific Islander only, and 5) Two or More Races. Native Hawaiians and Other Pacific Islanders were combined with Asians because of the former group's small total – only 398,835 people reported these races, out of a total U.S. population of 281,421,906. This combination is also consistent with the OMB race classification used before 1997.

5. DATAFILE DOCUMENTATION

5.1 General

This report is accompanied by two datafiles containing summary data on last name frequencies. Tabulations with demographic characteristics are available for all surnames occurring at least 100 times in Census 2000. The number 100 was chosen to eliminate those names with very low counts, thus assuring confidentiality. Placing a floor of 100 on the frequencies protects individuals privacy, but does eliminate data on millions of names. Information is provided for 151,671 surnames, covering about 89.8 percent of the population. [1]

The data associated with this report are contained in the Appendix and in two electronic files (A and B). Appendix Table A-1 contains a printed list on the 50 most frequently occurring last names. File A consists of a CSV (comma separated values) file of the 1,000 most frequently occurring last names, similar in format to Appendix Table A-1. File B consists of a CSV file of all names occurring at least 100 times, constituting 151,671 records. In all tables, cell values between 1 and 4 were suppressed to maintain confidentiality; resulting percentages may, therefore, not sum to 100.

The data include two fields identified as "proportion per 100,000 people" and "cumulative proportion per 100,000 people." The number 100,000 is convenient for expressing these proportions, as it reduces the need to show many digits after the decimal point. The term "cumulative proportion" indicates the proportion of the total population covered by that name and all more frequent names.

5.2 File A: Excel File of 1,000 Most Frequently Occurring Surnames

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[1] The percentages reported in this paragraph use the total number of people (total, male, female) with valid names as determined by this report as the denominators.

File A is similar in format to Appendix Table A-1, with the difference being that the first row contains field labels and the subsequent 1,000 rows contain data. The file is in Excel format, suitable for import into many software packages.

File A: Surnames: Counts and Distribution in Percent by Non-Hispanic Race and Hispanic Origin: 2000 - Top 1000 Names

Field	Description
name	Last name
rank	Rank
count	Number of occurrences
prop100k	Proportion per 100,000 people for name
cum_prop100k	Cumulative proportion per 100,000 people
pctwhite	Percent Non-Hispanic White Only
pctblack	Percent Non-Hispanic Black Only
pctapi	Percent Non-Hispanic Asian and Pacific Islander Only
pctaian	Percent Non-Hispanic American Indian and Alaskan Native Only
pct2prace	Percent Non-Hispanic of Two or More Races
pcthispanic	Percent Hispanic Origin

Record count: 1000 names
Fields suppressed for confidentiality are assigned the value (S).

5.3 File B: CSV File of All Surnames Occurring 100 or More Times

File B contains the same data as the previous files, but for all names occurring at least 100 times. Users working with these files are urged to confirm that they can match the percentages in File A before proceeding to any set of routines involving percentages.

File B: Surnames: Counts, Total and by Non-Hispanic Race and Hispanic Origin: 2000 – All Names of Count 100 or Greater

Field	Description
name	Last name
rank	Rank
count	Number of occurrences
prop100k	Proportion per 100,000 people for name
cum_prop100k	Cumulative proportion per 100,000 people
pctwhite	Percent Non-Hispanic White Only
pctblack	Percent Non-Hispanic Black Only
pctapi	Percent Non-Hispanic Asian and Pacific Islander Only
pctaian	Percent Non-Hispanic American Indian and Alaskan Native Only
pct2prace	Percent Non-Hispanic of Two or More Races
pcthispanic	Percent Hispanic Origin

Record count: 151,671 names
Fields suppressed for confidentiality are assigned the value (S).

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TABLE A-1

Top 50 Surnames: Counts and Distribution in Percent by Non-Hispanic Race and Hispanic Origin: 2000

			Proportion per 100,000		Percent					
					Non-Hispanic					Hispanic (of any race)
Name	Rank	Count	Individual Name	Cumulative	White	Black	American Indian/ Alaskan Native	Asian/ Pacific Islander	Two or More Races	
TOTAL		269,762,087			69.8	11.8	0.7	3.7	1.7	12.3
SMITH	1	2,376,206	880.9	880.9	73.3	22.2	0.8	0.4	1.6	1.6
JOHNSON	2	1,857,160	688.4	1569.3	61.5	33.8	0.9	0.4	1.8	1.5
WILLIAMS	3	1,534,042	568.7	2138.0	48.5	46.7	0.8	0.4	2.0	1.6
BROWN	4	1,380,145	511.6	2649.6	60.7	34.5	0.8	0.4	1.9	1.6
JONES	5	1,362,755	505.2	3154.7	57.7	37.7	0.9	0.3	1.9	1.4
MILLER	6	1,127,803	418.1	3572.8	85.8	10.4	0.6	0.4	1.3	1.4
DAVIS	7	1,072,335	397.5	3970.3	64.7	30.8	0.8	0.4	1.7	1.6
GARCIA	8	858,289	318.2	4288.5	6.2	0.5	0.6	1.4	0.5	90.8
RODRIGUEZ	9	804,240	298.1	4586.6	5.5	0.5	0.2	0.6	0.4	92.7
WILSON	10	783,051	290.3	4876.9	69.7	25.3	1.0	0.5	1.7	1.7
MARTINEZ	11	775,072	287.3	5164.2	6.0	0.5	0.6	0.6	0.5	91.7
ANDERSON	12	762,394	282.6	5446.8	77.6	18.1	0.7	0.5	1.6	1.6
TAYLOR	13	720,370	267.0	5713.9	67.8	27.7	0.7	0.4	1.8	1.6
THOMAS	14	710,696	263.5	5977.3	55.5	38.2	1.0	1.6	2.0	1.7
HERNANDEZ	15	706,372	261.8	6239.2	4.6	0.4	0.3	0.6	0.3	93.8
MOORE	16	698,671	259.0	6498.2	68.9	26.9	0.7	0.4	1.7	1.5
MARTIN	17	672,711	249.4	6747.5	77.5	15.3	0.9	0.7	1.6	4.0
JACKSON	18	666,125	246.9	6994.5	41.9	53.0	1.0	0.3	2.2	1.5
THOMPSON	19	644,368	238.9	7233.3	72.5	22.5	1.2	0.4	1.8	1.6
WHITE	20	639,515	237.1	7470.4	67.9	27.4	1.0	0.4	1.8	1.5
LOPEZ	21	621,536	230.4	7700.8	5.8	0.6	0.5	1.0	0.5	91.5
LEE	22	605,860	224.6	7925.4	40.1	17.4	1.0	37.8	2.3	1.3
GONZALEZ	23	597,718	221.6	8147.0	4.8	0.4	0.2	0.4	0.3	94.0
HARRIS	24	593,542	220.0	8367.0	53.9	41.6	0.7	0.4	2.0	1.5
CLARK	25	548,369	203.3	8570.3	76.8	18.5	0.9	0.4	1.6	1.7
LEWIS	26	509,930	189.0	8759.3	61.0	33.8	1.1	0.5	2.0	1.6
ROBINSON	27	503,028	186.5	8945.8	51.3	44.1	0.5	0.4	2.0	1.7
WALKER	28	501,307	185.8	9131.6	61.2	34.2	0.8	0.4	1.8	1.6
PEREZ	29	488,521	181.1	9312.7	5.9	0.5	0.3	1.2	0.5	91.6
HALL	30	473,568	175.6	9488.2	75.1	20.8	0.6	0.5	1.6	1.4
YOUNG	31	465,948	172.7	9661.0	68.9	23.8	0.7	2.9	1.9	1.7
ALLEN	32	463,368	171.8	9832.7	70.2	25.1	0.8	0.4	1.8	1.6
SANCHEZ	33	441,242	163.6	9996.3	5.8	0.5	0.5	1.0	0.5	91.8
WRIGHT	34	440,367	163.2	10159.6	68.3	27.4	0.7	0.4	1.8	1.5
KING	35	438,986	162.7	10322.3	72.8	22.0	1.0	0.9	1.7	1.6
SCOTT	36	420,091	155.7	10478.0	62.6	32.3	1.2	0.4	1.9	1.7
GREEN	37	413,477	153.3	10631.3	59.3	36.2	0.6	0.3	1.8	1.7
BAKER	38	413,351	153.2	10784.5	82.1	13.6	0.8	0.5	1.5	1.5
ADAMS	39	413,086	153.1	10937.6	76.2	19.2	0.8	0.5	1.6	1.8
NELSON	40	412,236	152.8	11090.5	80.3	14.9	1.1	0.5	1.5	1.7
HILL	41	411,770	152.6	11243.1	66.8	28.4	0.9	0.4	1.8	1.6
RAMIREZ	42	388,987	144.2	11387.3	4.4	0.3	0.3	1.0	0.4	93.7
CAMPBELL	43	371,953	137.9	11525.2	76.5	19.1	0.6	0.4	1.7	1.7
MITCHELL	44	367,433	136.2	11661.4	63.5	31.5	1.0	0.4	1.9	1.6
ROBERTS	45	366,215	135.8	11797.1	79.6	15.9	0.8	0.5	1.7	1.6
CARTER	46	362,548	134.4	11931.5	60.5	35.0	0.7	0.4	1.9	1.5
PHILLIPS	47	351,848	130.4	12062.0	79.0	16.4	1.0	0.4	1.7	1.6
EVANS	48	342,237	126.9	12188.8	70.7	25.0	0.7	0.4	1.7	1.5
TURNER	49	335,663	124.4	12313.3	66.7	29.3	0.6	0.3	1.7	1.4
TORRES	50	325,169	120.5	12433.8	6.0	0.6	0.3	1.4	0.5	91.2

Race/Hispanic groups are mutually exclusive; see report for details

Appendix A. Documentation of Edit Steps and Records Affected

Total persons: Initial File	279,132,770	
Number of persons removed by DSCMO operations	5,878,113	
Number of persons removed by the preliminary edits	5,775,577	^1
Number of persons with less than 2 characters in either the first or last name	5,750,926	^1
Number of first names with less than 2 characters	4,736,292	
Number of last names with less than 2 characters	4,207,119	
Number of persons with the name JOHN/JANE DOE	24,588	^1
Number of persons with a numeral in first or last name	63	^1
Number of first names containing a numeral	51	
Number of last namescontaining a numeral	16	
Total persons: Census 2000 - post preliminary edits	269,768,216	
Number of person records changed by any preliminary edit	5,637,813	
Number of person records changed to remove titles	5,509,745	
Number of first names with titles removed	5,509,745	
Number of last names with titles removed	0	
Number of person records changed to CHRISTOPHER	14,957	
Number of person records changed to concatenate LYN/LYNN	29,740	
Number of person records changed to truncate characters after the first occurrence of a space	85,903	
Edit 1 - post preliminary edit	269,768,216	
Total number of person records changed by edit 1	3,097,416	
Number of first names changed to remove dangling character	826,104	
Number of last names changed to remove dangling character	2,226,434	
Edit 2 - post edit 1	269,768,216	
Number of last names changed	6,721,444	
Edit 3 - post edit 2	269,768,216	
Number of names transposed	1,352,881	
Edit 4 - post edit 3	269,768,216	
Total number of person records removed by edit 4a	97,129	^2
Total persons dropped by edit 4a - first names	96,046	^2
Total persons dropped by edit 4a - last names	1,083	^2
Total number of person records changed by edit 4b (excluding records dropped in edit 4a)	925,684	
Total number of first names changed	711,027	
Total number of last names changed	215,743	
Edit 5 - post edit 4	269,762,087	
Number of first names changed to remove first character	124,118	

^1 - mutually exclusive: adds to the total number of persons dropped during the preliminary edit

^2 - mutually exclusive: adds to the total number of persons dropped during edit 4a

Exhibit B

name	rank	count	prop100k	cum_prop100k	pctwhite	pctblack	pctapi
SMITH	1	2376206	880.85	880.85	73.35	22.22	0.4
JOHNSON	2	1857160	688.44	1569.3	61.55	33.8	0.42
WILLIAMS	3	1534042	568.66	2137.96	48.52	46.72	0.37
BROWN	4	1380145	511.62	2649.58	60.71	34.54	0.41
JONES	5	1362755	505.17	3154.75	57.69	37.73	0.35
MILLER	6	1127803	418.07	3572.82	85.81	10.41	0.42
DAVIS	7	1072335	397.51	3970.33	64.73	30.77	0.4
GARCIA	8	858289	318.17	4288.5	6.17	0.49	1.43
RODRIGUEZ	9	804240	298.13	4586.62	5.52	0.54	0.58
WILSON	10	783051	290.27	4876.9	69.72	25.32	0.46
MARTINEZ	11	775072	287.32	5164.22	6.04	0.52	0.6
ANDERSON	12	762394	282.62	5446.83	77.6	18.06	0.48
TAYLOR	13	720370	267.04	5713.87	67.8	27.67	0.39
THOMAS	14	710696	263.45	5977.33	55.53	38.17	1.63
HERNANDEZ	15	706372	261.85	6239.18	4.55	0.38	0.65
MOORE	16	698671	259	6498.17	68.85	26.92	0.37
MARTIN	17	672711	249.37	6747.54	77.47	15.3	0.71
JACKSON	18	666125	246.93	6994.47	41.93	53.02	0.31
THOMPSON	19	644368	238.87	7233.34	72.48	22.53	0.44
WHITE	20	639515	237.07	7470.4	67.91	27.38	0.39
LOPEZ	21	621536	230.4	7700.81	5.85	0.61	1.04
LEE	22	605860	224.59	7925.4	40.09	17.41	37.83
GONZALEZ	23	597718	221.57	8146.97	4.76	0.37	0.38
HARRIS	24	593542	220.02	8366.99	53.88	41.63	0.36
CLARK	25	548369	203.28	8570.27	76.84	18.53	0.41
LEWIS	26	509930	189.03	8759.3	60.97	33.83	0.45
ROBINSON	27	503028	186.47	8945.77	51.34	44.1	0.37
WALKER	28	501307	185.83	9131.61	61.25	34.17	0.35
PEREZ	29	488521	181.09	9312.7	5.95	0.48	1.18
HALL	30	473568	175.55	9488.25	75.11	20.75	0.48
YOUNG	31	465948	172.73	9660.97	68.91	23.79	2.95
ALLEN	32	463368	171.77	9832.74	70.24	25.14	0.41
SANCHEZ	33	441242	163.57	9996.31	5.77	0.5	1.01
WRIGHT	34	440367	163.24	10159.55	68.3	27.36	0.4
KING	35	438986	162.73	10322.28	72.8	22.02	0.88
SCOTT	36	420091	155.73	10478.01	62.6	32.26	0.41
GREEN	37	413477	153.27	10631.29	59.33	36.23	0.34
BAKER	38	413351	153.23	10784.51	82.08	13.63	0.45
ADAMS	39	413086	153.13	10937.64	76.17	19.2	0.45
NELSON	40	412236	152.81	11090.46	80.29	14.93	0.51
HILL	41	411770	152.64	11243.1	66.83	28.42	0.42
RAMIREZ	42	388987	144.2	11387.3	4.4	0.29	0.97
CAMPBELL	43	371953	137.88	11525.18	76.47	19.13	0.43
MITCHELL	44	367433	136.21	11661.38	63.55	31.52	0.39
ROBERTS	45	366215	135.75	11797.14	79.56	15.86	0.47
CARTER	46	362548	134.4	11931.53	60.51	34.99	0.39

BABSON	26694	858	0.32	77675.59	96.97	1.17	(S)
CASSE[illegible]	26694	858	0.32	77675.91	94.17	(S)	0.7
DITM[illegible]	[illegible]6694	858	0.32	77676.22	94.29	(S)	(S)
DO[illegible]	[illegible]	858	0.32	77676.54	89.51	4.31	0.82
D[illegible]	[illegible]	858	0.32	77676.86	96.15	(S)	(S)
MAN[illegible]	[illegible]	858	0.32	77677.18	91.61	3.26	0.58
MCLEES	[illegible]94	858	0.32	77677.5	96.85	0.7	(S)
PATTESON	[illegible]694	858	0.32	77677.81	93.59	3.26	(S)
PHEGLEY	26694	858	0.32	77678.13	96.74	0	(S)
PILATO	26694	858	0.32	77678.45	94.64	(S)	(S)
POLASKI	26694	858	0.32	77678.77	96.15	(S)	(S)
RZEPKA	26694	858	0.32	77679.09	98.14	(S)	(S)
SEVIN	26694	858	0.32	77679.4	94.64	(S)	(S)
SINOR	26694	858	0.32	77679.72	88.81	1.05	1.28
SIVAK	26694	858	0.32	77680.04	95.69	(S)	0.7
SPECKMAN	26694	858	0.32	77680.36	97.32	(S)	(S)
STEPIEN	26694	858	0.32	77680.68	96.27	(S)	1.05
SWITALSKI	26694	858	0.32	77681	96.74	(S)	0.58
THURMON	26694	858	0.32	77681.31	64.22	33.45	(S)
VALLETTA	26694	858	0.32	77681.63	98.25	(S)	(S)
WHALLEY	26694	858	0.32	77681.95	95.8	1.75	0.7
AIRHART	26717	857	0.32	77682.27	92.88	3.27	(S)
BELLAND	26717	857	0.32	77682.58	87.16	5.02	1.05
BRIGANTI	26717	857	0.32	77682.9	91.95	(S)	(S)
CIANCIO	26717	857	0.32	77683.22	95.8	0.58	(S)
EURY	26717	857	0.32	77683.54	87.28	10.15	(S)
GAYMAN	26717	857	0.32	77683.86	93	3.38	0.93
GIZA	26717	857	0.32	77684.17	95.68	0.58	(S)
HOOPINGARN	26717	857	0.32	77684.49	95.8	(S)	(S)
KNOTH	26717	857	0.32	77684.81	97.32	0	0.7
LIEBOWITZ	26717	857	0.32	77685.13	96.62	0.7	(S)
LUGAR	26717	857	0.32	77685.44	93.35	(S)	2.57
MANFRE	26717	857	0.32	77685.76	95.1	(S)	(S)
MCGHIE	26717	857	0.32	77686.08	61.38	32.67	1.17
MONGELLI	26717	857	0.32	77686.4	95.92	(S)	(S)
NIVER	26717	857	0.32	77686.71	95.57	0	1.05
ORENGO	26717	857	0.32	77687.03	10.04	0.82	(S)
RANDAL	26717	857	0.32	77687.35	64.29	28.12	(S)
ROTHGEB	26717	857	0.32	77687.67	96.62	0.93	(S)
SQUIBB	26717	857	0.32	77687.99	95.22	(S)	(S)
VASIL	26717	857	0.32	77688.3	96.5	(S)	0.93
WITZ	26717	857	0.32	77688.62	91.48	1.17	1.4
BARCENA	26738	856	0.32	77688.94	11.21	(S)	11.33
BELVILLE	26738	856	0.32	77689.26	96.5	(S)	(S)
BREZINA	26738	856	0.32	77689.57	96.73	(S)	(S)
CAP	26738	856	0.32	77689.89	87.03	0.82	2.92
EGE	26738	856	0.32	77690.21	92.29	2.1	3.74

Exhibit C

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[Babson College](www.babson.edu/)
www.**babson**.edu/ ▾ Babson College ▾
offers undergraduate business degree and MBA program, located in Wellesley, Massachusetts.
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Babson College - Wikipedia, the free encyclopedia
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Babson College is a private business school in Wellesley, Massachusetts, established in 1919. Its central focus on entrepreneurship education has made it the ...

Babson College | Best College | US News
colleges.usnews.rankingsandreviews.com › Colleges ▾
Babson College is a private institution that was founded in 1919. It has a total undergraduate enrollment of 2,107, its setting is suburban, and the campus size is 370 acres. ... **Babson** College has a total undergraduate enrollment of 2,107, with a gender distribution of 53.2 percent ...

Babson College (Olin) | Best Business School | US News
grad-schools.usnews.rankingsandreviews.com › ... › Babson College ▾
Is **Babson** College (Olin) the best business school for you? Find out at US News. See if **Babson** College (Olin) is ranked and get info on programs, admission, ...

Babson College | Admissions, Average Test Scores & Tuition
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Wondering what it takes and what it costs to go to **Babson** College? Get the latest info on admissions, tuition, financial aid and average test scores.

Babson College: #2 in Money's Best Colleges Report - Time
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Babson College ranks #2 in Money's Best Colleges Rankings. Learn more about **Babson** College including info on admission rates, tuition and more.

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BABSON

Babson College

Website | Directions

Private school in Massachusetts · Babson Park

Babson College is a private business school in Wellesley, Massachusetts, established in 1919. Its central focus on entrepreneurship education has made it the top entrepreneurship college in the United States. Wikipedia

Address: 231 Forest St, Babson Park, MA 02457
Acceptance rate: 28.2% (2013)
Mascot: Biz E. Beaver
President: Kerry Healey
Endowment: 329.8 million USD (2014)
Enrollment: 3,380 (2011)

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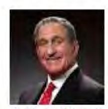
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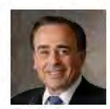
Roger Enrico

Reviews
Write a review

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"Best **entrepreneurship** in the United States."

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[Babson Survey Research Group]
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Jul 31, 2014 - Money Magazine ranks **Babson** College the best college for your money in their recent rankings, yet Forbes and CCAP do not even list them in ...

Elizabeth K. Babson - Drinker Biddle & Reath LLP
www.drinkerbiddle.com/.../**babson**-elizabeth-k Drinker Biddle & Reath
Lizzie K. **Babson** joined the firm as an associate in 2009 and is a member of the Corporate & Securities Practice Group. Lizzie represents public and private ...

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Babson student 'owned' Google.com for 1 minute - The ...
https://www.bostonglobe.com/.../**babson**.../story.html The Boston Globe
Oct 2, 2015 - Ved, a **Babson** College MBA candidate and former Google employee, said he was merely playing around (at 1:20 a.m. on Tuesday) with the ...

Babson Graduate School - Top Ranked Graduate Program
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7 Program Options Available.

Exhibit D

Int. Cl.: 16

Prior U.S. Cls.: 37 and 38

Reg. No. 1,643,608

United States Patent and Trademark Office

Registered May 7, 1991

TRADEMARK
PRINCIPAL REGISTER

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: DESK ACCESSORIES AND PAPER PRODUCTS, NAMELY, STATIONERY, NOTEBOOKS, NOTE PADS, LOOSELEAF NOTEBOOKS, BUMPER STICKERS, PENS, PENCILS, PEN SETS, DESK SETS, AND PAPERWEIGHTS, IN CLASS 16 (U.S. CLS. 37 AND 38).

FIRST USE 7-0-1975; IN COMMERCE 7-0-1975.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE" AND "1919", APART FROM THE MARK AS SHOWN.

SER. NO. 74-075,303, FILED 7-5-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

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Mark: BABSON COLLEGE 1919

US Serial Number: 74075303

Application Filing Date: Jul. 05, 1990

US Registration Number: 1643608

Registration Date: May 07, 1991

Register: Principal

Mark Type: Trademark

Status: The registration has been renewed.

Status Date: May 13, 2011

Publication Date: Feb. 12, 1991

Mark Information

Mark Literal Elements: BABSON COLLEGE 1919

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Disclaimer: "COLLEGE" AND "1919"

Design Search Code(s):

06.03.03 - Ocean; Ripples (multiple waves); Waves, open sea (multiple waves)
18.07.04 - Schooners (boats); Ships with two and three masts, including brigs, clippers and schooners; Clippers (boats); Brigs (boats)
26.01.04 - Circles with two breaks or divided in the middle
26.01.08 - Letters, numerals or punctuation forming or bordering the perimeter of a circle; Circles having punctuation as a border; Circles having letters or numerals as a border
26.01.17 - Circles, two concentric; Concentric circles, two; Two concentric circles
26.01.21 - Circles that are totally or partially shaded.

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: desk accessories and paper products, namely, stationery, notebooks, note pads, looseleaf notebooks, bumper stickers [, pens, pencils, pen sets, desk sets,] and paperweights

International Class(es): 016 - Primary Class

U.S Class(es): 002, 005, 022, 023, 029, 037, 038, 050

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 1975 **Use in Commerce:** Jul. 1975

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS 02457
UNITED STATES

Legal Entity Type: CORPORATION **State or Country Where Organized:**

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Joseph V. Myers III **Docket Number:**

35014.00041

Attorney Primary Email Address: TMATLANTA@seyfarth.com **Attorney Email Authorized:**

Yes

Correspondent

Correspondent Name/Address:

Joseph V. Myers III
SEYFARTH SHAW LLP
1075 Peachtree Street NE, Suite 2500
ATLANTA, GEORGIA 30309
UNITED STATES

Phone: (404) 885-1500 **Fax:**

(404) 892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
May 13, 2011	REGISTERED AND RENEWED (SECOND RENEWAL - 10 YRS)	67603
May 13, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Apr. 27, 2011	TEAS SECTION 8 & 9 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct. 19, 2007	CASE FILE IN TICRS	
Apr. 10, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 27, 2001	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	
Jul. 27, 2001	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
May 10, 2001	REGISTERED - COMBINED SECTION 8 (10-YR) & SEC. 9 FILED	
May 28, 1997	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Apr. 30, 1997	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
May 07, 1991	REGISTERED-PRINCIPAL REGISTER	

Feb. 12, 1991	PUBLISHED FOR OPPOSITION	
Jan. 11, 1991	NOTICE OF PUBLICATION	
Nov. 15, 1990	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 06, 1990	EXAMINER'S AMENDMENT MAILED	
Nov. 02, 1990	ASSIGNED TO EXAMINER	67568

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

May 07, 2011

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

May 13, 2011

Int. Cl.: 21

Prior U.S. Cls.: 2, 23, 30 and 33

Reg. No. 1,648,181

United States Patent and Trademark Office

Registered June 18, 1991

TRADEMARK
PRINCIPAL REGISTER

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: DOMESTIC GLASSWARE AND CONTAINERS; NAMELY, MUGS, GLASSES, TUMBLERS, STEINS, JARS, AND CERAMIC AND PORCELAIN BOXES, IN CLASS 21 (U.S. CLS. 2, 23, 30 AND 33).

FIRST USE 7-0-1975; IN COMMERCE 7-0-1975.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE" AND "1919", APART FROM THE MARK AS SHOWN.

SER. NO. 74-075,306, FILED 7-5-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

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Mark: BABSON COLLEGE 1919

US Serial Number: 74075306

Application Filing Date:

Jul. 05, 1990

US Registration Number: 1648181

Registration Date:

Jun. 18, 1991

Register:

Principal

Mark Type:

Trademark

Status:

The registration has been renewed.

Status Date:

May 13, 2011

Publication Date: Feb. 19, 1991

Mark Information

Mark Literal Elements:

BABSON COLLEGE 1919

Standard Character Claim:

No

Mark Drawing Type:

3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Disclaimer:

"COLLEGE" AND "1919"

Design Search Code(s):

06.03.03 - Ocean; Ripples (multiple waves); Waves, open sea (multiple waves)
18.07.03 - Viking boats, ancient sailing vessels, Chinese junks, boats with single square sail; Junks, Chinese (boats)
18.07.04 - Schooners (boats); Ships with two and three masts, including brigs, clippers and schooners; Clippers (boats); Brigs (boats)
26.01.08 - Circles having punctuation as a border; Circles having letters or numerals as a border; Letters, numerals or punctuation forming or bordering the perimeter of a circle
26.01.17 - Two concentric circles; Concentric circles, two; Circles, two concentric
26.01.21 - Circles that are totally or partially shaded.

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

domestic glassware and containers; namely, mugs, glasses, tumblers [, steins, jars, and ceramic and porcelain boxes]

International Class(es): 021 - Primary Class

U.S Class(es):

002, 013, 023, 029, 030, 033, 040, 050

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 1975

Use in Commerce:

Jul. 1975

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS 02457
UNITED STATES

Legal Entity Type: CORPORATION

State or Country Where Organized:

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Joseph V. Myers III

Docket Number:

35014.000041

Attorney Primary Email Address: TMATLANTA@seyfarth.com

Attorney Email Authorized:

Yes

Correspondent

Correspondent Name/Address:

Joseph V. Myers III
SEYFARTH SHAW LLP
1075 Peachtree Street NE, Suite 2500
ATLANTA, GEORGIA 30309
UNITED STATES

Phone: (404) 885-1500

Fax:

(404) 892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com

Correspondent e-mail Authorized:

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
May 13, 2011	REGISTERED AND RENEWED (SECOND RENEWAL - 10 YRS)	67603
May 13, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Apr. 27, 2011	TEAS SECTION 8 & 9 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Nov. 01, 2007	CASE FILE IN TICRS	
Apr. 10, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 27, 2001	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	
Jul. 27, 2001	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
May 10, 2001	REGISTERED - COMBINED SECTION 8 (10-YR) & SEC. 9 FILED	
Aug. 11, 1997	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Jul. 14, 1997	POST REGISTRATION ACTION MAILED - SEC. 8 & 15	
Apr. 30, 1997	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
Jun. 18, 1991	REGISTERED-PRINCIPAL REGISTER	
Feb. 19, 1991	PUBLISHED FOR OPPOSITION	

Jan. 18, 1991	NOTICE OF PUBLICATION	
Nov. 15, 1990	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 09, 1990	EXAMINER'S AMENDMENT MAILED	
Nov. 01, 1990	ASSIGNED TO EXAMINER	67568

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

Jun. 18, 2011

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

May 13, 2011

Int. Cl.: 18

Prior U.S. Cls.: 3, 22 and 41

Reg. No. 1,644,419

United States Patent and Trademark Office

Registered May 14, 1991

TRADEMARK
PRINCIPAL REGISTER

BABSON COLLEGE

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: UMBRELLAS AND TRAVELLING BAGS, NAMELY, KNAPSACKS AND TOTE BAGS, IN CLASS 18 (U.S. CLS. 3, 22 AND 41).

FIRST USE 7-0-1975; IN COMMERCE 7-0-1975.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE" , APART FROM THE MARK AS SHOWN.

SER. NO. 74-079,653, FILED 7-19-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

Generated on:
This page was generated by TSDR on 2016-02-03 11:58:11 EST
Mark: BABSON COLLEGE

US Serial Number: 74079653 **Application Filing Date:** Jul. 19, 1990
US Registration Number: 1644419 **Registration Date:** May 14, 1991
Register: Principal
Mark Type: Trademark
Status: The registration has been renewed.
Status Date: Apr. 29, 2011
Publication Date: Feb. 05, 1991

Mark Information

Mark Literal Elements: BABSON COLLEGE
Standard Character Claim: No
Mark Drawing Type: 1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)
Disclaimer: "COLLEGE"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: [umbrellas and] travelling bags, namely, knapsacks and tote bags
International Class(es): 018 - Primary Class **U.S Class(es):** 001, 002, 003, 022, 041
Class Status: ACTIVE
Basis: 1(a)
First Use: Jul. 1975 **Use in Commerce:** Jul. 1975

Basis Information (Case Level)

Filed Use: Yes **Currently Use:** Yes **Amended Use:** No

Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS UNITED STATES 02457

Legal Entity Type: CORPORATION

State or Country Where Organized:

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: JOSEPH V. MYERS III

Docket Number:

35014.000041

Correspondent

Correspondent Name/Address:

JOSEPH V. MYERS III
SEYFARTH SHAW LLP
1075 PEACHTREE STREET, NE
SUITE 2500
ATLANTA, GEORGIA UNITED STATES 30309

Phone: 404-885-1500

Fax:

404-892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com

Correspondent e-mail Authorized:

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Apr. 29, 2011	REGISTERED AND RENEWED (SECOND RENEWAL - 10 YRS)	67603
Apr. 29, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Apr. 13, 2011	TEAS SECTION 8 & 9 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct. 23, 2007	CASE FILE IN TICRS	
Apr. 10, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 27, 2001	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	
Jul. 27, 2001	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
May 10, 2001	REGISTERED - COMBINED SECTION 8 (10-YR) & SEC. 9 FILED	
May 23, 1997	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Apr. 30, 1997	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
May 14, 1991	REGISTERED-PRINCIPAL REGISTER	
Feb. 05, 1991	PUBLISHED FOR OPPOSITION	
Jan. 04, 1991	NOTICE OF PUBLICATION	
Nov. 05, 1990	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 02, 1990	ASSIGNED TO EXAMINER	67568

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

May 14, 2011

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

Apr. 29, 2011

Int. Cl.: 24

Prior U.S. Cl.: 50

Reg. No. 1,643,671

United States Patent and Trademark Office

Registered May 7, 1991

TRADEMARK
PRINCIPAL REGISTER

BABSON COLLEGE

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: TEXTILE ARTICLES, NAMELY, BANNERS AND PENNANTS, IN CLASS 24 (U.S. CL. 50).

FIRST USE 7-0-1975; IN COMMERCE 7-0-1975.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE", APART FROM THE MARK AS SHOWN.

SER. NO. 74-079,656, FILED 7-19-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

Generated on:
This page was generated by TSDR on 2016-02-03 11:59:34 EST
Mark: BABSON COLLEGE

US Serial Number: 74079656 **Application Filing Date:**
Jul. 19, 1990
US Registration Number: 1643671 **Registration Date:**
May 07, 1991
Register:
Principal
Mark Type:
Trademark
Status:
The registration has been renewed.
Status Date:
May 06, 2011
Publication Date: Feb. 12, 1991

Mark Information

Mark Literal Elements:
BABSON COLLEGE
Standard Character Claim:
No
Mark Drawing Type:
1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)
Disclaimer:
"COLLEGE"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:
textile articles, namely, banners and pennants
International Class(es): 024 - Primary Class **U.S Class(es):**
042, 050
Class Status:
ACTIVE
Basis:
1(a)
First Use: Jul. 1975 **Use in Commerce:**
Jul. 1975

Basis Information (Case Level)

Filed Use: Yes **Currently Use:** Yes **Amended Use:** No

Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS 02457
UNITED STATES

Legal Entity Type: CORPORATION **State or Country Where Organized:**

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: JAMES V. MEYER III **Docket Number:**

35014.000041

Correspondent

Correspondent Name/Address:

JAMES V. MEYER III
SEYFARTH SHAW LLP
1075 PEACHTREE STREET, NE
SUITE 2500
ATLANTA, GEORGIA 30309
UNITED STATES

Phone: 404-885-1500 **Fax:**

404-892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
May 06, 2011	REGISTERED AND RENEWED (SECOND RENEWAL - 10 YRS)	67603
May 06, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Apr. 14, 2011	TEAS SECTION 8 & 9 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct. 23, 2007	CASE FILE IN TICRS	
Apr. 10, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 27, 2001	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	
Jul. 27, 2001	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
May 10, 2001	REGISTERED - COMBINED SECTION 8 (10-YR) & SEC. 9 FILED	
May 28, 1997	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Apr. 30, 1997	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
May 07, 1991	REGISTERED-PRINCIPAL REGISTER	
Feb. 12, 1991	PUBLISHED FOR OPPOSITION	
Jan. 11, 1991	NOTICE OF PUBLICATION	
Nov. 15, 1990	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 09, 1990	EXAMINER'S AMENDMENT MAILED	
Nov. 02, 1990	ASSIGNED TO EXAMINER	67568

Maintenance Filings or Post Registration Information

Affidavit of Continued

Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

May 07, 2011

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

May 06, 2011

Int. Cl.: 25

Prior U.S. Cl.: 39

Reg. No. 1,644,479

United States Patent and Trademark Office Registered May 14, 1991

TRADEMARK
PRINCIPAL REGISTER

BABSON COLLEGE

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: CLOTHING, NAMELY, CAPS, HATS, SWEAT SUITS, SWEAT SHIRTS, SWEAT PANTS, SOCKS, SHIRTS, SHORTS, SCARVES, TIES, RAIN PONCHOS, BABY BOOTIES, T-SHIRTS, AND SWEATERS, IN CLASS 25 (U.S. CL. 39).

FIRST USE 7-0-1975; IN COMMERCE 7-0-1975.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE", APART FROM THE MARK AS SHOWN.

SER. NO. 74-079,657, FILED 7-19-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

Generated on:
This page was generated by TSDR on 2016-02-03 12:00:14 EST
Mark: BABSON COLLEGE

US Serial Number: 74079657 **Application Filing Date:**
Jul. 19, 1990
US Registration Number: 1644479 **Registration Date:**
May 14, 1991
Register:
Principal
Mark Type:
Trademark
Status:
The registration has been renewed.
Status Date:
Apr. 29, 2011
Publication Date: Feb. 05, 1991

Mark Information

Mark Literal Elements:
BABSON COLLEGE
Standard Character Claim:
No
Mark Drawing Type:
1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)
Disclaimer:
"COLLEGE"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:
clothing, namely, [caps,] hats, sweat suits, sweat shirts, sweat pants, [socks,] shirts, shorts, scarves, [ties,] rain ponchos, [baby booties,] T-shirts, and sweaters
International Class(es): 025 - Primary Class **U.S Class(es):**
022, 039
Class Status:
ACTIVE
Basis:
1(a)
First Use: Jul. 1975 **Use in Commerce:**
Jul. 1975

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS 02457
UNITED STATES

Legal Entity Type: CORPORATION **State or Country Where Organized:**

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: JOSEPH V. MYERS III **Docket Number:**

35014.000041

Correspondent

Correspondent Name/Address:

JOSEPH V. MYERS III
SEYFARTH SHAW LLP
1075 PEACHTREE STREET, NE
SUITE 2500
ATLANTA, GEORGIA 30309
UNITED STATES

Phone: 404-885-1500 **Fax:**

404-892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Apr. 29, 2011	REGISTERED AND RENEWED (SECOND RENEWAL - 10 YRS)	67603
Apr. 29, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Apr. 13, 2011	TEAS SECTION 8 & 9 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct. 19, 2007	CASE FILE IN TICRS	
Apr. 10, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 27, 2001	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	
Jul. 27, 2001	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
May 10, 2001	REGISTERED - COMBINED SECTION 8 (10-YR) & SEC. 9 FILED	
May 28, 1997	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Apr. 30, 1997	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
May 14, 1991	REGISTERED-PRINCIPAL REGISTER	
Feb. 05, 1991	PUBLISHED FOR OPPOSITION	
Jan. 04, 1991	NOTICE OF PUBLICATION	
Nov. 05, 1990	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 02, 1990	ASSIGNED TO EXAMINER	67568

Maintenance Filings or Post Registration Information

Affidavit of Continued

Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

May 14, 2011

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

Apr. 29, 2011

Int. Cl.: 41

Prior U.S. Cl.: 107

Reg. No. 1,643,980

United States Patent and Trademark Office

Registered May 7, 1991

SERVICE MARK
PRINCIPAL REGISTER

BABSON COLLEGE

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: EDUCATIONAL SERVICES, NAMELY, CONDUCTING CLASSES AND PROVIDING COURSES AT THE UNDERGRADUATE AND GRADUATE LEVELS, CONDUCTING CLASSES AND SEMINARS IN THE FIELD OF EXECUTIVE EDUCATION, ARRANGING AND CONDUCTING ATHLETIC AND SPORTING EVENTS , IN CLASS 41 (U.S. CL. 107).

FIRST USE 7-23-1965; IN COMMERCE 7-23-1965.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE", APART FROM THE MARK AS SHOWN.

SER. NO. 74-079,658, FILED 7-19-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

Int. Cl.: 41

Prior U.S. Cl.: 107

Reg. No. 1,643,980

United States Patent and Trademark Office

Registered May 7, 1991

SERVICE MARK
PRINCIPAL REGISTER

BABSON COLLEGE

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 021570901

FOR: EDUCATIONAL SERVICES, NAMELY, CONDUCTING CLASSES AND PROVIDING COURSES AT THE UNDERGRADUATE AND GRADUATE LEVELS, CONDUCTING CLASSES AND SEMINARS IN THE FIELD OF EXECUTIVE EDUCATION, ARRANGING AND CONDUCTING ATHLETIC AND SPORTING EVENTS , IN CLASS 41 (U.S. CL. 107).

FIRST USE 7-23-1965; IN COMMERCE 7-23-1965.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "COLLEGE", APART FROM THE MARK AS SHOWN.

SER. NO. 74-079,658, FILED 7-19-1990.

THOMAS V. SHAW, EXAMINING ATTORNEY

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Mark: BABSON COLLEGE

US Serial Number: 74079658 **Application Filing Date:**

Jul. 19, 1990

US Registration Number: 1643980 **Registration Date:**

May 07, 1991

Register:

Principal

Mark Type:

Service Mark

Status:

The registration has been renewed.

Status Date:

May 06, 2011

Publication Date: Feb. 12, 1991

Mark Information

Mark Literal Elements:

BABSON COLLEGE

Standard Character Claim:

No

Mark Drawing Type:

1 - TYPESET WORD(S) /LETTER(S) /NUMBER(S)

Disclaimer:

"COLLEGE"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

educational services, namely, conducting classes and providing courses at the undergraduate and graduate levels, conducting classes and seminars in the field of executive education, arranging and conducting athletic and sporting events

International Class(es): 041 - Primary Class **U.S Class(es):**

107

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 23, 1965 **Use in Commerce:**

Jul. 23, 1965

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS UNITED STATES 02457

Legal Entity Type: CORPORATION

State or Country Where Organized:

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: JAMES R. MEYER

Correspondent

Correspondent Name/Address:

JAMES R. MEYER
Seyfarth Shaw LLP
1075 Peachtree Street, NE
Suite 2500
Atlanta, GEORGIA UNITED STATES 30309

Phone: 404-885-1500

Fax:

404-892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com

Correspondent e-mail Authorized:

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
May 06, 2011	REGISTERED AND RENEWED (SECOND RENEWAL - 10 YRS)	67603
May 06, 2011	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
Apr. 14, 2011	TEAS SECTION 8 & 9 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct. 18, 2007	CASE FILE IN TICRS	
Apr. 10, 2003	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 27, 2001	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	
Jul. 27, 2001	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	
May 10, 2001	REGISTERED - COMBINED SECTION 8 (10-YR) & SEC. 9 FILED	
May 23, 1997	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	
Apr. 30, 1997	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	
May 07, 1991	REGISTERED-PRINCIPAL REGISTER	
Feb. 12, 1991	PUBLISHED FOR OPPOSITION	
Jan. 11, 1991	NOTICE OF PUBLICATION	
Nov. 15, 1990	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 06, 1990	EXAMINER'S AMENDMENT MAILED	
Nov. 02, 1990	ASSIGNED TO EXAMINER	67568

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

May 07, 2011

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

May 06, 2011

Int. Cl.: 41

Prior U.S. Cls.: 100, 101, and 107

Reg. No. 2,972,211

United States Patent and Trademark Office **Registered July 19, 2005**

SERVICE MARK
PRINCIPAL REGISTER

BABSON

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 02457

FOR: EDUCATIONAL AND ENTERTAINMENT SERVICES, NAMELY, COURSE WORK, SEMINARS AND WORK SHOPS LEADING TO UNDERGRADUATE AND GRADUATE DEGREES, CONDUCTING A NON-MATRICULATING EXECUTIVE TRAINING PROGRAM, CONDUCTING A NON-MATRICULATING EXECUTIVE TRAINING PROGRAM IN THE FIELD OF BUSINESS, AND ARRANGING AND CONDUCTING A RANGE OF COLLEGE ATHLETIC COMPETITIONS AND SPORTING EVENTS, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 12-0-2003; IN COMMERCE 3-0-2004.

SN 76-546,665, FILED 9-24-2003.

KEVON CHISOLM, EXAMINING ATTORNEY

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This page was generated by TSDR on 2016-02-03 12:08:57 EST

Mark: B BABSON

BABSON

US Serial Number: 76546665

Application Filing Date: Sep. 24, 2003

US Registration Number: 2972211

Registration Date: Jul. 19, 2005

Register: Principal

Mark Type: Service Mark

Status: The registration has been renewed.

Status Date: Jul. 20, 2015

Publication Date: Aug. 03, 2004

Notice of Allowance Date: Oct. 26, 2004

Mark Information

Mark Literal Elements: B BABSON

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Design Search Code(s): 01.07.02 - Globes with meridians and parallels only

Related Properties Information

International Registration Number: 0862334

International Application(s) /Registration(s) Based on this Property: A0002284/0862334

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Educational and entertainment services, namely, course work, seminars and work shops leading to undergraduate and graduate degrees, conducting a non-matriculating executive training program, conducting a non-matriculating executive training program in the field of business, and arranging and conducting a range of college athletic competitions and sporting events

International Class(es): 041 - Primary Class

U.S Class(es): 100, 101, 107

Class Status: ACTIVE

Basis:

1(a)

First Use: Dec. 2003 **Use in Commerce:**

Mar. 2004

Basis Information (Case Level)

Filed Use: No	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: Yes	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS 02457
UNITED STATES

Legal Entity Type: CORPORATION **State or Country Where Organized:**

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address:

BABSON COLLEGE
BABSON PARK
WELLESLEY, MASSACHUSETTS 02457
UNITED STATES

Phone: (404) 885-6743 **Fax:**

(404) 892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Jul. 20, 2015	NOTICE OF ACCEPTANCE OF SEC. 8 & 9 - E-MAILED	
Jul. 20, 2015	REGISTERED AND RENEWED (FIRST RENEWAL - 10 YRS)	66607
Jul. 20, 2015	REGISTERED - SEC. 8 (10-YR) ACCEPTED/SEC. 9 GRANTED	66607
Jul. 20, 2015	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	66607
Jun. 25, 2015	TEAS SECTION 8 & 9 RECEIVED	
Jun. 25, 2015	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Aug. 15, 2011	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Aug. 15, 2011	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	64591
Aug. 15, 2011	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	64591
Jul. 05, 2011	TEAS SECTION 8 & 15 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jul. 19, 2005	REGISTERED-PRINCIPAL REGISTER	
Apr. 21, 2005	LAW OFFICE REGISTRATION REVIEW COMPLETED	68658
Apr. 15, 2005	ASSIGNED TO LIE	68658
Apr. 14, 2005	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Mar. 14, 2005	STATEMENT OF USE PROCESSING COMPLETE	68973

Mar. 14, 2005	USE AMENDMENT FILED	68973
Apr. 05, 2005	EXTENSION 1 GRANTED	66121
Mar. 14, 2005	EXTENSION 1 FILED	66121
Mar. 14, 2005	TEAS STATEMENT OF USE RECEIVED	
Mar. 14, 2005	TEAS EXTENSION RECEIVED	
Oct. 26, 2004	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Aug. 03, 2004	PUBLISHED FOR OPPOSITION	
Jul. 14, 2004	NOTICE OF PUBLICATION	
Jun. 21, 2004	EMAIL RECEIVED	
Jun. 16, 2004	APPROVED FOR PUB - PRINCIPAL REGISTER	
Jun. 10, 2004	EXAMINER'S AMENDMENT ENTERED	76539
Jun. 10, 2004	EXAMINERS AMENDMENT E-MAILED	
Jun. 04, 2004	PREVIOUS ALLOWANCE COUNT WITHDRAWN	
Apr. 15, 2004	APPROVED FOR PUB - PRINCIPAL REGISTER	
Apr. 15, 2004	ASSIGNED TO EXAMINER	76502

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

Renewal Date:

Jul. 19, 2015

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: GENERIC WEB UPDATE **Date in Location:**

Jul. 20, 2015

United States of America

United States Patent and Trademark Office

BABSON GLOBAL

Reg. No. 4,292,651

Registered Feb. 19, 2013

Int. Cls.: 35 and 41

SERVICE MARK

PRINCIPAL REGISTER

BABSON COLLEGE (MASSACHUSETTS NON-PROFIT CORPORATION)
231 FOREST STREET
BABSON PARK, MA 024570310

FOR: PROVIDING CONSULTING AND MANAGEMENT SERVICES TO EDUCATIONAL INSTITUTIONS IN THE FIELDS OF CAMPUS BUSINESS OPERATIONS, PROCEDURES AND POLICIES, FACULTY AND STAFF RECRUITMENT, GENERAL UNIVERSITY BUSINESS OPERATIONS, VENDOR SELECTION, AND BUDGETING, IN CLASS 35 (U.S. CLS. 100, 101 AND 102).

FIRST USE 11-5-2012; IN COMMERCE 11-5-2012.

FOR: EDUCATIONAL SERVICES, NAMELY, DEVELOPING AND DISSEMINATING TO OTHER EDUCATIONAL INSTITUTIONS COLLEGE LEVEL, GRADUATE LEVEL, AND EXECUTIVE EDUCATION COURSES AND PROGRAMS AND RELATED EDUCATIONAL MATERIALS; CONSULTING TO OTHER EDUCATIONAL INSTITUTIONS ON THE PROVISION OF COLLEGE LEVEL, GRADUATE LEVEL, AND EXECUTIVE EDUCATION COURSES AND PROGRAMS; PROVIDING CONSULTING TO OTHER EDUCATIONAL INSTITUTIONS IN THE FIELD OF CURRICULUM DESIGN, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 11-5-2012; IN COMMERCE 11-5-2012.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NOS. 1,643,978, 1,643,980, AND 2,972,211.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "GLOBAL", APART FROM THE MARK AS SHOWN.

SN 77-899,099, FILED 12-22-2009.

ANTHONY RINKER, EXAMINING ATTORNEY

Acting Director of the United States Patent and Trademark Office

REQUIREMENTS TO MAINTAIN YOUR FEDERAL TRADEMARK REGISTRATION

WARNING: YOUR REGISTRATION WILL BE CANCELLED IF YOU DO NOT FILE THE DOCUMENTS BELOW DURING THE SPECIFIED TIME PERIODS.

Requirements in the First Ten Years*
What and When to File:

First Filing Deadline: You must file a Declaration of Use (or Excusable Nonuse) between the 5th and 6th years after the registration date. *See* 15 U.S.C. §§1058, 1141k. If the declaration is accepted, the registration will continue in force for the remainder of the ten-year period, calculated from the registration date, unless cancelled by an order of the Commissioner for Trademarks or a federal court.

Second Filing Deadline: You must file a Declaration of Use (or Excusable Nonuse) **and** an Application for Renewal between the 9th and 10th years after the registration date.* *See* 15 U.S.C. §1059.

Requirements in Successive Ten-Year Periods*
What and When to File:

You must file a Declaration of Use (or Excusable Nonuse) **and** an Application for Renewal between every 9th and 10th-year period, calculated from the registration date.*

Grace Period Filings*

The above documents will be accepted as timely if filed within six months after the deadlines listed above with the payment of an additional fee.

The United States Patent and Trademark Office (USPTO) will NOT send you any future notice or reminder of these filing requirements.

***ATTENTION MADRID PROTOCOL REGISTRANTS:** The holder of an international registration with an extension of protection to the United States under the Madrid Protocol must timely file the Declarations of Use (or Excusable Nonuse) referenced above directly with the USPTO. The time periods for filing are based on the U.S. registration date (not the international registration date). The deadlines and grace periods for the Declarations of Use (or Excusable Nonuse) are identical to those for nationally issued registrations. *See* 15 U.S.C. §§1058, 1141k. However, owners of international registrations do not file renewal applications at the USPTO. Instead, the holder must file a renewal of the underlying international registration at the International Bureau of the World Intellectual Property Organization, under Article 7 of the Madrid Protocol, before the expiration of each ten-year term of protection, calculated from the date of the international registration. *See* 15 U.S.C. §1141j. For more information and renewal forms for the international registration, see http://www.wipo.int/madrid/en/.

NOTE: Fees and requirements for maintaining registrations are subject to change. Please check the USPTO website for further information. With the exception of renewal applications for registered extensions of protection, you can file the registration maintenance documents referenced above online at http://www.uspto.gov.

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Mark: BABSON GLOBAL

BABSON GLOBAL

US Serial Number: 77899099 **Application Filing Date:**
Dec. 22, 2009
US Registration Number: 4292651 **Registration Date:**
Feb. 19, 2013
Register:
Principal
Mark Type:
Service Mark
Status:
Registered. The registration date is used to determine when post-registration maintenance documents are due.
Status Date:
Feb. 19, 2013
Publication Date: May 25, 2010 **Notice of Allowance Date:**
Jul. 20, 2010

Mark Information

Mark Literal Elements:
BABSON GLOBAL
Standard Character Claim:
Yes. The mark consists of standard characters without claim to any particular font style, size, or color.
Mark Drawing Type:
4 - STANDARD CHARACTER MARK
Disclaimer:
"GLOBAL"

Related Properties Information

Claimed Ownership of US Registrations:
1643978, 1643980, 2972211

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:
Providing consulting and management services to educational institutions in the fields of campus business operations, procedures and policies, faculty and staff recruitment, general university business operations, vendor selection, and budgeting
International Class(es): 035 - Primary Class **U.S Class(es):**
100, 101, 102
Class Status:
ACTIVE
Basis:
1(a)
First Use: Nov. 05, 2012 **Use in Commerce:**
Nov. 05, 2012

For:

Educational services, namely, developing and disseminating to other educational institutions college level, graduate level, and executive education courses and programs and related educational materials; consulting to other educational institutions on the provision of college level, graduate level, and executive education courses and programs; providing consulting to other educational institutions in the field of curriculum design

International Class(es): 041 - Primary Class **U.S Class(es):** 100, 101, 107

Class Status: ACTIVE

Basis: 1(a)

First Use: Nov. 05, 2012 **Use in Commerce:** Nov. 05, 2012

Basis Information (Case Level)

Filed Use:	No	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	Yes	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson College

Owner Address:
231 Forest Street
Babson Park, MASSACHUSETTS 024570310
UNITED STATES

Legal Entity Type: non-profit corporation **State or Country Where Organized:** MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Zick Rubin **Docket Number:** Babson - BAB

Attorney Primary Email Address: zrubin@zickrubin.com **Attorney Email Authorized:** No

Correspondent

Correspondent Name/Address:
ZICK RUBIN
THE LAW OFFICE OF ZICK RUBIN
288 WALNUT ST STE 230
NEWTON, MASSACHUSETTS 02460-1994
UNITED STATES

Phone: 617-965-9425 **Fax:** 617-965-9426

Correspondent e-mail: zrubin@zickrubin.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Feb. 19, 2013	REGISTERED-PRINCIPAL REGISTER	
Jan. 12, 2013	NOTICE OF ACCEPTANCE OF STATEMENT OF USE E-MAILED	

Jan. 11, 2013	LAW OFFICE REGISTRATION REVIEW COMPLETED	66213
Jan. 10, 2013	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Dec. 20, 2012	STATEMENT OF USE PROCESSING COMPLETE	69302
Dec. 19, 2012	USE AMENDMENT FILED	69302
Dec. 19, 2012	TEAS STATEMENT OF USE RECEIVED	
Jun. 23, 2012	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Jun. 22, 2012	EXTENSION 4 GRANTED	69302
Jun. 20, 2012	EXTENSION 4 FILED	69302
Jun. 20, 2012	TEAS EXTENSION RECEIVED	
Jan. 12, 2012	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Jan. 11, 2012	EXTENSION 3 GRANTED	69302
Jan. 10, 2012	EXTENSION 3 FILED	69302
Jan. 10, 2012	TEAS EXTENSION RECEIVED	
Jul. 08, 2011	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Jul. 07, 2011	EXTENSION 2 GRANTED	69302
Jul. 05, 2011	EXTENSION 2 FILED	69302
Jul. 05, 2011	TEAS EXTENSION RECEIVED	
Feb. 10, 2011	NOTICE OF APPROVAL OF EXTENSION REQUEST E-MAILED	
Feb. 09, 2011	EXTENSION 1 GRANTED	69302
Jan. 19, 2011	EXTENSION 1 FILED	69302
Feb. 09, 2011	CASE ASSIGNED TO INTENT TO USE PARALEGAL	69302
Jan. 19, 2011	TEAS EXTENSION RECEIVED	
Jul. 20, 2010	NOA E-MAILED - SOU REQUIRED FROM APPLICANT	
May 25, 2010	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	
May 25, 2010	PUBLISHED FOR OPPOSITION	
Apr. 21, 2010	LAW OFFICE PUBLICATION REVIEW COMPLETED	66213
Apr. 21, 2010	ASSIGNED TO LIE	66213
Apr. 06, 2010	APPROVED FOR PUB - PRINCIPAL REGISTER	
Apr. 05, 2010	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Apr. 05, 2010	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Apr. 05, 2010	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 29, 2010	NOTIFICATION OF NON-FINAL ACTION E-MAILED	6325
Mar. 29, 2010	NON-FINAL ACTION E-MAILED	6325
Mar. 29, 2010	NON-FINAL ACTION WRITTEN	81097
Mar. 22, 2010	ASSIGNED TO EXAMINER	81097
Dec. 29, 2009	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
Dec. 25, 2009	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION **Date in Location:**

Jan. 11, 2013

Int. Cls.: 6, 9, 16, 18, 21, 24, 25, and 28

Prior U.S. Cls.: 1, 2, 3, 5, 12, 13, 14, 21, 22, 23, 25, 26, 29, 30, 33, 36, 37, 38, 39, 40, 41, 42, and 50

Reg. No. 3,151,898

United States Patent and Trademark Office **Registered Oct. 3, 2006**

TRADEMARK
PRINCIPAL REGISTER

BABSON

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
BABSON PARK
WELLESLEY, MA 02457

FOR: KEY RINGS, IN CLASS 6 (U.S. CLS. 2, 12, 13, 14, 23, 25 AND 50).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: PRE-RECORDED EDUCATIONAL SOFTWARE FEATURING INSTRUCTION IN BUSINESS AT THE GRADUATE LEVEL, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: DESK ACCESSORIES AND PAPER PRODUCTS, NAMELY, STATIONERY, NOTEBOOKS, NOTE PADS, LOOSELEAF NOTEBOOKS, BUMPER STICKERS, PENS, PENCILS, PEN SETS, AND PAPERWEIGHTS, IN CLASS 16 (U.S. CLS. 2, 5, 22, 23, 29, 37, 38 AND 50).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: UMBRELLAS, KNAPSACKS AND TOTE BAGS, IN CLASS 18 (U.S. CLS. 1, 2, 3, 22 AND 41).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: DOMESTIC GLASSWARE AND CONTAINERS, NAMELY, MUGS, GLASSES, TUMBLERS, IN CLASS 21 (U.S. CLS. 2, 13, 23, 29, 30, 33, 40 AND 50).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: TEXTILES, NAMELY, BANNERS, IN CLASS 24 (U.S. CLS. 42 AND 50).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: CLOTHING, NAMELY, TEE-SHIRTS, SWEAT SHIRTS, HATS, JACKETS, PANTS, SHORTS, CAPS, SWEAT SUITS, SWEAT PANTS, IN CLASS 25 (U.S. CLS. 22 AND 39).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

FOR: STUFFED ANIMALS, IN CLASS 28 (U.S. CLS. 22, 23, 38 AND 50).

FIRST USE 12-20-2005; IN COMMERCE 12-20-2005.

THE MARK CONSISTS OF THE WORDING B BABSON WITH THE B INSIDE OF A PARTIAL GLOBE DESIGN IN BLACK AND WHITE.

SN 78-501,427, FILED 10-18-2004.

KEVON CHISOLM, EXAMINING ATTORNEY

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Mark: B BABSON

BABSON

US Serial Number: 78501427 **Application Filing Date:**

Oct. 18, 2004

US Registration Number: 3151898 **Registration Date:**

Oct. 03, 2006

Register:

Principal

Mark Type:

Trademark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Mar. 04, 2013

Publication Date: Sep. 27, 2005 **Notice of Allowance Date:**

Dec. 20, 2005

Mark Information

Mark Literal Elements:

B BABSON

Standard Character Claim:

No

Mark Drawing Type:

3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Description of Mark:

The mark consists of the wording B BABSON with the B inside of a partial globe design in black and white.

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Design Search Code(s):

01.07.02 - Globes with meridians and parallels only

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

key rings

International Class(es): 006 - Primary Class **U.S Class(es):**

002, 012, 013, 014, 023, 025, 050

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

Pre-recorded educational software featuring instruction in business at the graduate level

International Class(es): 009 - Primary Class **U.S Class(es):**

021, 023, 026, 036, 038

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

Desk accessories and paper products, namely, stationery, notebooks, note pads, looseleaf notebooks, bumper stickers, pens, pencils, pen sets, and paperweights

International Class(es): 016 - Primary Class **U.S Class(es):**

002, 005, 022, 023, 029, 037, 038, 050

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

Umbrellas, knapsacks and tote bags

International Class(es): 018 - Primary Class **U.S Class(es):**

001, 002, 003, 022, 041

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

Domestic glassware and containers, namely, mugs, glasses, tumblers

International Class(es): 021 - Primary Class **U.S Class(es):**

002, 013, 023, 029, 030, 033, 040, 050

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

Textiles, namely, banners

International Class(es): 024 - Primary Class **U.S Class(es):**

042, 050

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

Clothing, namely, tee-shirts, sweat shirts, hats, jackets, pants, shorts, caps, sweat suits, sweat pants

International Class(es): 025 - Primary Class **U.S Class(es):**

022, 039

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

For:

stuffed animals

International Class(es): 028 - Primary Class **U.S Class(es):**

022, 023, 038, 050

Class Status:

ACTIVE

Basis:

1(a)

First Use: Dec. 20, 2005 **Use in Commerce:**

Dec. 20, 2005

Basis Information (Case Level)

Filed Use:	No	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	Yes	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

Babson Park
Wellesley, MASSACHUSETTS UNITED STATES 02457

Legal Entity Type: CORPORATION **State or Country Where Organized:**

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Joseph V. Myers III **Docket Number:**

35014-000034

Attorney Primary Email Address: TMATLANTA@seyfarth.com **Attorney Email Authorized:**

Yes

Correspondent

Correspondent Name/Address:

Joseph V. Myers III
SEYFARTH SHAW LLP
SUITE 2500
1075 PEACHTREE STREET, NE
ATLANTA, GEORGIA UNITED STATES 30309

Phone: 404-885-1500 **Fax:**

404-892-7056

Correspondent e-mail: TMATLANTA@seyfarth.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Oct. 03, 2015	COURTESY REMINDER - SEC. 8 (10-YR)/SEC. 9 E-MAILED	
Mar. 04, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Mar. 04, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	75184
Mar. 04, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	75184
Feb. 13, 2013	TEAS SECTION 8 & 15 RECEIVED	
Apr. 12, 2010	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Oct. 03, 2006	REGISTERED-PRINCIPAL REGISTER	
Aug. 22, 2006	LAW OFFICE REGISTRATION REVIEW COMPLETED	68658
Aug. 18, 2006	ASSIGNED TO LIE	68658
Aug. 17, 2006	ALLOWED PRINCIPAL REGISTER - SOU ACCEPTED	
Jul. 13, 2006	STATEMENT OF USE PROCESSING COMPLETE	66530
Jun. 20, 2006	USE AMENDMENT FILED	66530
Jun. 20, 2006	TEAS STATEMENT OF USE RECEIVED	
Dec. 20, 2005	NOA MAILED - SOU REQUIRED FROM APPLICANT	
Sep. 27, 2005	PUBLISHED FOR OPPOSITION	
Sep. 07, 2005	NOTICE OF PUBLICATION	
Jun. 08, 2005	LAW OFFICE PUBLICATION REVIEW COMPLETED	68552
Jun. 03, 2005	ASSIGNED TO LIE	68552
May 31, 2005	APPROVED FOR PUB - PRINCIPAL REGISTER	
May 31, 2005	EXAMINERS AMENDMENT E-MAILED	6328
May 31, 2005	EXAMINERS AMENDMENT -WRITTEN	76502
May 31, 2005	PREVIOUS ALLOWANCE COUNT WITHDRAWN	
May 27, 2005	APPROVED FOR PUB - PRINCIPAL REGISTER	
May 27, 2005	EXAMINER'S AMENDMENT ENTERED	68552
May 24, 2005	EXAMINERS AMENDMENT E-MAILED	6328
May 24, 2005	EXAMINERS AMENDMENT -WRITTEN	76502
May 19, 2005	ASSIGNED TO EXAMINER	76502
Oct. 26, 2004	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 103 **Date in Location:**

Mar. 04, 2013

United States of America

United States Patent and Trademark Office

BABSON

Reg. No. 4,862,156

Registered Dec. 1, 2015

Int. Cl.: 41

SERVICE MARK

PRINCIPAL REGISTER

BABSON COLLEGE (MASSACHUSETTS CORPORATION)
231 FOREST STREET
BABSON PARK, MA 024570310

FOR: EDUCATIONAL SERVICES, NAMELY, CONDUCTING CLASSES AND PROVIDING COURSES AT THE UNDERGRADUATE AND GRADUATE LEVELS; EDUCATIONAL SERVICES, NAMELY, CONDUCTING CLASSES AND SEMINARS IN THE FIELD OF EXECUTIVE EDUCATION; EDUCATIONAL SERVICES, NAMELY, CONDUCTING MASTERS OF BUSINESS ADMINISTRATION PROGRAMS IN THE FIELDS OF BUSINESS ANALYTICS, FINANCE, AND GLOBAL BUSINESS MANAGEMENT; EDUCATIONAL SERVICES, NAMELY, CONDUCTING CONFERENCES AND WORKSHOPS IN THE FIELD OF ENTREPRENEURSHIP; ENTERTAINMENT SERVICES, NAMELY, ARRANGING AND CONDUCTING COLLEGE ATHLETIC COMPETITIONS AND SPORTING EVENTS, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 9-3-1919; IN COMMERCE 9-3-1919.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

SEC. 2(F).

SER. NO. 86-477,573, FILED 12-11-2014.

JOHN DALIER, EXAMINING ATTORNEY

Michelle K. Lee

Director of the United States
Patent and Trademark Office

REQUIREMENTS TO MAINTAIN YOUR FEDERAL TRADEMARK REGISTRATION

WARNING: YOUR REGISTRATION WILL BE CANCELLED IF YOU DO NOT FILE THE DOCUMENTS BELOW DURING THE SPECIFIED TIME PERIODS.

Requirements in the First Ten Years*
What and When to File:

First Filing Deadline: You must file a Declaration of Use (or Excusable Nonuse) between the 5th and 6th years after the registration date. *See* 15 U.S.C. §§1058, 1141k. If the declaration is accepted, the registration will continue in force for the remainder of the ten-year period, calculated from the registration date, unless cancelled by an order of the Commissioner for Trademarks or a federal court.

Second Filing Deadline: You must file a Declaration of Use (or Excusable Nonuse) **and** an Application for Renewal between the 9th and 10th years after the registration date.* *See* 15 U.S.C. §1059.

Requirements in Successive Ten-Year Periods*
What and When to File:

You must file a Declaration of Use (or Excusable Nonuse) **and** an Application for Renewal between every 9th and 10th-year period, calculated from the registration date.*

Grace Period Filings*

The above documents will be accepted as timely if filed within six months after the deadlines listed above with the payment of an additional fee.

***ATTENTION MADRID PROTOCOL REGISTRANTS:** The holder of an international registration with an extension of protection to the United States under the Madrid Protocol must timely file the Declarations of Use (or Excusable Nonuse) referenced above directly with the United States Patent and Trademark Office (USPTO). The time periods for filing are based on the U.S. registration date (not the international registration date). The deadlines and grace periods for the Declarations of Use (or Excusable Nonuse) are identical to those for nationally issued registrations. *See* 15 U.S.C. §§1058, 1141k. However, owners of international registrations do not file renewal applications at the USPTO. Instead, the holder must file a renewal of the underlying international registration at the International Bureau of the World Intellectual Property Organization, under Article 7 of the Madrid Protocol, before the expiration of each ten-year term of protection, calculated from the date of the international registration. *See* 15 U.S.C. §1141j. For more information and renewal forms for the international registration, see http://www.wipo.int/madrid/en/.

NOTE: Fees and requirements for maintaining registrations are subject to change. Please check the USPTO website for further information. With the exception of renewal applications for registered extensions of protection, you can file the registration maintenance documents referenced above online at http://www.uspto.gov.

NOTE: A courtesy e-mail reminder of USPTO maintenance filing deadlines will be sent to trademark owners/holders who authorize e-mail communication and maintain a current e-mail address with the USPTO. To ensure that e-mail is authorized and your address is current, please use the Trademark Electronic Application System (TEAS) Correspondence Address and Change of Owner Address Forms available at http://www.uspto.gov.

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Mark: BABSON

BABSON

US Serial Number: 86477573
Application Filing Date: Dec. 11, 2014
US Registration Number: 4862156
Registration Date: Dec. 01, 2015
Register: Principal
Mark Type: Service Mark
Status: Registered. The registration date is used to determine when post-registration maintenance documents are due.
Status Date: Dec. 01, 2015
Publication Date: Sep. 15, 2015

Mark Information

Mark Literal Elements: BABSON
Standard Character Claim: Yes. The mark consists of standard characters without claim to any particular font style, size, or color.
Mark Drawing Type: 4 - STANDARD CHARACTER MARK
Acquired Distinctiveness Claim: In whole

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For: Educational services, namely, conducting classes and providing courses at the undergraduate and graduate levels; Educational services, namely, conducting classes and seminars in the field of executive education; Educational services, namely, conducting Masters of Business Administration programs in the fields of business analytics, finance, and global business management; Educational services, namely, conducting conferences and workshops in the field of entrepreneurship; Entertainment services, namely, arranging and conducting college athletic competitions and sporting events

International Class(es): 041 - Primary Class
U.S Class(es): 100, 101, 107
Class Status: ACTIVE
Basis: 1(a)
First Use: Sep. 03, 1919
Use in Commerce: Sep. 03, 1919

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No

Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson College

Owner Address:

231 Forest Street
Babson Park, MASSACHUSETTS 024570310
UNITED STATES

Legal Entity Type: CORPORATION

State or Country Where Organized:

MASSACHUSETTS

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Zick Rubin

Docket Number:

BABSON - Cla

Attorney Primary Email Address: zrubin@zickrubin.com

Attorney Email Authorized:

Yes

Correspondent

Correspondent Name/Address:

ZICK RUBIN
THE LAW OFFICE OF ZICK RUBIN
288 WALNUT STREET
SUITE 230
NEWTON, MASSACHUSETTS 02460
UNITED STATES

Phone: 617-965-9425

Fax:

617-965-9426

Correspondent e-mail: zrubin@zickrubin.com bulrich@zickrubin.com lyee@zickrubin.com

Correspondent e-mail Authorized:

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Dec. 01, 2015	REGISTERED-PRINCIPAL REGISTER	
Sep. 15, 2015	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	
Sep. 15, 2015	PUBLISHED FOR OPPOSITION	
Aug. 26, 2015	NOTIFICATION OF NOTICE OF PUBLICATION E-MAILED	
Aug. 07, 2015	LAW OFFICE PUBLICATION REVIEW COMPLETED	77312
Aug. 07, 2015	ASSIGNED TO LIE	77312
Jul. 26, 2015	APPROVED FOR PUB - PRINCIPAL REGISTER	
Jul. 24, 2015	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Jul. 23, 2015	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Jul. 23, 2015	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 26, 2015	NOTIFICATION OF NON-FINAL ACTION E-MAILED	6325
Mar. 26, 2015	NON-FINAL ACTION E-MAILED	6325
Mar. 26, 2015	NON-FINAL ACTION WRITTEN	72503
Mar. 24, 2015	ASSIGNED TO EXAMINER	72503
Dec. 16, 2014	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
Dec. 15, 2014	NEW APPLICATION ENTERED IN TRAM	

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: PUBLICATION AND ISSUE SECTION **Date in Location:** Dec. 01, 2015

United States of America
United States Patent and Trademark Office

Reg. No. 3,739,374 WEBBER INTERNATIONAL UNIVERSITY, INC (FLORIDA CORPORATION), FORMERLY WEBBER COLLEGE
Registered Jan. 19, 2010
1201 N SCENIC HWY
BABSON PARK, FL 33827

Int. Cl.: 41

SERVICE MARK
PRINCIPAL REGISTER

FOR: EDUCATING AT UNIVERSITY OR COLLEGES; EDUCATION SERVICES IN THE NATURE OF COURSES AT THE UNIVERSITY LEVEL; EDUCATIONAL SERVICES, NAMELY, CONDUCTING DISTANCE LEARNING INSTRUCTION AT THE UNIVERSITY LEVEL; PROVIDING A WEB SITE THAT FEATURES INFORMATION ON ATTENDING COLLEGE AND UNIVERSITY WITH AN EMPHASIS ON NEWLY ENROLLED STUDENTS, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 1-1-2002; IN COMMERCE 1-1-2002.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "INTERNATIONAL UNIVERSITY" "EST. 1927" "BABSON PARK FLORIDA" AND "ERUDITIO", APART FROM THE MARK AS SHOWN.

THE COLOR(S) YELLOW, GREEN, GOLD, BLUE, WHITE, BLACK IS/ARE CLAIMED AS A FEATURE OF THE MARK.

THE MARK CONSISTS OF A CENTER CIRCLE WITH PICTURE OF A YELLOW SUNSET WITH GREEN RAYS ON BLUE LAKE WITH GREEN PINE AND PALM TREES, BLUE SKY AND WHITE CLOUDS. THE TREES AND OTHER FLORA ARE DARK GREEN. INNER CIRCLE WORDING TOP: "EST. 1927", BOTTOM: "BABSON PARK FLORIDA" IN LIGHTER GREEN LETTERS. OUTER CIRCLE DARK GREEN WITH WHITE LETTERING, TOP: "WEBBER INTERNATIONAL UNIVERSITY", BOTTOM LETTERING ITALICIZED: ERUDITIO ET INTEGRITAS. THERE ARE GOLD STAR BETWEEN PHRASES. THE INNER CIRCLES ARE OUTLINED IN WHITE AND THE OUTER CIRCLE IS OUTLINED IN BLACK.

THE ENGLISH TRANSLATION OF "ERUDITIO ET INTEGRITAS" IS "INSTRUCTION" AND "INTEGRITY".

David J. Kappos

Director of the United States Patent and Trademark Office

Reg. No. 3,739,374 SER. NO. 77-756,155, FILED 6-10-2009.

ROBIN CHOSID, EXAMINING ATTORNEY

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Mark: WEBBER INTERNATIONAL UNIVERSITY ERUDITIO ET INTEGRITAS EST. 1927 BABSON PARK FLORIDA

US Serial Number: 77756155

Application Filing Date: Jun. 10, 2009

US Registration Number: 3739374

Registration Date: Jan. 19, 2010

Filed as TEAS Plus: Yes

Currently TEAS Plus: Yes

Register: Principal

Mark Type: Service Mark

Status: A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date: Mar. 03, 2015

Publication Date: Nov. 03, 2009

Mark Information

Mark Literal Elements:

WEBBER INTERNATIONAL UNIVERSITY ERUDITIO ET INTEGRITAS EST. 1927 BABSON PARK FLORIDA

Standard Character Claim:

No

Mark Drawing Type:

3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Description of Mark:

The mark consists of a center circle with picture of a yellow sunset with green rays on blue lake with green pine and palm trees, blue sky and white clouds. The trees and other flora are dark green. Inner circle wording top: "Est. 1927", bottom: "BABSON PARK FLORIDA" in lighter green letters. Outer circle dark green with white lettering, top: "WEBBER INTERNATIONAL UNIVERSITY", bottom lettering italicized: eruditio et integritas. There are gold star between phrases. The inner circles are outlined in white and the outer circle is outlined in black.

Color Drawing:

Yes

Color(s) Claimed:

The color(s) yellow, green, gold, blue, white, black is/are claimed as a feature of the mark.

Disclaimer:

"INTERNATIONAL UNIVERSITY" "EST. 1927" "BABSON PARK FLORIDA" AND "ERUDITIO"

Translation:

The English translation of "ERUDITIO ET INTEGRITAS" is "instruction" and "integrity".

Design Search Code(s):

01.01.09 - Two stars; Stars, two
01.01.13 - Stars - multiple stars with five points
01.05.01 - Sunrise; Sun, rising or setting (partially exposed or partially obstructed)
01.15.06 - Fog; Clouds; Advertising, skywriting
05.01.01 - Evergreens and other trees or bushes of triangular or conical shape; Pine tree
05.01.03 - Palm trees
05.01.10 - More than one tree or bush; thicket; group of trees; Thicket
05.13.03 - Grasses

06.03.04 - Ponds; Lakes
24.09.07 - Banners; Advertising, banners
26.01.08 - Letters, numerals or punctuation forming or bordering the perimeter of a circle; Circles having punctuation as a border; Circles having letters or numerals as a border
26.01.18 - Three or more concentric circles; Circles, three or more concentric; Concentric circles, three or more
26.01.21 - Circles that are totally or partially shaded.

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Educating at university or colleges; Education services in the nature of courses at the university level; Educational services, namely, conducting distance learning instruction at the university level; Providing a web site that features information on attending college and university with an emphasis on newly enrolled students

International Class(es): 041 - Primary Class **U.S Class(es):** 100, 101, 107

Class Status: ACTIVE

Basis: 1(a)

First Use: Jan. 01, 2002 **Use in Commerce:** Jan. 01, 2002

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name: WEBBER INTERNATIONAL UNIVERSITY, INC

DBA, AKA, Formerly: FORMERLY WEBBER COLLEGE

Owner Address:

1201 N SCENIC HWY
BABSON PARK, FLORIDA UNITED STATES 33827

Legal Entity Type: CORPORATION **State or Country Where Organized:** FLORIDA

Attorney/Correspondence Information

Attorney of Record - None

Correspondent

Correspondent Name/Address:

WEBBER INTERNATIONAL UNIVERSITY, INC
1201 N SCENIC HWY
BABSON PARK, FLORIDA UNITED STATES 33827

Phone: 863-638-1431 **Fax:** 863-638-2919

Correspondent e-mail: JORDONCM@WEBBER.EDU taylorme@webber.edu **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Mar. 04, 2015	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Mar. 03, 2015	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	73376
Feb. 25, 2015	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	73376
Feb. 10, 2015	TEAS SECTION 8 & 15 RECEIVED	
Feb. 10, 2015	TEAS CHANGE OF CORRESPONDENCE RECEIVED	
Jan. 19, 2010	REGISTERED-PRINCIPAL REGISTER	
Nov. 03, 2009	OFFICIAL GAZETTE PUBLICATION CONFIRMATION E-MAILED	
Nov. 03, 2009	PUBLISHED FOR OPPOSITION	
Sep. 25, 2009	LAW OFFICE PUBLICATION REVIEW COMPLETED	67215
Sep. 22, 2009	APPROVED FOR PUB - PRINCIPAL REGISTER	
Sep. 21, 2009	EXAMINER'S AMENDMENT ENTERED	67215
Sep. 17, 2009	NOTIFICATION OF EXAMINERS AMENDMENT E-MAILED	6328
Sep. 17, 2009	EXAMINERS AMENDMENT E-MAILED	6328
Sep. 17, 2009	EXAMINERS AMENDMENT -WRITTEN	77654
Sep. 10, 2009	ASSIGNED TO EXAMINER	77654
Jun. 25, 2009	APPLICANT AMENDMENT PRIOR TO EXAMINATION - ENTERED	67215
Jun. 24, 2009	ASSIGNED TO LIE	67215
Jun. 24, 2009	TEAS VOLUNTARY AMENDMENT RECEIVED	
Jun. 16, 2009	NOTICE OF DESIGN SEARCH CODE MAILED	
Jun. 15, 2009	NEW APPLICATION OFFICE SUPPLIED DATA ENTERED IN TRAM	
Jun. 13, 2009	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 102 **Date in Location:**

Mar. 03, 2015

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,682

United States Patent and Trademark Office

Registered May 27, 2008

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
1295 STATE STREET
SPRINGFIELD, MA 01111

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MAN-

AGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,144, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL

Babson
Capital

US Serial Number: 76660144 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433682 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL

Standard Character Claim:

No

Mark Drawing Type:

3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL"

Design Search Code(s):

26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely,

asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000200

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	68691
Feb. 07, 2008	ASSIGNED TO LIE	68691
Jan. 03, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 16, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 16, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Nov. 16, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
May 17, 2007	NON-FINAL ACTION E-MAILED	
May 17, 2007	AMENDMENT OF ALLEGED USE DISAPPROVED	
May 17, 2007	FINAL REFUSAL WRITTEN	78449
Apr. 24, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Apr. 23, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Apr. 23, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 27, 2007	ATTORNEY REVOKED AND/OR APPOINTED	
Mar. 27, 2007	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,683

United States Patent and Trademark Office **Registered May 27, 2008**

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTA-

TION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,145, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL

Babson Capital

US Serial Number: 76660145 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433683 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL

Standard Character Claim:

No

Mark Drawing Type:

5 - AN ILLUSTRATION DRAWING WITH WORD(S) /LETTER(S)/ NUMBER(S) INSTYLIZED FORM

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real

estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):**

100, 101, 102

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 01, 2004 **Use in Commerce:**

Jul. 01, 2004

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name:

Babson Capital Management LLC

Owner Address:

1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:**

DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:**

38265-000300

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:**

Yes

Correspondent

Correspondent Name/Address:

Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:**

(212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	

Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
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Nov. 16, 2007	TEAS REQUEST FOR RECONSIDERATION RECEIVED	
May 17, 2007	FINAL REFUSAL E-MAILED	
May 17, 2007	FINAL REFUSAL WRITTEN	78449
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Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,684

United States Patent and Trademark Office

Registered May 27, 2008

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital Management LLC

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS;

VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,146, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

Babson Capital Management LLC

US Serial Number: 76660146

Application Filing Date: May 17, 2006

US Registration Number: 3433684

Registration Date: May 27, 2008

Register: Principal

Mark Type: Service Mark

Status: A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date: Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements: BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim: No

Mark Drawing Type: 5 - AN ILLUSTRATION DRAWING WITH WORD(S) /LETTER(S)/ NUMBER(S) INSTYLIZED FORM

Color(s) Claimed: Color is not claimed as a feature of the mark.

Disclaimer: "CAPITAL MANAGEMENT LLC"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address: 1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000400

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address: Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	

Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
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Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,685

United States Patent and Trademark Office **Registered May 27, 2008**

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital MANAGEMENT LLC

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING;

MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,147, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

US Serial Number: 76660147 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433685 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim:

No

Mark Drawing Type:

3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL MANAGEMENT LLC"

Design Search Code(s):

26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting;

investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):**

100, 101, 102

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 01, 2004 **Use in Commerce:**

Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson Capital Management LLC

Owner Address:

1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:**

DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:**

38265-000500

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:**

Yes

Correspondent

Correspondent Name/Address:

Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:**

(212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
Jan. 02, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 17, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 16, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Nov. 16, 2007	TEAS REQUEST FOR RECONSIDERATION RECEIVED	
May 22, 2007	FINAL REFUSAL E-MAILED	
May 22, 2007	FINAL REFUSAL WRITTEN	78449
Apr. 24, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Apr. 23, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Apr. 23, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 27, 2007	ATTORNEY REVOKED AND/OR APPOINTED	
Mar. 27, 2007	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN THE MATTERS OF:

Applicant:	Babson Capital Management LLC
Atty. Docket No.:	38265-0007/0008/0009001
Trademark	BABSON
App. Ser. No.	86420394
File Date	October 10, 2014
Trademark	BABSON CAPITAL MANAGEMENT
App. Ser. No.	86420416
File Date	October 10, 2014
Trademark	BABSON CAPITAL MANAGEMENT and Design
App. Ser. No.	86420447
File Date	October 10, 2014
Examining Attorney	Susan K. Lawrence
Law Office	116

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

DECLARATION OF CHRISTOPHER A. DEFRANCIS

I, CHRISTOPHER A. DEFRANCIS, declare the following:

1. I am the Co-General Counsel and Chief Compliance Officer of the Applicant, Babson Management Capital LLC ("Babson"). I make this declaration in support of Babson's United States applications to register its trademarks BABSON in block letters (Application Ser. No. 86420394), BABSON CAPITAL MANAGEMENT in block letters (Application Ser. No. 86420416), and BABSON CAPITAL MANAGEMENT and Design (Application Ser. No. 86420447). The trademarks BABSON, BABSON CAPITAL MANAGEMENT, and BABSON CAPITAL

MANAGEMENT and Design are hereafter collectively referred to as, "the BABSON Marks;" Application Ser. Nos. 86420394; 86420416; and 86420447 are hereafter collectively referred to as the "BABSON Applications." The following facts are true and of my own personal knowledge or based on the business records of Babson and, if called upon as a witness, I could and would testify truthfully and competently to them.

2. Babson is one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world.

3. Babson seeks to register the BABSON Marks for the following services in Class 36 for the financial services listed in the BABSON Applications, including without limitation, investment services, financial advice, financial risk management, brokerage, cash management, commercial lending, credit risk management, equity capital investment, financial analysis and consultation, financial due diligence, loans, loan portfolio management, real estate, mortgage backed securities, collateralized debt obligations, investment funds, hedge funds, securitizations, financial portfolio management, money lending, financial valuation, financing services, guarantee assurance underwriting, leveraged buy outs and investments, maintaining escrow accounts, mutual fund investment, private equity investment, and venture capital funding to emerging and start-up companies.

4. Babson has been using the BABSON name and mark to identify its business and its financial services for over the past 75 years.

5. Babson was founded in 1940 under the name "David L. Babson & Co." Over the years, the company and its financial services became to be known by and

identified simply as BABSON. Based on that recognition and understanding, on July 1, 2004, Babson was rebranded as "Babson Capital Management LLC."

6. Over the past seven and a half decades, Babson grew its business under the BABSON name and mark from a local Massachusetts financial investment firm to one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world. I am attaching as Exhibit A to this Declaration a page from our company website that discusses the history of the company, as well as a report from Standard & Poor's dated October 2006 that also discusses the history of the company and the services offered under the BABSON name and mark.

7. Babson focuses on creating innovative investment strategies and solutions for sophisticated investors under the BABSON name and mark. Among other things, Babson offers a unique and broad array of innovative investment alternatives under the BABSON name and mark for its clients, including structured products, corporate finance, real estate finance and quantitative risk and derivatives management. Babson also offers retail investment opportunities to a broader base of customers, including mutual fund investments.

8. Over the years, Babson has used and continues to use BABSON as the primary element of its various marks for its financial services, including the marks DAVID L. BABSON & COMPANY, BABSON CAPITAL MANAGEMENT, BABSON CAPITAL and BABSON. In addition to the foregoing, Babson markets and promotes its business and services under such other marks as THE BABSON STAFF LETTER and BABSON FACTS AT A GLANCE for newsletters and promotional materials. Babson's longstanding and highly respected THE BABSON STAFF LETTER financial newsletter

has been distributed since at least as early as 1981. Representative copies of THE BABSON STAFF LETTER newsletter and BABSON FACTS AT A GLANCE promotional brochure are attached and made a part of this Declaration as Exhibit B.

9. Babson advertises and promotes its BABSON marks extensively for its financial services. Babson has expended well over $1,000,000 per year in each of the past four years on the advertising, marketing and promotion of its services to prospective clients under the BABSON name and mark. Babson places BABSON advertisements and promotional sponsorships in such industry magazines as *Institutional Investor; InvestmentNews; Private Debt Investor;* and *Buyouts; Pensions & Investments.* Representative copies of BABSON advertisements are attached and made a part of this Declaration as Exhibit C.

10. Applicant has also appeared at numerous financial industry conferences and other speaking engagements to market and promote its innovative investment strategies and solutions under the BABSON name and mark. For example, in the past few years, Babson has participated in the following industry conferences, among others: Asian Investor; CIE Cash and Dividends Income Conference; FPA Massachusetts (multiple small regional events); Fund Forum International; IJ Global Infrastructure and Energy Finance Forum; IMN ABS Vegas; IMN CLO Conference; ISI Summits (East and West); LSTA Conference (Tokyo and Seoul); MassMutual Retirement Services Conferences (multiple throughout year); NCII Forum and Roundtable; SuperReturn International; TD Ameritrade National LINC Conference; and TEXPERS Annual Conference. Copies of representative programs from recent and upcoming industry conferences in featuring a BABSON sponsorship or presenter are attached and made a part of this Declaration as Exhibit D.

11. Babson's unique financial services and effective counsel of clients have been featured in numerous financial publications, such as *Barron's; Bloomberg; Buyouts; Financial Times; The Institutional Investor; InvestmentNews; Leveraged Finance News; Loan Market Week; Bank Loan Report; Pensions and Investments; Private Debt Investor; The New York Times; Thomson Reuters;* and *The Wall Street Journal,* as well as on such television programs as *Bloomberg TV; CNBC,* and *Asset TV.* These features further promote the BABSON name and mark throughout the United States. Representative copies of industry articles featuring Babson are attached and made a part of this Declaration as Exhibit E.

12. Babson is also very active in philanthropic efforts in various communities throughout the United States. The Boston Youth Symphony Orchestra, the YMCA of Greater Charlotte, The Mint Museum, The American Heart Association, U.S. Fund for UNICEF, Habitat for Humanity and The Boys & Girls Club are examples of the organizations that benefit from Babson's generosity and commitment to the public. Babson supports over 40 charitable organizations in the United States, and its philanthropic efforts further distinguish Babson and promote the BABSON name and mark throughout the United States.

13. As a result of its long use of the BABSON name and mark for three quarters of a century, the quality of its financial services, and the company's extensive promotional, advertising and philanthropic efforts, Babson's customers and the public have come to know and understand that BABSON, as used for financial services, means and refers to Babson and its financial services. Accordingly, BABSON constitutes a valuable mark associated by the financial industry and the public with quality financial advice, strategy and success.

14. In addition to the BABSON Applications, Babson also owns the following registrations of marks that contain BABSON as the primary element of the marks (the "BABSON Registrations"):

Mark	Reg. No.	Reg. Date
BABSON CAPITAL and Design	3433682	May 27, 2008
BABSON CAPITAL	3433683	May 27, 2008
BABSON CAPITAL MANAGEMENT LLC	3433684	May 27, 2008
BABSON CAPITAL MANAGEMENT LLC and Design	3433685	May 27, 2008

Each of the above BABSON Registrations is subsisting and incontestable, and Babson owns the entire right, title and interest in and to them. Copies of the certificates and the respective TSDR printouts of each of the BABSON Registrations are attached hereto and made a part of this Declaration as Exhibit F.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Christopher A. DeFrancis

EXHIBIT A

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Babson
CAPITAL MANAGEMENT

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About Babson

More than investing. Invested.

About Babson CEO Message Locations Investing Responsibly
Careers at Babson

Babson Capital Management (Babson) is one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world.

Our experience and expertise in a wide variety of traditional and alternative asset classes, including global high yield loans, structured credit, private debt and real estate, provide visibility and access to investment opportunities for both our institutional and wealth advisory clients.

At Babson, we build strong and enduring partnerships by listening to our clients and leveraging our proven capabilities to meet their unique needs. More than investing, we are invested – invested in creating customized solutions; invested in developing strategies based on a rigorous research process and consistent risk controls; anc invested in expanding the investment landscape to help our clients meet their objectives.

History

Babson's roots trace back 75 years, with the creation of David L. Babson & Co. in Massachusetts. The firm grew steadily into a highly regarded investment manager, and was acquired by Massachusetts Mutual Life Insurance Company (MassMutual) in 1995.

Our modern era began in 2000 when David L. Babson & Co. was integrated with MassMutual's Investment Division, uniting two firms under a shared dedication to unwavering client service and long-term, fundamental investing.

In the years that followed, we refined our expertise across both public and private asset classes by managing investment portfolios on behalf of our parent company, MassMutual, as well as a growing base of institutional investors. Our active management approach, coupled with a focus on fundamentals and risk management, established the foundation for a common investment process employed across asset classes ranging from global high yield and investment grade corporate credit to structured products and private finance.

Over time, our firm continued to grow both organically and through a series of strategic acquisitions, with two in particular that significantly added to our investment management platform. In 2002, Babson acquired First Union Institutional Debt Management, an experienced leveraged loan and CLO manager in the U.S. Two years later we purchased Duke Street Capital Debt Management, one of the largest bank loan managers in Europe. With these acquisitions, we solidified Babson's presence in the world's two largest high yield markets, and our firm was rebranded as Babson Capital Management in 2004.

Driven by client demand for a skilled investment partner with proficiency across the fixed income spectrum, we have continued to expand our investment capabilities over the last decade. To serve the needs of our increasingly global client base, we further extended our offerings in private finance, private equity and emerging markets.

Today, we offer a wide range of investment solutions to a client base that spans more than 20 countries and includes pensions, endowments, foundations, sovereign wealth funds and private wealth advisory clients. But we haven't forgotten our roots: We remain committed to helping our clients achieve their long-term investment goals regardless of short-term market movements. We do this by maintaining a strict adherence to the bottom-up, fundamental analysis that has long been the hallmark of Babson's investment process and by fostering a corporate culture that thrives on teamwork and collaboration. It is by staying true to the founding principles of our firm and continuing to evolve with the needs of our client base that we have become one of the world's leading global asset managers today.

STANDARD
&POOR'S

October 2006

Analysts:
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Outstanding CDOs
Connecticut Valley Structured Credit CDO III Ltd. (2006), Pioneer Valley Structured Credit CDO I Ltd. (2005), Connecticut Valley Structured Credit CDO II Ltd. (2003), and Connecticut Valley Structured Credit CDO I Ltd. (2001)

Other CDOs And Fixed-Income Products
One CDO of ABS, six investment grade CDOs and CDS, ten U.S. bank loan CDOs, six European bank loan CDOs, twelve U.S. high yield bond CDOs, two market value CDOs, five subadvised CDOs, and four MBS funds.

Fund manager:
Matthew P. Natcharian, CFA

Babson Capital Management LLC— CDO of CDO

Summary

Babson Capital Management LLC (Babson), formerly known as David L. Babson & Co. Inc., was founded in 1940 and is among the oldest U.S. investment firms serving institutional and individual investors of equity and fixed-income products. Babson is owned by Massachusetts Mutual Life Insurance Co. (MassMutual), which was founded in 1851 and is one of the oldest U.S. life insurance companies. MassMutual has been managing CDOs since 1991, and has a Standard & Poor's Rating Services financial strength rating of 'AAA'. In a recent study, "CDO Spotlight: Midyear 2006 Update To Sizing Collateral Manager Participation In The U.S. Cash Flow CDO Market", published Oct. 2, 2006, Standard & Poor's identified Babson as the second-largest CDO manager in terms of outstanding rated liabilities as of June 30, 2006.

Babson has primary offices in Boston and Springfield, Mass., and additional offices in Charlotte, N.C., and New York; and employs more than 578 employees. Babson Capital Europe LLC, a subsidiary, is located in London. In addition to providing investment advisory services to institutional and individual investors, Babson is MassMutual's general investment account investment adviser. Stuart Reese, formerly chairman and CEO of Babson, is now the chairman of MassMutual. Roger Crandall, chairman, president, and CEO of Babson, is also the chief investment officer of MassMutual. In October 2005, MassMutual sold Antares Capital Corp., a lender to midsized firms, to GE Global Sponsor Finance. However, Antares Funding L.P., a $600 million CDO, which consists primarily of middle market loans that closed in December 1999, has a high-yield bond component that Babson continues to manage.

Continued on page 3

Standard & Poor's is neither associated nor affiliated with the fund manager discussed in this report. This report has been prepared based on information obtained from the fund manager regarding its organization, personnel, investment philosophy, management style, operations, and fund performance. Standard & Poor's does not perform an audit or verify the information. The information in this report has been obtained by Standard & Poor's from sources believed by it to be reliable at the time the report is published. The information in this report, however, may be inaccurate or incomplete due to the possibility of human, mechanical, or other error by Standard & Poor's, its sources or others, or the information in this report may become inaccurate or incomplete due to the passage of time. Standard & Poor's has no obligation to keep or to make the information in this report current, and it does not guarantee the accuracy, adequacy, or completeness of any information in this report. Standard & Poor's is not responsible for any errors or omissions or any result obtained by the use of the information in this report. This report is a statement of opinion, not a statement of fact or a recommendation to buy, hold, or sell any securities or interests mentioned in the report. This report does not constitute a recommendation of the fund manager or its personnel, nor does it constitute an offering of any securities or interests in investment vehicles sponsored or managed by the fund manager or its personnel.

Table 1
Summary Deal Statistics*

	Connecticut Valley Structured Credit CDO I Ltd.		Connecticut Valley Structured Credit CDO II Ltd.		Pioneer Valley Structured Credit CDO I Ltd.	
Closing date		September 2001		May 2003		July 2005
Effective date¶ (Curr.)		January 2002		October 2003		November 2005
Current date of portfolio (Curr.)		June 2006		June 2006		June 2006
No. of CDO asset types		2		3		6
Largest CDO asset type exposure (%)		33.04		53.74		38.87
Largest CDO manager exposure (%)		6.7		5.1		10.6
Defaults (%)		0.0		0.0		0.0
Asset breakdown (% of collateral assets)						
Cash		6.91		3.16		0.0
CDO of ABS		2.43		3.78		9.28
CDO of CLO		33.04		53.74		38.87
CDO of EM		0.0		0.0		2.22
CDO of HY		30.76		15.27		4.67
CDO of IG		11.68		8.99		5.11
Market value CDO		3.45		1.49		5.14
RMBS		0.0		0.0		14.76
Synthetic		11.72		13.58		19.96
Rating breakdown (% of collateral assets)§	**Eff.**	**Curr.**	**Eff.**	**Curr.**	**Eff.**	**Curr.**
AAA to A	28.3	29.7	67.5	44.5	100.0	100.0
BBB	55.0	46.8	29.1	45.1	0.0	0.0
BB	14.3	13.3	3.4	8.4	0.0	0.0
B	2.4	8.0	0.0	2.0	0.0	0.0
CCC to D	0.0	2.1	0.0	0.0	0.0	0.0
NR	0.0	0.0	0.0	0.0	0.0	0.0
Overcollateralization spread	**Eff.**	**Curr.**	**Eff.**	**Curr.**	**Eff.**	**Curr**
Senior tranche	N.A.**	5.45	7.50	8.11	0.72	0.87
Junior tranche	N.A.**	3.30	6.02	6.70	0.23	0.38
12-month average price (from effective date if less than 12 months, %)						
Total purchases		99.8		99.8		99.9
Total sales		None		100.3		100.1
Defaulted sales¶¶		None		None		None
Credit risk sales		None		None		None
Credit-improved sales		None		None		100.1
Discretionary sales		None		100.3		None

*For more detail, please see deal-specific reports. Please note that totals may not equal 100% due to rounding. Defaults (%) may include assets that are defined by the collateral manager as defaulted, such assets may not necessarily be rated 'D'. ¶Nearest measurement date to effective date. §If no public Standard & Poor's rating is available, we are using ratings from other sources on the underlying collateral. These ratings have been provided to us by sources we consider reliable, but we have not undertaken any verification of the actual ratings. We have translated the available ratings into a common symbology that is generally used in the market. No conclusion should be drawn about actual Standard & Poor's ratings from the tables. **Standard & Poor's cohorts index and/or test data are unavailable as of report date. ¶¶Dispositions or recovery levels. EM—Emerging market. HY—High yield. IG—Investment grade. NR—Not rated.

As of June 30, 2006, Babson and its subsidiaries had more than $92.1 billion in assets under management, approximately $89.9 billion of which was fixed income. Cliff Noreen heads Babson's corporate securities and equity group, which is located in Springfield, Mass. Matthew Natcharian heads the structured credit group, which is part of the corporate securities and equity group, where he is responsible for issuing and managing Babson's CDOs of CDOs. Mr. Natcharian is portfolio manager for the CDOs of CDOs and a co-portfolio manager for Babson's CDOs of ABS. He became head of the group in August 2005 following Andrew Dickey's promotion to president of MassMutual's financial products division.

The structured credit team began investing in CDOs in 1999 with a team of three professionals, including Mr. Crandall, Mr.Dickey, and Mr. Natcharian. Babson's structured credit team consists of 18 professionals, including Mr. Natcharian, and two investment professionals hired in the summer of 2006. Within the group, Brett Gearing is responsible for CDO WorldSM, a proprietary database and analysis system. A team of five professionals in Springfield, Mass., and two outsource professionals in India support Mr. Gearing in managing CDO World. The credit analysis, portfolio management, and trading functions within the structured credit group consist of 11 investment professionals, not including Mr. Natcharian. The investment professionals average 10.5 years of related experience. Babson's portfolio administration group supports the management, administration, and monitoring of Babson's CDOs of CDOs. The portfolio administration group consists of two managers and 10 analysts who provide portfolio reporting and compliance, trade support, and administration and monitoring of the structured vehicles.

Babson began managing CDOs in 1991, beginning with MassMutual/ Carlson CBO Ltd., a cash flow high-yield bond CBO that closed in 1991 and was redeemed in full in 1997. As of Sept. 30, 2006, Babson managed 41 CDOs, including four cash flow CDOs of CDOs managed by the structured credit group. The structured credit group also manages a CDO equity fund and other separate accounts. Babson also manages four MBS funds and is the subadviser for five structured funds (including three CDOs). In addition, as of June 30, 2006, Standard & Poor's identified Babson as the second-largest CDO manager in terms of outstanding rated liabilities, as published in the aforementioned CDO manager participation study.

For the 12 months ended June 2006, each of Connecticut Valley Structured Credit CDO I Ltd., Connecticut Valley Structured Credit CDO II Ltd., and Pioneer Valley Structured Credit CDO I Ltd. were in compliance with the minimum overcollateralization and interest coverage tests required by their respective indentures. As of June 2006, the majority of assets in each of the three portfolios consisted of CDOs collateralized by leveraged loans. In addition, as of June 2006, Connecticut Valley Structured Credit CDO III Ltd. had not yet reached its effective date as it closed in March 2006.

Management Group Background

MassMutual was founded in 1851 and is one of the oldest life insurance companies in the U.S., providing a variety of financial products and services to its clients. It has a Standard & Poor's financial strength rating of 'AAA'. In addition to Babson, which was acquired in June 1995, MassMutual's asset management businesses include Oppenheimer Funds (acquired in 1990), Cornerstone Real Estate Advisers (established 1994), and Baring Asset Management's global investment business (acquired in 2005).

In January 2000, employees in MassMutual's Investment Management Division were transferred to Babson. In June 2002, Babson acquired First Union Institutional Debt Management Inc. from Wachovia Corp.; and in May 2004, Babson acquired Duke Street Capital Debt Management from Duke Street Capital. In July 2004, Babson formally changed its name from David L. Babson & Co. Inc. to Babson Capital Management LLC. In October 2005, MassMutual sold its subsidiary, Antares Capital Corp., a middle market lender and CDO manager, to GE Global Sponsor Finance. Babson continues to manage the high-yield bond portion of Antares Funding L.P., a CDO collateralized primarily by middle market loans.

Funds Under Management

As of June 30, 2006, Babson's assets under management totaled more than $92.1 billion, approximately $89.9 billion of which were fixed income. Investment-grade corporate securities represented the largest single category at 41% of total assets under management, bank loans represented 14%, and high-yield corporate securities represented 6%. The majority of Babson's assets under management (66%) were managed for MassMutual's general account. As of Sept. 30, 2006, Babson managed 41 CDOs, including four CDOs of CDOs, the first of which closed in 2001. In addition to the CDOs of CDOs, the structured credit team also manages a $205 million private equity fund that invests in CDO transactions, a total return separate account for a U.S. corporate pension fund, and three separate accounts for a global insurer/reinsurer. The structured credit team also manages the CDO assets of Babson's CDO of ABS transaction.

Table 2

Structured Funds Under Management By Type as of Sept. 30, 2006

	% of total
4 CDOs of CDO	11.2
One CDO of ABS	1.4
Six investment-grade CDOs and CDS	10.5
Ten U.S. bank loan CDOs	29.5
Six European bank loan CDOs	21.4
Twelve U.S. high-yield bond CDOs	8.5
Two market value CDOs	1.1
Five subadvised CDOs	3.2
Four MBS funds	13.2

Organizational Structure

In June 2005, Mr. Reese became chairman of MassMutual, and Mr. Crandall became chief investment officer of MassMutual and chairman and CEO of Babson. Four principal business groups and an administrative group within Babson report to Mr. Crandall: the corporate securities and equity group, headed by Mr. Noreen, the chief credit officer who replaced Mr. Crandall in this role in June 2005; the real estate finance group, headed by Kenneth Hargreaves; the quantitative management group, headed by Efrem Marder; and the operations and administration group, headed by Jim Masur, CFO.

Babson is divided into five functional groups: corporate securities, quantitative management, Babson Capital Europe, U.S. Bank Loans, and real estate finance. Mr. Natcharian heads Babson's structured credit group, which is part of the corporate securities group. Babson's structured credit team consists of 18 professionals, including Mr. Natcharian. Mr. Gearing and five analysts are part of the structured credit team and are responsible for managing CDO World, a proprietary database and analysis system that the structured credit team began building in 2001. Babson's portfolio administration group supports the management, administration, and monitoring of Babson's CDOs of CDOs. The portfolio administration group is staffed with two managers and 10 analysts who provide portfolio reporting and compliance, trade support, and administration and monitoring of the structured vehicles.

Organizational Investment Philosophy

As described by the structured credit team, investment in CDO securities is based on three key factors: a review of the collateral manager, a cash flow/waterfall analysis, and an analysis of the relative value of each tranche within the CDO capital structure. According to Babson, the cash flow/waterfall analysis determines the strength of the capital structure, while an analysis of the underlying collateral pool assesses the risk characteristics of the assets and the manager's investment style. Babson stated that it also leverages the resources of the relative investment teams within the firm for asset class knowledge, such as the ABS team and the U.S. bank loan team, and it believes that it has a competitive advantage because it has been an investor and manager in such assets since the 1990s.

CDO Team

The structured credit team consists of 18 professionals, including two investment professionals who joined the team in August 2006. The team includes Mr. Natcharian and 10 credit analysis and portfolio management investment professionals, a dedicated trader, and a team of six professionals responsible for implementing and maintaining CDO World. Four of the investment professionals support Mr. Natcharian as portfolio managers for the CDOs of CDOs under management. Two of the investment professionals have synthetic CDO background. On average, the investment professionals have 10.5 years of related investment experience.

The portfolio managers responsible for the management of Babson's CDOs of CDOs are:

- **Matthew P. Natcharian, CFA** (B.S. Bentley College). Mr. Natcharian is a managing director and head of the structured credit products and investments team since August 2005. He is responsible for Babson's CDOs of CDOs business and investment strategy and for the analysis of Babson's structured credit products. Before his current role, Mr. Natcharian was a portfolio manager at Babson supporting the former structured credit products group head. Before joining Babson in 1995, Mr. Natcharian was a financial information analyst at Allmerica Financial Corp. for two years. Mr. Natcharian has more than 11 years of related experience.
- **J. Stephen Staggs,** CFA (M.B.A., Babson College). Mr. Staggs is a managing director and portfolio manager for Babson's structured credit teams and is responsible for the analysis and structuring of CDOs. Mr. Staggs is the portfolio manager for the CDO equity fund managed by the structured credit team. Before joining Babson in 2001, Mr. Staggs worked for five and a half years at Lincoln National Corp., where he was responsible for analyzing and managing public fixed income, private placements, structured finance, and hedge fund investments. Mr. Staggs also served in the same capacity at Provident Companies for three and a half years and MassMutual for five years. Mr. Staggs has 19 years of related experience.
- **Melissa Ricco** (M.B.A. American International College). Ms. Ricco is a director in the structured credit team responsible for portfolio management, modeling, structural analysis, collateral manager evaluation, and monitoring CDO investments. Ms. Ricco is also the portfolio manager for Pioneer Valley Structured Credit CDO I Ltd. and for the team's separate accounts managed for a global reinsurer, supporting the structured credit group head. Before joining the structured credit team in 2000, Ms. Ricco was a portfolio administrator at Babson for two years. Ms. Ricco has seven years of related industry experience.
- **Kathleen L. Kraez** (M.B.A., Regis University). Ms. Kraez is a director in the structured credit team responsible for portfolio management, modeling, structural analysis, collateral manager evaluation, and monitoring CDO investments. Ms. Kraez is also the portfolio manager for Connecticut Valley Structured Credit I Ltd., Connecticut Valley Structured Credit II Ltd., and Connecticut Valley Structured Credit III Ltd., supporting the structured credit group head. Before joining Babson in 1996, Ms. Kraez was a portfolio accountant with State Street Bank and Trust for three years. Ms. Kraez has 12 years of related investment experience.

- **Jeffrey T. Prince, CFA** (M.S. University of Michigan). Mr. Prince is a managing director in the structured credit team, and is responsible for CDO security analysis and selection and CDO portfolio strategy and management. Before joining Babson in 2006, Mr. Prince was a senior CDO strategist at Citigroup for approximately four years. Before Citigroup, Mr. Prince was a CDO research analyst and CDO banker at Wachovia Securities for two years. Mr. Prince has more than six years of CDO industry experience.

Management Style

Babson's structured credit team stated that investment recommendations are based on the analysis of the collateral manager, focusing on the quality of the management team; the soundness of the capital structure and waterfall details; and the relative value of the security based on the underlying collateral. The team aims to diversify by manager, cohort, tranche, asset class, and management style. The team stated that it limits itself to the asset classes with which it is familiar and have independent knowledge. The team stated that it also monitors the underlying risks in its portfolio and focuses on maintaining industry and issuer diversification.

As described by the structured credit team, its management style and investment process are:

- Team members visit managers and focus on understanding their investment style and experience, as managers are considered to be the most important factor assessed with a potential investment. According to the structured credit team, it assesses the collateral manager's risk appetite, ability to access assets, and the returns the manager expects on its CDOs. Other characteristics of managers that they review include staffing/depth of the team, continuity, turnover, compensation, organization of the team, and consistency in management style. The team tries to visit managers annually, and also assesses their alignment of interest in deals under management. The manager's administrative and systems capabilities are also evaluated. The structured credit team stated that it maintains open dialogue with managers and is selective when investing with first-time managers.
- If the team approves of a manager, Babson conducts a portfolio review of the proposed CDO investment. This includes a cash flow analysis to identify weaknesses in the capital structure; the team looks at subordination and prefers to see interest diversion triggers. The team stated that it also compares the underlying assets to its own holdings and decline lists. The team reviews the average portfolio purchase price, and compares the proposed portfolio to other CDO portfolios managed by the manager to determine consistency in investment style. The portfolio analysis also includes reviewing the past performance of the manager's outstanding CDOs and its trading activity to assess portfolio risk.
- According to Babson, the proposed investment is modeled and priced independently using Intex Dealmaker software to determine the return profile under stressful scenarios. The team runs customized stresses, including payment-in-kind and prepayment scenarios and ties out to investment banking models. The team also assesses total losses that the structure can withstand at the assigned rating category. In addition, the team analyzes the priority of payments and the deferred interest timing, and where marginal risk and/or yield has been added. The team reviews the structure and focuses on the impact of the structure, including how overcollateralization works, overcollateralization versus excess spread trade-off, and how each tranche amortizes; the structural analysis also includes a review of legal documents with regard to events of default, replacement manager provisions, and trading rules.
- After the structural review, the structured credit team stated that it completes a relative value analysis to select the most attractive tranche in the capital structure for investment based on the risk-reward profile, as it tends to invest across the ratings spectrum. A relative value analysis is also completed against other proposed CDO investment opportunities in both the primary and secondary markets. The team's trader also monitors pricing to aid in the relative value assessment. Based on portfolio constraints, and whether or not the proposed investment contributes to diversifying Babson's portfolios, the portfolio managers will suggest allocations, with a total requested allocation amount given to the dedicated trader. If the team does not receive the total allocation requested, it has a process in place that defines how the allocations will be spread across portfolios.

According to the structured credit team, CDO World is critical to managing and analyzing CDO transactions. CDO World stores information and an analysis on each deal, including analyst notes, the results of cash flow models, and structural details of the team's CDO investments. The database includes new transactions that the team is reviewing for potential investment and secondary offerings as posted by the team's trader. A deal list of CDO investments reviewed but not owned by Babson is also maintained in CDO World. The database receives feeds from various sources, including rating agency feeds, Babson pricing feeds, credit default swap data, and dealer research. The underlying portfolio of each investment owned is updated in CDO World monthly by the structured credit data team, and it contains a centralized location for trustee reports, legal documentation, marketing materials, and Wall Street research. Babson stated that CDO World also contains a single-asset database where ratings and pricing information are available for its CDO investments. According to Babson, CDO World enables analysts to quickly monitor their credits through a series of proprietary performance and analysis reports, and look-through reporting to identify specific underlying assets. CDO World is integrated with a proprietary CDO Administration System used by portfolio administration and Intex. The team also has access to overall portfolio issuer and industry concentrations through exposure reports generated by CDO World.

The structured credit team meets daily to set the agenda for the day, review the new issue calendar, and set priorities for analysis. Analysts recommend securities for purchase to the team, and Mr. Natcharian has ultimate veto power over a buy recommendation. However, if an analyst recommends not investing in a transaction, the decision is not disputed.

Operations

Trades are executed by a dedicated structured credit trader through Bloomberg. They are processed through an accounting system, PAM, which results in a daily end-of-day report of trade activity through a middleware program. There are no required signatures for trade tickets; however, Babson's asset accounting unit confirms trades with respective counterparties. The asset accounting unit also reconciles positions held by custodians to the PAM accounting system and is responsible for maintaining a record of security holdings in the PAM accounting systems.

Babson stated that differential backups of the critical data are performed daily, with tapes sent for storage to a vault at MassMutual's facility in Hartford, Conn. Babson's disaster recovery plan has been established by the MassMutual Enterprise Continuity Program group. The plan identifies the sequence of events if a disaster were to occur (that is, how a disaster is declared, notification to employees, and appropriate responses), and it details the recovery of critical business functions and necessary operations based on priority. Babson's business units are responsible for testing and adjusting the disaster recovery plan. Babson has also contracted SunGard to provide offsite recovery facilities, which are currently located in Westborough, Mass., and Philadelphia. ■

Connecticut Valley Structured Credit CDO I Ltd.

Summary

Classes:
Class A notes, $296.0 mil.; class B-1 notes, $17.0 mil.; class B-2 notes, $3.0 mil.; class C-1 notes, $13.0 mil.; class C-2 notes, $39.0 mil.; preferred shares, $32.0 mil.

Current rating: Class A notes, 'AAA'; class B-1 and B-2 notes, 'A-'; class C-1 and C-2 notes, 'BBB'

Rating changes (date of change): No changes

Closing date: September 2001

Reinvestment completion date: September 2006

Stated maturity: September 2016

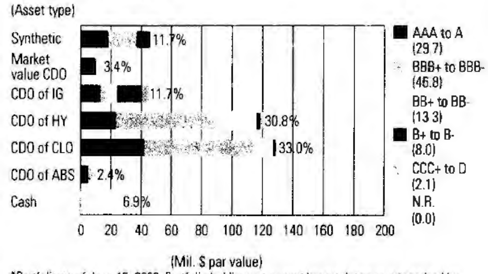
Principal at effective date: $386.0 mil. plus $0.6 mil. cash plus $0.0 mil. defaults (January 2002)

Principal at current date: $359.5 mil. plus $27.1 mil. cash plus $0.0 mil. defaults (June 2006)

Paydown to date: None

Portfolio Breakdown*

(Asset type)



*Portfolio as of June 15, 2006. Portfolio holdings at current/report date are categorized by Standard & Poor's rating and asset type. Within each asset type, exposure to each rating band as a percentage of total par value is calculated. Percentage by asset type and by rating breakdown may not total 100% due to rounding. IG—Investment grade. HY—High yield. NR—Not rated

Portfolio Exposure

Granularity	Effective date			Current date 6/15/2006		
No. of obligors	49			70		
No. of industries/sectors	7			2		
Avg. obligor size (%)	2.0			1.4		
Top three obligors	**Obligor (effective)**	**%**	**Rating (effective)**	**Obligor (current)**	**%**	**Rating (current)**
1	CVC Capital Funding LLC	3.9	BB+	Dryden High Yield CDO 2001-I class B-1	3.9	BBB
2	Dryden HY CDO 2001-I, cls A3	3.9	BBB	Oak Hill Credit Partners I Ltd.	3.9	BBB
3	Grayston CLO 2001-I Ltd., cls A3	3.9	A-	Robeco CDO Li Ltd. class B-1I	3.9	A-
Top three industries/sectors	**Industry/ sector (effective)**	**%**	**Weighted avg. rating (effective)**	**Industry/ sector (current)**	**%**	**Weighted avg. rating (current)**
1	CDO	94.2	BBB/BBB-	CDO	91.5	BBB-/BB+
2	Brokers/secur dealers/ investment houses	1.7	A	Financial intermediaries	1.5	BBB-
3	Farming/agriculture	1.6	A			

*Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset

Industry/Geographic Breakdown*

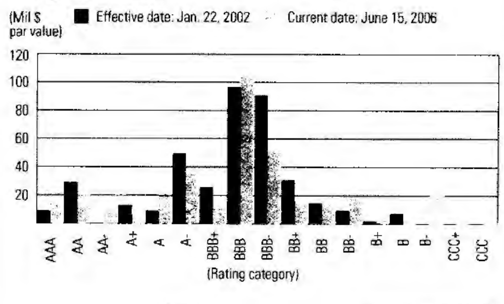
Industry/sector breakdown	% of par	Geographic breakdown¶	% of par
CDO	91.5	U.S.	87.1
Financial intermediaries	1.5	Bermuda	3.1
Cash	7.0	U.K.	1.5
		Ireland	0.6
		Cayman Islands	0.6
		Cash	7.0

*Data as of June 15, 2006. Total may not equal 100% due to rounding. Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. ¶Geographic breakdown may not total 100% due to cash balance.

Defaulted Securities

	Par (mil. $)	% of portfolio as of 6/15/2006
Total defaults	0.0	0.0

Ratings Breakdown*



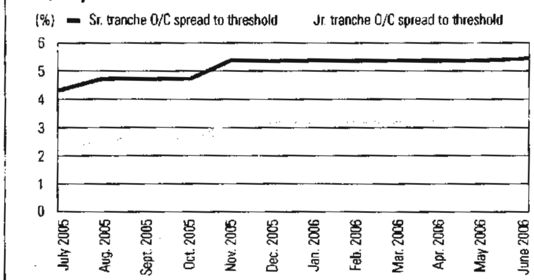
	Effective date	Current date: 6/15/2006
AAA¶ to A	28.3	29.7
BBB+ to BBB-	55.0	46.8
BB+ to BB-	14.3	13.3
B+ to B-	2.4	8.0
CCC+ to D	0.0	2.1
N.R.	0.0	0.0

¶'AAA' rated securities do not include cash. N.R.—Not rated

*Portfolio holdings at effective date and current/report date are categorized by Standard & Poor's rating. The aggregate par value amount for each rating band is calculated. Please note that the 'AAA' rating category does not include uninvested cash.

Connecticut Valley Structured Credit CDO I Ltd. (continued)

O/C Spread*

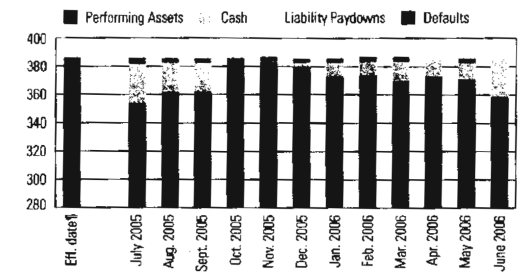


	Current portfolio	Current S&P cohort	12-month avg. portfolio	12-month avg. S&P cohort
Senior O/C spread	5.45	¶N.A.	5.13	¶N.A.
Junior O/C spread	3.30	¶N.A.	2.98	¶N.A.

¶N.A.—Not available.

*Overcollateralization (O/C) test spreads for the most senior and junior tranche are displayed. Values are calculated monthly as follows for the two tranches displayed: (O/C test result for a given month and tranche—O/C threshold for a given month and tranche)/O/C threshold. Data will be for the most recent 12 months. Appropriate Standard & Poor's CDO O/C spread composites are used for comparison where available. Note that the method of calculation of these items may vary from indenture to indenture.

Cumulative Par Erosion*



*Effective date followed by most recent 12 months par erosion data. Display includes cash on hand, par value of performing assets, liability paydowns, and par value of defaulted assets in the portfolio. Defaulted assets may include assets that are defined by the collateral manager as defaulted, and such assets may not necessarily be rated 'D'. ¶Effective date is Jan. 22, 2002.

CDO Snapshot

Deal compliance	Trigger (%)	Current date (%)	Pass/fail
Senior O/C test	123.00	129.70	Pass
Junior O/C test	101.00	104.33	Pass
Senior I/C test	139.50	170.75	Pass
Junior I/C test	112.00	129.77	Pass

O/C—Overcollateralization. I/C—Interest coverage.

Average Trading Activity (12 Months to Current Date)

	% of total par sales	Avg. price (% of par)
Credit-improved sales	0.0	0.0
Discretionary sales	0.0	0.0
Credit risk sales	0.0	0.0
Defaulted sales	0.0	0.0
Total sales	0.0	0.0
Purchases	N/A	99.8

N/A—Not applicable.

Connecticut Valley Structured Credit CDO II Ltd

Summary

Classes:
Class A-1 notes, $248.0 mil.; class A-2 notes, $25.0 mil.; class B-1 notes, $6.0 mil.; class B-2 notes, $15.0 mil.; class C-1 notes, $18.3 mil.; class C-2 notes, $13.3 mil.; composite securities, $5.0 mil., preferred shares, $24.5 mil.

Current rating: Class A-1 and A-2 notes, 'AAA'; class B-1 and B-2 notes, 'AA+', class C-1 and C-2 notes, 'A-'

Rating changes (date of change): No changes

Closing date: May 2003

Reinvestment completion date: May 2008

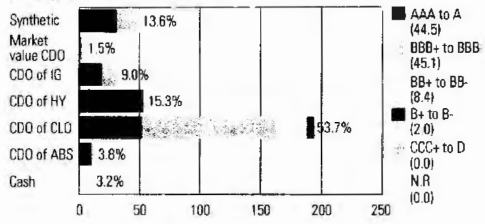
Stated maturity: May 2018

Principal at effective date: $353.8 mil. plus $1.8 mil. cash plus $0.0 mil. defaults (October 2003)

Principal at current date: $352.5 mil. plus $5.0 mil. cash plus $0.0 mil. defaults (June 2006)

Paydown to date: None

Portfolio Breakdown*



*Portfolio as of June 5, 2006. Portfolio holdings at current/report date are categorized by Standard & Poor's rating and asset type. Within each asset type, exposure to each rating band as a percentage of total par value is calculated. Percentage by asset type and by rating breakdown may not total 100% due to rounding. IG—Investment grade. HY—High yield. NR—Not rated.

Portfolio Exposure

Granularity	Effective date			Current date 6/5/2006		
No. of obligors	65			106		
No. of industries/sectors	2			1		
Avg. obligor size (%)	1.5			0.94		
Top three obligors	**Obligor (effective)**	**%**	**Rating (effective)**	**Obligor (current)**	**%**	**Rating (current)**
1	Travelers Funding Ltd.	3.9	AA+	Travelers Funding Ltd.	3.1	AA+
2	ACA CDS 2002-1 Ltd. class B	2.8	AA	ACA CDS 2002-1 Ltd. class B	2.8	AA
3	Archimedes Funding Iii Ltd. class B-1	2.8	AA-	Archimedes Funding Iii Ltd. class B-1	2.8	AAA
Top three industries/sectors	**Industry/ sector (effective)**	**%**	**Weighted avg. rating (effective)**	**Industry/ sector (current)**	**%**	**Weighted avg. rating (current)**
1	CDO	98.9	BBB+/BBB	CDO	98.6	BBB/BBB-
2	Conglomerates	0.6	AA+			

*Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset.

Industry/Geographic Breakdown*

Industry/sector breakdown	% of par
CDO	98.6
Cash	1.4

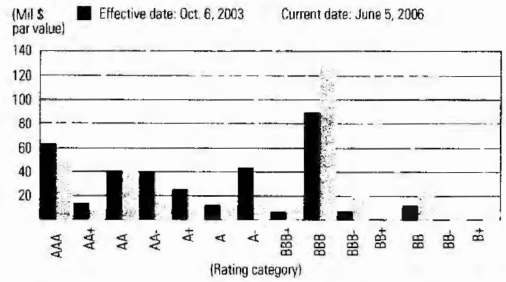
Geographic breakdown¶	% of par
U.S.	92.5
Cayman Islands	3.5
Ireland	1.4
U.K.	0.8
Bermuda	0.4
Cash	1.4

*Data as of June 5, 2006. Total may not equal 100% due to rounding. Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. ¶Geographic breakdown may not total 100% due to cash balance.

Defaulted Securities

	Par (mil. $)	% of portfolio as of 6/5/2006
Total defaults	0.0	0.0

Ratings Breakdown*



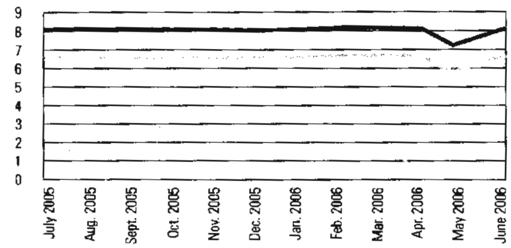
	Effective date	Current date: 6/5/2006
AAA¶ to A	67.5	44.5
BBB+ to BBB-	29.1	45.1
BB+ to BB-	3.4	8.4
B+ to B-	0.0	2.0
CCC+ to D	0.0	0.0
N.R.	0.0	0.0

¶'AAA' rated securities do not include cash. N.R.—Not rated

*Portfolio holdings at effective date and current/report date are categorized by Standard & Poor's rating. The aggregate par value amount for each rating band is calculated. Please note that the 'AAA' rating category does not include uninvested cash.

Connecticut Valley Structured Credit CDO II Ltd. (continued)

O/C Spread*



	Current portfolio	Current S&P cohort	12-month avg. portfolio	12-month avg. S&P cohort
Senior O/C spread	8.11	¶N.A.	8.03	¶N.A.
Junior O/C spread	6.70	¶N.A.	6.57	¶N.A.

¶N.A.—Not available.

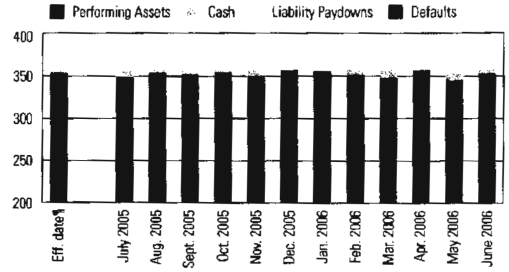
*Overcollateralization (O/C) test spreads for the most senior and junior tranche are displayed. Values are calculated monthly as follows for the two tranches displayed: (O/C test result for a given month and tranche—O/C threshold for a given month and tranche)/O/C threshold. Data will be for the most recent 12 months. Appropriate Standard & Poor's CDO O/C spread composites are used for comparison where available. Note that the method of calculation of these items may vary from indenture to indenture.

CDO Snapshot

Deal compliance	Trigger (%)	Current date (%)	Pass/fail
Senior O/C test	112.50	121.62	Pass
Junior O/C test	103.00	109.90	Pass
Senior I/C test	120.00	140.50	Pass
Junior I/C test	109.00	125.40	Pass

O/C—Overcollateralization. I/C—Interest coverage.

Cumulative Par Erosion*



*Effective date followed by most recent 12 months par erosion data. Display includes cash on hand, par value of performing assets, liability paydowns, and par value of defaulted assets in the portfolio. Defaulted assets may include assets that are defined by the collateral manager as defaulted, and such assets may not necessarily be rated 'D'. ¶Effective date is Oct. 6, 2003.

Average Trading Activity (12 Months to Current Date)

	% of total par sales	Avg. price (% of par)
Credit-improved sales	0.0	0.0
Discretionary sales	100.0	100.3
Credit risk sales	0.0	0.0
Defaulted sales	0.0	0.0
Total sales	100.0	100.3
Purchases	N/A	99.8

N/A—Not applicable.

Pioneer Valley Structured Credit CDO I Ltd.

Summary

Classes: Class A-1A notes, $870.0 mil.; class A-1B notes, $0.0 mil.; class A-2 notes, $46.5 mil.; class B notes, $29.0 mil.; CP notes, $0.0 mil.; class C notes, $29.5 mil.; class D notes, $6.0 mil.; class X notes, $4.3 mil.; subordinated income notes, $19.0 mil.

Current rating: Class A-1A, A-1B, A-2, and X notes, 'AAA'; class B notes, 'AA'; class C notes, 'A-'; class D notes, 'BBB'; CP notes, 'A-1+'

Rating changes (date of change): No changes

Closing date: July 2005

Reinvestment completion date: August 2010

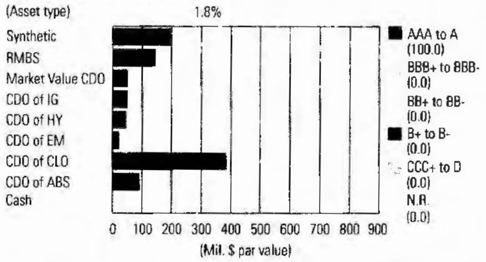
Stated maturity: August 2045

Principal at effective date: $990.1 mil. plus $10.1 mil. cash plus $0.0 mil. defaults (November 2005)

Principal at current date: $991.7 mil. plus $0.0 mil. cash plus $0.0 mil. defaults (June 2006)

Paydown to date: None

Portfolio Breakdown*



*Portfolio as of June 1, 2006. Portfolio holdings at current/report date are categorized by Standard & Poor's rating and asset type. Within each asset type, exposure to each rating band as a percentage of total par value is calculated. Percentage by asset type and by rating breakdown may not total 100% due to rounding. IG—Investment grade. HY—High yield. EM—Emerging market. NR—Not rated.

Portfolio Exposure

Granularity	Effective date			Current date 6/1/2006		
No. of obligors	133			135		
No. of industries/sectors	3			3		
Avg. obligor size (%)	0.8			0.7		
Top three obligors	**Obligor (effective)**	**%**	**Rating (effective)**	**Obligor (current)**	**%**	**Rating (current)**
1	Belle Haven ABS CDO Ltd., cls A1	1.8	AA	Belle Haven ABS CDO Ltd., cls A1	1.8	AA
2	Skytop CLO Ltd.	1.8	AAA	Skytop CLO Ltd.	1.8	AAA
3	Babson CLO Ltd. 2005-I, cls A2	1.5	AA	Babson CLO Ltd. 2005-I class A2	1.5	AA
Top three industries/sectors	**Industry/ sector (effective)**	**%**	**Weighted avg. rating (effective)**	**Industry /sector (current)**	**%**	**Weighted avg. rating (current)**
1	CDO	85.6	AA+/AA	CDO	85.2	AA+/AA
2	RMBS B&C, HELs, HELOCs, and tax lien	9.9	AAA/AA+	RMBS B&C, HELs, HELOCs, and tax lien	10.2	AAA/AA+
3	RMBS A	4.5	AA+/AA	RMBS A	4.6	AA+/AA

*Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. HELs—Home equity loans. HELOCs—Home equity lines of credit.

Industry/Geographic Breakdown*

Industry/sector breakdown	% of par
CDO	85.2
RMBS B&C, HELs, HELOCs, and tax lien	10.2
RMBS A	4.6
Cash	0.0

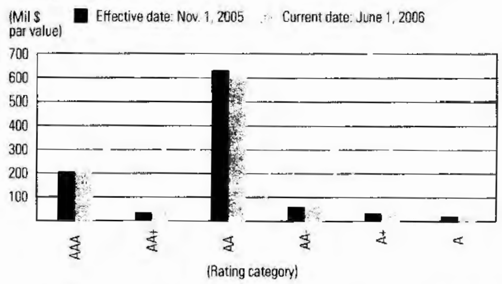
Geographic breakdown¶	% of par
U.S.	90.4
Cayman Islands	4.3
Ireland	3.3
U.K.	1.0
Bermuda	0.9
Jersey	0.1
Cash	0.0

*Data as of June 1, 2006. Total may not equal 100% due to rounding. Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. ¶Geographic breakdown may not total 100% due to cash balance. HELs—Home equity loans. HELOCs—Home equity lines of credit.

Defaulted Securities

	Par (mil. $)	% of portfolio as of 6/1/2006
Total defaults	0.0	0.0

Ratings Breakdown*



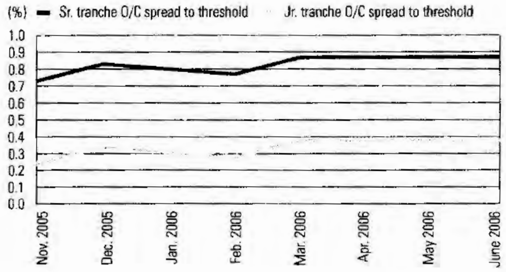
	Effective date	Current date: 6/1/2006
AAA¶ to A	100.0	100.0
BBB+ to BBB-	0.0	0.0
BB+ to BB-	0.0	0.0
B+ to B-	0.0	0.0
CCC+ to D	0.0	0.0
N.R.	0.0	0.0

¶'AAA' rated securities do not include cash. N.R.—Not rated.

*Portfolio holdings at effective date and current/report date are categorized by Standard & Poor's rating. The aggregate par value amount for each rating band is calculated. Please note that the 'AAA' rating category does not include uninvested cash.

Pioneer Valley Structured Credit CDO I Ltd. (continued)

O/C Spread*

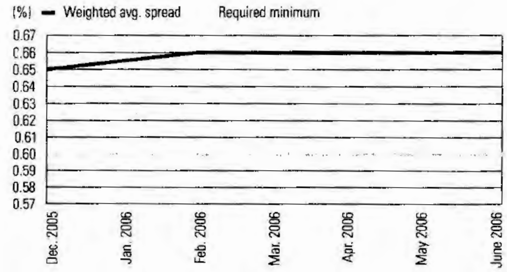


	Current portfolio	Current S&P cohort	12-month avg. portfolio	12-month avg. S&P cohort
Senior O/C spread	0.87	¶N.A.	0.83	¶N.A.
Junior O/C spread	0.38	¶N.A.	0.34	¶N.A.

¶N.A.—Not available.

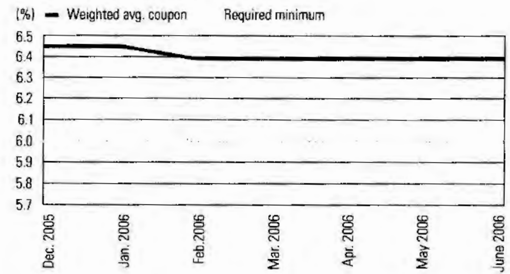
*Overcollateralization (O/C) test spreads for the most senior and junior tranche are displayed. Values are calculated monthly as follows for the two tranches displayed. (O/C test result for a given month and tranche—O/C threshold for a given month and tranche)/O/C threshold. Data will be for the most recent 12 months. Appropriate Standard & Poor's CDO O/C spread composites are used for comparison where available. Note that the method of calculation of these items may vary from indenture to indenture.

Weighted Avg. Spread*



*Data will be for the most recent 12 months. Note the method of calculation of these items may vary from indenture to indenture.

Weighted Avg. Coupon*



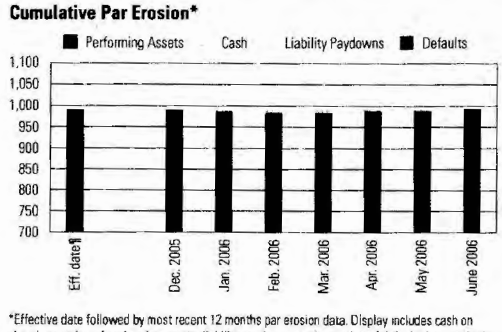
*Data will be for the most recent 12 months. Note the method of calculation of these items may vary from indenture to indenture.

CDO Snapshot

Deal compliance	Trigger (%)	Current date (%)	Pass/fail
Senior O/C test	100.83	101.71	Pass
Junior O/C test	100.71	101.09	Pass
Senior I/C test	104.00	111.23	Pass
Junior I/C test	103.00	109.49	Pass

O/C—Overcollateralization. I/C—Interest coverage

Cumulative Par Erosion*



*Effective date followed by most recent 12 months par erosion data. Display includes cash on hand, par value of performing assets, liability paydowns, and par value of defaulted assets in the portfolio. Defaulted assets may include assets that are defined by the collateral manager as defaulted, and such assets may not necessarily be rated 'D'. ¶Effective date is Nov. 1, 2005.

Average Trading Activity (12 Months to Current Date)

	% of total par sales	Avg. price (% of par)
Credit-improved sales	100.0	100.1
Discretionary sales	0.0	0.0
Credit risk sales	0.0	0.0
Defaulted sales	0.0	0.0
Total sales	100.0	100.1
Purchases	N/A	99.9

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www.standardandpoors.com

EXHIBIT B

The Babson Staff Letter

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Editor
Mary J. Wilson

Thursday, May 7, 1981

Investing is not a Zero-Sum Game

Mary J. Wilson

Last year, we reprinted an article which debated the wisdom of buying tangible objects like gold, art and land, instead of stocks and bonds. In "Trimming Your Hedges", economist Alan Reynolds pointed out that such a strategy is "based on the unlovely idea of profiting at someone else's expense. . . ." (He also suggested, less high-mindedly, that inflation was at last being fully anticipated by the investing public, and therefore tangible assets could not be expected to outperform the still-underpriced stock market.)

One of our readers sent a copy of "Trimming Your Hedges" to Howard Ruff, publisher of *The Ruff Times* and a long-time advocate of investing in tangible assets, particularly gold. In his reply (which we quote with permission) Mr. Ruff said, "I can't argue with the basic philosophy that usually in order for someone to win, someone else must lose. Our economy is very simply based on that fact."

Mr. Ruff has put his finger on the most important issue in economics – and also in investing – today. The situation he describes is known to mathematicians as a zero-sum game. The presumption that it is a good description of our economy, or of parts of it, underlies a good deal of economic and investment reasoning, including the widespread interest in tangible assets.

The issue is not academic. To win a game, you have to know the rules. Investors who misunderstand the principles behind the behavior of corporations and markets will infallibly get creamed. Those who understand them and keep them in mind with each investment decision, will occasionally get creamed, like everyone else. But over a reasonable period, their portfolios will garner whatever rewards the system has to offer.

Games and the Economy

The intricacies of mathematical game theory are best left to the experts. But the definition of a zero-sum game and its relation to the economy can be followed by anyone old enough to invest money:

According to *The Theory of Games,* the basic work in this field, a game is zero-sum if "the sum of all payments received by the players (at the end of the game) is always zero. If it is zero, then one can say that the players pay only to each other, and that no production or destruction of goods is involved."

But, as the authors point out, this is exactly what an economy is *not.*

"Economic activity" means transactions that produce goods and services of greater value than the inputs consumed in producing them. It might be termed a positive-sum game.

One can find zero-sum games within the economy, particularly if the "game" is defined narrowly. For instance, each transaction of a commodities dealer shows a clear win or loss, with the other participant in the transaction experiencing an offsetting loss or gain. But the larger "game" is the transfer of price risk from commodity producers and consumers to the participants in the futures markets in exchange for a profit, which leaves each group, in the aggregate, better off.

The Babson Staff Letter

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Tuesday, December 31, 1991

The New Productivity Challenge: Part II

Peter F. Drucker

This is the second installment of Peter F. Drucker's article which was published in the November–December 1991 issue of the Harvard Business Review. In the first installment Mr. Drucker explained how strong productivity gains in manufacturing, agriculture and transportation ("making and moving things") had been primarily responsible for raising the overall standard of living during the last 120 years. Noting that there has been no corresponding improvement in the productivity of knowledge and service workers during that long period, he then demonstrated how important it is to start enhancing their productivity immediately because they now account for the great majority of workers in all developed countries. Currently the Clarke Professor of Social Science and Management at the Claremont Graduate School in California, Mr. Drucker has been one of the most knowledgeable and influential analysts of broad economic trends and business management practices in the past four decades.

Concentrating Work On The Task

When people make or move things, they do one task at a time. Taylor's laborer shoveled sand; he did not also stoke the furnace. Mayo's wiring-room women soldered; they did not test finished telephones on the side. The Iowa farmer planting corn does not get off his tractor between rows to attend a meeting. Knowledge and service work, too, require concentration. The surgeon does not take telephone calls in the operating room, nor does the lawyer in consultation with a client.

But in organizations, where most knowledge and service work takes place, splintered attention is more and more the norm. The people at the very top can sometimes concentrate themselves (though far too few even try). But the great majority of engineers, teachers, salespeople, nurses, middle managers, and the like must carry a steadily growing load of busywork, activities that contribute little if any value and that have little if anything to do with what these professionals are qualified and paid for.

The worst case may be that of nurses in U. S. hospitals. We hear a great deal about the shortage of nurses. But how could it possibly be true? The number of graduates entering the profession has gone up steadily for a good many years. At the same time, the number of bed patients has been dropping sharply. The explanation of the paradox: nurses now spend only half their time doing what they have learned and are paid to do — nursing. The other half is eaten up by activities that do not require their skill and knowledge, add neither healthcare nor economic value, and have little or nothing to do with patient care and patient well-being. Nurses are preoccupied, of course, with the avalanche of paperwork for Medicare, Medicaid, insurers, the billing office, and the prevention of malpractice suits.

The situation in higher education is not too different. Faculty in colleges and universities spend more and more hours in committee meetings instead of teaching in the classroom, advising students, or doing research. But few of these committees would ever be missed. And they would do a better job in less time if they had three instead of seven members.

Salespeople are just as splintered. In department stores, they now spend so much time serving computers that they have little time for serving customers — the main reason, perhaps, for the steady decline in their productivity as producers of sales and revenues. Field-sales representatives spend up to one-third of their time filling out reports rather than calling on customers. And engineers sit through meeting after meeting when they should be busy at their workstations.

This is not job enrichment; it is job impoverishment. It destroys productivity. It saps motivation and morale. Nurses, every attitude survey shows, bitterly resent not being able to spend more time caring for patients. They also believe, understandably, that they are grossly underpaid for what they are capable of doing, while the hospital administrator, equally understandably, believes that they are grossly overpaid for the unskilled clerical work they are actually doing.

The cure is fairly easy, as a rule. It is to concentrate the work — in this case, nursing — on the task — caring for patients. This is the second step toward working smarter. A few hospitals, for example, have taken the paperwork out of the nurse's job and given it to a floor clerk who also answers telephone calls from relatives and friends and arranges the flowers they send in. The level of patient care and the hours nurses devote to it have risen sharply. Yet the hospitals have also been able to reduce their nursing staffs by one-quarter or one-third and so raise salaries without incurring a higher nursing payroll.

To make these kinds of improvements, we must ask a second set of questions about every knowledge and service job: "What do we pay for? What value is this job supposed to add?" The answer is not always obvious or noncontroversial. One department store looked at its sales force and answered "sales," while another in the same metropolitan area and with much the same clientele answered "customer service." Each answer led to a different restructuring of the jobs on the sales floor. But each store achieved, and fairly fast, substantial growth in the revenues each salesperson and each department generated, that is gains in both productivity and profitability.

The Illusion Of Industrial Skills

For all its tremendous impact, Taylor's scientific management has had a bad press, especially in academia. Perhaps the main reason is the unrelenting campaign U. S. labor unions waged against it — and against Taylor himself — in the early years of this century. The unions did not oppose Taylor because they thought him antilabor or promanagement. He was neither. His unforgivable sin was his assertion that there is no such thing as "skill" in making and moving things. All such work was the same, Taylor asserted. And all could be analyzed step by step, as a series of unskilled operations that could then be combined into any kind of job. Anyone willing to learn these operations would be a "first-class man," deserving "first-class pay." He could do the most advanced work and do it to perfection.

To the skill-based unions of 1900, this assertion represented a direct attack. And this was especially true for the highly respected, extremely powerful unions that dominated what were then some of the country's most sophisticated manufacturing sites — the army arsenals and navy shipyards where nearly all peacetime production for the military took place until well after World War I. For these unions, each craft was a mystery whose secrets no member could divulge. Their power base was control of an apprenticeship that lasted five or seven years and admitted, as a rule, only relatives of members. And their workers were paid extremely well — more than most physicians of the day and triple what Taylor's first-class man could expect to get. No wonder that Taylor's assertions infuriated these aristocrats of labor.

Belief in the mystery of craft and skill persisted, as did the assumption that long years of apprenticeship were needed to acquire both. Indeed, Hitler went to war with the United States on the strength of that assumption. Convinced that it took five years or more to train optical craftsmen (whose skills are essential to modern warfare), he thought it would be at least that long before America could field an effective army and air force in Europe — and so declared war after the Japanese attack on Pearl Harbor.

We know now Taylor was right. The United States had almost no optical craftsmen in 1941. And modern warfare indeed requires precision optics in large quantities. But by applying Taylor's methods of scientific management, within a few months the United States trained semiskilled workers to turn out more highly advanced optics than even the Germans were producing, and on an assembly line to boot. And by that time, Taylor's first-class men with their increased productivity were also making a great deal more money than any craftsman of 1911 had ever dreamed of.

Defining Performance

Eventually, knowledge work and service work may turn out to be like the work of making and moving things — that is, "just work," to use an old scientific management slogan. (At least this is what Taylor's true heirs, the more radical proponents of artificial intelligence, maintain.) But for the time being, we must not treat knowledge and service jobs as "just work." Nor can we assume they are homogeneous. Rather, these jobs can be divided into *three distinct categories* by looking at what productive performance in a given job actually represents. This process — defining performance — is the third step toward working smarter.

For some knowledge and service jobs, performance means quality. Take scientists in a research lab where quantity — the number of results — is quite secondary to their quality. One new drug that can generate annual sales of $500 million and dominate the market for a decade is infinitely more valuable than 20 "me too" drugs with annual sales of $20 million or $30 million each. The same principle applies to basic policy or strategic decisions, as well as to much less grandiose work, the physician's diagnosis, for example, or packaging design, or editing a magazine. In each of these instances, we do not yet know how to analyze the process that produces quality results. To raise productivity, therefore, we can only ask, "What works?"

The second category includes the majority of knowledge and service work: jobs in which quality and quantity together constitute performance. Department store sales are one example. Producing a "satisfied customer" is just as important as the dollar amount on the sales slip, but it is not so easy to define. Likewise, the quality of an architectural draftswoman's work is an integral part of her performance. But so is the number of drawings she can produce. The same holds true for engineers, sales reps in brokerage offices, medical technologists, branch bank managers, reporters, nurses, claims adjusters, and so on. Raising productivity in these jobs requires asking, "What works?" but also analyzing the process step by step and operation by operation.

Finally, there are a good many service jobs (filing, handling death claims, making hospital beds) in which performance is defined much as it is in making and moving things: that is, largely by quantity (for example, the number of minutes it takes to make up a hospital bed properly). In these "production" jobs, quality is primarily a matter of external criteria rather than an attribute of performance itself. Defining standards and building them into the work process is essential. But once this has been done, real productivity improvements will come through conventional industrial engineering, that is, through analyzing the task and combining the individual simple operations into a complete job.

Keys To Improving Productivity

Defining the task, concentrating work on the task, defining performance: by themselves, these three steps will produce substantial growth in productivity — perhaps most of what can be attained at any one time. They will need to be worked through again and again, maybe as often as every three or five years and certainly whenever work or its organization changes. But then, according to all the experience we have, the resulting productivity increases will equal, if not exceed, whatever industrial engineering, scientific management, or human relations ever achieved in manufacturing. In other words, they should give us the productivity revolution we need in knowledge and service work.

But on one condition only: that we apply what we have learned since World War II about increasing productivity in making and moving things. The fourth step toward working smarter, then, is for management to form a partnership with the people who hold the jobs, the people who are to become more productive. The goal has to be to build responsibility for productivity and performance into every knowledge and service job regardless of level, difficulty, or skill.

Frederick Taylor has often been criticized for never once asking the workers he studied how they thought their jobs could be improved. He told them. Nor did Elton Mayo ever ask; he also told. But Taylor's (and Mayo's, 40 years later) methodology was simply a product of the times, when the wisdom of the expert prevailed. (Freud, after all, never asked his patients what they thought their problems might be. Nor do we have any record that either Marx or Lenin ever thought of asking the masses.) Taylor considered both workers and managers "dumb oxen." And while Mayo had great respect for managers, he thought workers were "immature" and "maladjusted," deeply in need of the psychologist's expert guidance.

When World War II came, however, we had to ask the workers. We had no choice. U. S. factories had no engineers, psychologists, or foremen. They were all in uniform. To our immense surprise, as I still recollect, we discovered that the workers were neither dumb oxen nor immature nor maladjusted. They knew a great deal about the work they were doing — about its logic and rhythm, its quality, and its tools. Asking them what they thought was the way to address both productivity and quality.

At first, only a few businesses accepted this novel proposition. (IBM was a pioneer and for a long time one of the few large companies to act on this idea.) But in the late 1950s and early 1960s, it was picked up by Japanese industrialists whose earlier attempts to return to prewar autocracy had collapsed in bloody strikes and near-civil war. Now, while still far from being widely practiced, it is at least generally accepted in theory that the workers' knowledge of their job is the starting point for improving productivity, quality, and performance.

In making and moving things, however, partnership with the responsible worker is merely the *best* way to increase productivity. After all, Taylor's telling worked too, and quite well. In knowledge and service work, partnership with the responsible worker is the *only* way.

The last component of working smarter is a two-part lesson that neither Taylor nor Mayo knew. First, continuous learning must accompany productivity gains. Redesigning a job and then teaching the worker the new way to do it, which is what Taylor did and taught, cannot by itself sustain ongoing learning. Training is only the beginning of learning. Indeed, as the Japanese can teach us (thanks to their ancient tradition of Zen), the greatest benefit of training comes not from learning something new but from doing better what we already do well.

Equally important is a related insight of the last few years: knowledge workers and service workers learn most when they teach. The best way to improve a star salesperson's productivity is to ask her to present "the secret of my success" at the company sales convention. The best way for the surgeon to improve his performance is to give a talk about it at the county medical society. We often hear it said that in the information age, every enterprise has to become a learning institution. It must become a teaching institution as well.

Economic And Social Benefits

One hundred years ago, the signs of class conflict were unmistakable. What defused that conflict — and averted class war — was growth in the productivity of the industrial work force, something so unprecedented that even its prime mover, Frederick Taylor, had no term to describe it.

Today we know that productivity is the true source of competitive advantage. But what we must also realize is that it is the key to social stability as well. For that reason, achieving gains in service productivity comparable with those we have already achieved in manufacturing productivity must be a priority for managers throughout the developed world.

It is an economic truth that real incomes cannot be higher than productivity for any extended length of time. Unless the productivity of service workers rapidly improves, both the social and economic position of that large group of people — whose numbers rival those of manufacturing workers at their peak — must steadily go down. At a minimum, this raises the prospect of economic stagnation; more ominously, it raises the prospect of social tensions unmatched since the early decades of the Industrial Revolution.

Conceivably, service workers could use their numerical strength to get higher wages than their economic contribution justifies. But this would only impoverish all of society, dragging everyone's real income down and sending unemployment up. Alternatively, the income of unskilled and semiskilled service workers could continue to fall in relation to the steadily rising wages of affluent knowledge workers. But this woul lead to an even wider gulf between the two groups as well as to increasing polarization. In either case, service workers can only become increasingly bitte alienated, and ready to see themselves as a class apart.

Fortunately, we are in a much better position than our ancestors were a century ago. We know what Marx and his contemporaries did not know: produc tivity can be raised. We also know how to raise it. And we know this best for the work where the socia need is most urgent: unskilled and semiskilled service work — maintenance jobs in factories, schools hospitals, and offices; counter jobs in restaurants anc supermarkets; clerical jobs in insurance companies, banks, and businesses of all kinds. In essence, this i production work. And what we have learned durin the past 100 years about increasing productivity applies to such work with a minimum of adaptation.

Further, a model of sorts exists in the steps some multinational maintenance companies have alread taken to improve their employees' productivity. These U. S. and European employers have systematically applied the approach this article discusses to low-skilled service jobs. They have defined the task, concentrated work on it, defined performance, made the employee a partner in productivity improvement and the first source of ideas for it, and built continuous learning and continuing teaching into the job of every employee and work team. As a result, they have raised productivity substantially — in some cases even doubled it — which has allowed them to raise wages. As important, this process has also greatly raised the workers' self-respect and pride.

It is no coincidence that outside contractors achieved these improvements. Obtaining major productivity gains in production-type service work usually requires contracting it out to a company that has no other business, understands this work, respects it, and offers opportunities for low-skilled workers to advance (for example, to become local or regional managers). The organizations in which this work is being done, the hospitals that own the beds, for instance, or the colleges whose students need to be fed, neither understand it nor respect it enough to devote the time and hard work that are required to make it more productive.

The task is known and doable. But the urgency is great. To raise the productivity of service work, we cannot rely on government or on politics altogether. It is the task of managers and executives in businesses and nonprofit organizations. It is, in fact, the first social responsibility of management in the knowledge society.

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The Babson Staff Letter

Babson Capital Management LLC

Friday, January 28, 2005

A Look Ahead At 2005: Specific Sector Views

Edwin D. Everett, Anthony M. Maramarco, et. al.

Introduction

In the January 14 Staff Letter, we reviewed the goings-on in 2004 and offered some thoughts on 2005. In this Letter, we are following up that preview with some specific comments from our analysts on prospects for the year ahead. These detailed observations are broken down into the more important sectors within the S&P 500.

Consumer Discretionary

Despite interest rate hikes and higher energy costs, consumers continued to spend in 2004. Tax cuts, rising incomes, and greater household wealth from higher stocks and home prices provided the ammunition. This year higher mortgage rates and an expected slowing in housing markets could reduce consumer spending.

Higher energy prices should also be more of a drag on spending, especially at the lower end of the income spectrum. For retailers specifically, a key event will be the removal of quotas on apparel from China and its potentially deflationary impact on apparel pricing. Retailers otherwise face higher costs for imported goods due to the falling dollar.

Consumer electronics retailers should continue to benefit from the general trend of digitization of entertainment media. The industry is in the midst of a strong product cycle as buyers take the plunge on digital TVs, and digital cameras and MP3 audio player devices become even more mainstream.

Media and entertainment stocks disappointed in 2004 as the Olympics and an election year failed to lift advertising spending as expected. Competitive conditions and oversupply hurt radio markets while the Internet drew an increasing share of ad dollars, hurting traditional media outlets overall. More favorable valuations and organic growth from an improving economy, especially with a potential pickup in local ad spending, suggest a better outlook for media stocks this year.

Consumer Staples

In the consumer staples area, companies are finding higher input costs a double-edged sword. Rising costs for commodity components such as food ingredients, packaging, and energy have pressured margins but also given manufacturers some leverage to lift end-product prices.

Just how much pricing power they can achieve is limited by Wal-Mart's outsized influence and the growing importance of private label substitutes. Cost cutting programs and productivity gains should augment what pricing power companies can achieve while the lower U.S. dollar helps earnings as foreign profits are repatriated into more U.S. currency.

Stock Market Performance

	Total Return	
Index/Sector	2004	2003
S&P 500	10.7%	28.4%
Dow Jones Industrials	4.6	26.6
NASDAQ Composite	9.0	50.4
Consumer Discretionary	13.2	37.2
Consumer Staples	8.0	11.3
Energy	31.1	25.1
Financials	10.7	30.6
Health Care	1.7	14.9
Industrials	17.8	31.8
Information Technology	2.8	46.8
Materials	12.9	37.4
Telecommunications	19.5	6.5
Utilities	23.6	25.5

Source: Baseline

Packaged food companies should see commodity price pressures ease (as firms raise prices themselves) and benefit from favorable currency conversion rates. However, manufacturers remain vulnerable to private label substitution as food retailers use lower-cost "house brands" to help compete with Wal-Mart. Blunting this competitive challenge requires sustained levels of ad and promotional spending.

Household and personal care product manufacturers enjoy pricing power but are being pressed by higher raw material and packaging prices, and face a generally more competitive environment. Stepped-up marketing spending is raising costs across the board as competition extends to formerly secure, emerging markets overseas. Healthy and stable demand, cost controls, and new restructuring programs should provide an offset, supporting margins.

Retail drug stores should benefit from greater industry pricing discipline and market share gains with one fewer marginal competitor in the market, following last year's sale of the Eckerd chain. A surge in new blockbuster drugs last year should help lift pharmacy sales this year as well.

Energy

Following a spectacular 2004 and 31% total return, the energy sector may find deteriorating commodity fundamentals keep a damper on relative group performance this year. Both oil and gas prices dropped 20-25% from late October highs before their recent rebound. Prices are still well above both the target band for the official OPEC market basket ($22-$28) and seasonal norms for gas, despite the fact that inventories are at much more comfortable levels than a year ago.

More importantly, over the next year or two, energy prices look unlikely to return to the low levels of the '90s. The spike in crude and refined products prices during 2004 was a function of several factors which are not apt to abate soon.

First, geopolitical events have added a terrorism premium of $10+ per barrel to the price of oil and an unknown amount to demand due to hoarding. Also, in the face of limited spare production capacity, demand has been strong in the U.S. and Asia (especially in rapidly expanding China). Higher tanker rates to ship oil itself ranged $3-$5 per barrel above normal last year, adding to oil's cost. High refinery operating rates, due partly to tighter fuel specifications for gasoline and underinvestment in recent years, have also pressured prices.

And one new factor looms for 2005: inflation. Steel prices have doubled and labor and energy also cost more than a year ago. Service providers appear to be passing these on and expanding margins. Drilling rig day rates, dormant in 2003 and early 2004, also started moving up dramatically last summer. Margins have expanded almost everywhere along the energy chain and most of these factors will likely continue this year in some form.

Financial Services

This will be a challenging year for the commercial banking industry. Last year marked the end of a twenty-year general downtrend in interest rates. The Federal Reserve raised key short-term rates five times and signaled that the trend will continue at least through 2005.

In such an environment, deposit growth is likely to slow as corporations begin to spend some of their record cash hordes and consumers move money into higher-yielding money market funds or other investment alternatives such as bonds and equities. Loan growth will remain tepid because corporations have less incentive or need to borrow. Finally, a continued rise in interest rates would be a negative for mortgage originators, and a continued flattening of the yield curve would compress margins for those firms that lend money.

An improving economy and a rising interest rate environment is a mixed blessing for investment banking firms. Merger and acquisition activity (M&A) has picked up as companies put their improved finances and higher stock valuations to work tapping external growth opportunities. However, this is offset by a decrease in debt issuances, which are needed less as cash flows otherwise mount.

Within the insurance sector, property and casualty companies will be helped by increasing investment yields on their fixed income portfolios. However, a softening in the pricing cycle brought about by strong returns and the inflow of new capital during the 2001-2002 time period will dampen corporate returns.

Health Care

Hurt by high profile product recalls and safety questions about the Cox-2 family of drugs generally *(Vioxx, Celebrex, Bextra)*, major pharmaceutical stocks dragged down the health care sector, which earned a total return of just 1.7% for the year.

Pharmaceutical companies' earnings have slowed as patents expired on numerous blockbusters and few new medications have been available to take their place. Withdrawal and safety questions over the best-selling Cox-2 family of drugs only made matters worse.

However, research and development productivity may be turning a corner as potential new drugs in the pipeline continue to gradually accelerate. This can be seen by the noticeable ramp-up in the number of compounds in Phase II of the Food and Drug Administration (FDA) approval process.

Patent litigation between generic drug manufacturers and "the majors" has intensified, with four significant patent decisions possible over the next 12-18 months. This litigation overhang could continue to penalize valuations. Fallout for the FDA itself about its handling of new drug approvals and safety follow-up after the Cox-2 experience, could result in the need for additional post-marketing studies by manufacturers but shouldn't materially slow down drug approvals.

The re-election of President Bush, meanwhile, has alleviated concerns over government-mandated price controls. The risk to manufacturers of drug reimportation from Canada appears to have been defused by safety issues — at least for now. Even if eventually opened to U.S. consumers, the Canadian drug supply that could be purchased by Americans is fairly limited.

Price discounts mandated as part of the Medicare Modernization Act (MMA) should have little impact on "Big Pharma's" earnings this year. The advantage of increased prescription volume from the MMA likely won't offset price discounts before 2007, as the uptake by seniors will probably be gradual. Over time, those volume gains could easily exceed official estimates because government programs typically exceed their funding "limits."

The medical equipment area continues to enjoy strong growth, evidenced by Johnson & Johnson's move to expand here through its purchase of Guidant for $25 billion. Demographics (aging boomers) and rational market conditions are propelling double-digit growth in orthopedics as demand for artificial hips and knees keeps expanding and spine products begin to take off.

Cardiology markets enjoy similarly favorable fundamentals, with high power implantable cardiac defibrillators likely to grow 20% per year through 2007. Expanded reimbursement coverage and greater market penetration should help the category overall. In the vascular intervention area, the battle for market share continues for the next generation of artery-opening stents. J&J's purchase of Guidant was prompted in no small part by the latter's superior technology here.

Industrials

Industrial sector companies had a good year in 2004 as companies began spending again. Flush with cash and overdue to make capital improvements, businesses have started to ramp up capital expenditures. With productivity growth slowing, firms are putting more cash back into the business to keep profits growing and remain competitive.

Machinery companies were the biggest beneficiaries last year, and sales, margins, and P/Es expanded. This year the advantage could shift to the late-cycle industrial conglomerates as companies invest more in plant improvements, non-residential construction, energy, and aerospace. Cost structures here are low so margins should improve as sales accelerate. Moderating commodity costs should help margins as well. And with significant overseas sales, conglomerates should benefit from the lower dollar.

In the aerospace/defense area, the mounting Federal budget deficit, along with the escalating costs of the conflicts in Afghanistan and Iraq, will likely result in cuts to major defense platforms in coming years. However, defense spending levels overall remain historically low relative to the Federal budget and GDP, and could continue to expand 4-5% per annum through the end of the decade.

Commercial aerospace markets, meanwhile, are assuming a steady recovery in aircraft demand that might prove overly optimistic. Potential impediments include the continued financial deterioration of the major U.S. airlines, a large though declining fleet of mothballed jets parked in the desert, and recent indications of slowing foreign orders. The business jet recovery should continue, buoyed by growing corporate profits and by an extension of a favorable accelerated depreciation tax break.

Technology

The technology sector went from being first in 2003 to nearly worst in 2004, earning a total return of just 2.8%. As we warned last year, 2003 would be a tough act to beat because firms' follow-through in sales and earnings would not likely be enough to justify the sector's great performance and high valuations entering 2004.

This year, the semiconductor industry will suffer indigestion brought on by an imbalance in the supply/demand equation; too much supply is chasing too little demand. The industry did show unit growth of 30% for 2004 and learned many lessons in the tech bust of a few years ago. However, overly optimistic ordering led to an excess of inventory by year-end 2004 across most semiconductor segments. It appears that this buildup will be drawn down by mid-year, but the industry is now more cyclical with a growth rate too slow to absorb the investments being made.

Long-term returns on capital continue to decline with nearly half the industry driven by slower growth personal computer demand, and another third related to small, short life-cycle product successes in the consumer electronics industry. Until the emergence of a sizeable "killer application" for the enterprise and small business markets (not unlike the personal computer), investors should be very valuation sensitive when considering semiconductor stocks.

In the computer hardware segment, sales should see strong spending from corporate enterprises, even though consumer purchases may slow, following healthy consumer technology demand in 2004. Aggressive PC pricing could accelerate as component prices fall and PC growth slows. Asian manufacturers likely will become more competitive, and portable computers will continue to gain market share with unit growth of 15-20%. Desktops will only grow 3-5%.

Meanwhile, the digital hub will continue to evolve as music and video become increasingly distributed from hard drives and dedicated computers (such as Apple Computer's new Mac Mini). Music distribution channels will continue to evolve, and MP3 players like Apple's iPod will be the fastest growers in the hardware area.

Storage and printer segments will also experience strong growth. Photo printers, in particular, are becoming increasingly popular, with 4x6 thermal dye sublimation printers from Eastman Kodak currently leading the way. New printer entrants should help provide more customer choice. Server market share battles will continue, with growth in Linux servers slowing as large hardware suppliers open their operating systems.

The software sector, which typically lags hardware sales by 6-18 months, should benefit from the past two years' hardware revenue growth. Infrastructure and applications software, in particular, offer considerable leverage in a recovering macro environment. M&A activity will intensify, culling the weaker competitors. (Technology buyers would clearly prefer to deal with fewer vendors.) New solutions focused on mobile computing will continue to gain traction.

The information technology services segment will see more business move offshore, with remote and technical tasks likely experiencing the most penetration. Here, too, competitive pressures will lead to further industry consolidation, especially as the link between software and services tightens further.

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BABSON STAFF LETTER

January 2015

Macro Overview

- **Markets:** Equities and Treasuries outperformed in the fourth quarter while Emerging Markets and High Yield Bonds underperformed
- **Economic Review:** U.S real GDP grew at an annualized rate of 5% in the third quarter following a 4.6% pace in the second quarter
- **Economic Outlook:** We expect a continuation of the slow-growth, low-rate and accommodative monetary policy environment

BLACK GOLD, TEXAS TEA

Oil prices capped 2014 with the biggest annual drop since 2008, plummeting 46% during the year. A major highpoint regarding oil supply in 2014 was booming U.S. production, which hit its highest level in three decades. After the Organization of Petroleum Exporting Countries (OPEC) decided to maintain its output levels at its November meeting, oil prices declined further. Also in November, the Organization of Economic Co-operation and Development (OECD) reiterated a weak global growth outlook which dampened hopes for higher oil demand. As economists pondered the global supply/demand imbalance and the fundamentals that could bring oil prices down further, markets were beginning to worry about more sinister second-order effects of what a sustained drop in oil prices could mean. While the U.S. economy may benefit initially from a transitory positive effect through lower gasoline prices and higher disposable income, lower oil investment and production could eventually be a drag on real growth not to mention oil companies. Furthermore, a loss of oil tax revenues could have a destabilizing effect on both developed and emerging market countries that rely upon the commodity to fund their budgets. The quick pace of the plunge in oil prices can leave a sudden gap in revenues and create a budgetary shortfall that is unlikely to be fixed as quickly as the revenue disappeared. Perhaps more ominous than a fiscal crisis is the possibility that

Table 1: Returns

	Total Return								
	2010 (%)	2011 (%)	2012 (%)	2013 (%)	2014 (%)	3Q2014 (%)	4Q2014 (%)	OAS (BPS)	YTW (%)
U.S. Aggregate*	6.54	7.84	4.21	-2.02	5.97	0.17	1.79	48	2.25
U.S. Treasury	5.87	9.81	1.99	-2.75	5.05	0.34	1.93	N/A	1.49
U.S. TIPS	6.31	13.56	6.98	-8.61	3.64	-2.04	-0.03	N/A	1.98
U.S. Corporate Investment Grade	9.00	8.15	9.82	-1.53	7.46	-0.08	1.77	131	3.11
U.S. Corporate High Yield	15.12	4.98	15.81	7.44	2.45	-1.87	-1.00	483	6.61
U.S. Leveraged Loans**	9.97	1.82	9.43	6.15	2.06	-0.33	-0.37	558	6.21
European Currency High Yield Non-Financial	14.24	-1.51	24.25	9.04	5.25	-0.58	0.85	431	4.58
W. European Lev. Loans, Non-$ U.S. Denominated**	8.75	-1.23	10.51	9.38	2.49	0.50	0.18	521	5.43
U.S. Investment Grade CMBS	20.81	6.47	10.04	0.18	4.21	-0.21	1.49	103	2.42
U.S. ABS	5.85	5.14	3.66	-0.27	1.88	0.01	0.55	58	1.47
U.S. MBS	5.37	6.23	2.59	-1.41	6.08	0.18	1.79	27	2.60
CEMBI Broad Diversified	13.08	2.31	15.02	-0.60	4.96	-0.09	-1.21	353	5.56
EMBI Global Diversified	12.24	7.35	17.44	-5.25	7.43	-0.59	-0.55	353	5.64
GBI-EM Global Diversified	15.68	-1.75	16.76	-8.98	-5.72	-5.66	-5.71	N/A	6.50
U.S. Equity***	15.06	2.11	16.00	32.39	13.69	1.13	4.93	N/A	N/A

Source: Factset, Barclays Capital, Credit Suisse, Bank of America Merrill Lynch, JP Morgan, Standard & Poor's as of December 31, 2014.

* U.S. Aggregate includes U.S. Treasuries, U.S. Agencies, U.S. Credit (includes Sovereign issues), U.S. Agency Mortgage-Backed Securities, U.S. CMBS and U.S. ABS.

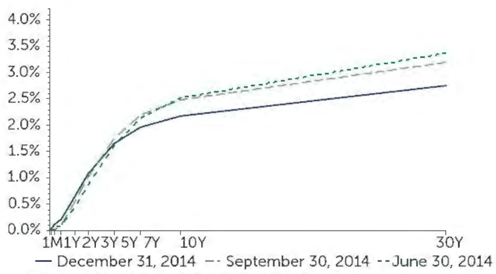
** OAS=DM3 Spread. U.S. (European) Loan YTW=DM3 Spread + U.S. (European) 3 year swap spread.

*** U.S. Equity represented by S&P 500.

TABLE OF CONTENTS

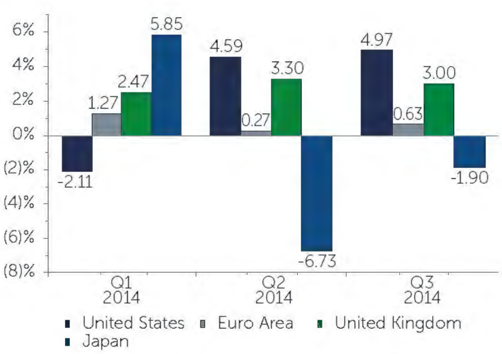
Babson
CAPITAL MANAGEMENT

Figure 1: U.S. Treasury Yield Curve



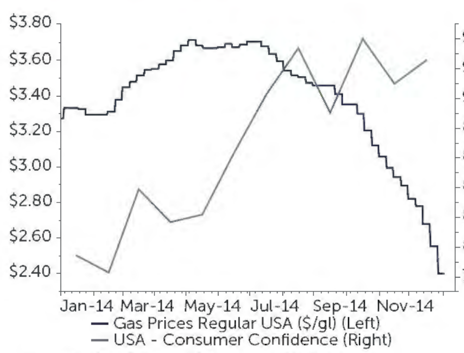
Source: Factset as of December 31, 2014.

Figure 2: Growth in Developed Market Economies Diverges in 2014



Source: FactSet and U.S. Bureau of Economic Analysis as of September 30, 2014.

Figure 3: Consumer Confidence Rises as Gasoline Prices Fall



Source: FactSet as of December 31, 2014.

geopolitical tensions are exacerbated in or among certain oil-producing countries. The bottom line is a sharp drop in oil prices can lead to global instability. Russia has been one of the hardest hit emerging markets as the stronger U.S. dollar and sinking oil prices trashed the ruble and pushed the country toward recession. However, a slowing global growth outlook and declining inflation expectations during the fourth quarter were met with the now familiar response of additional easing by global central banks. The Bank of Japan (BOJ) aggressively added stimulus during the fourth quarter and the European Central Bank (ECB) continued to signal a forthcoming quantitative easing program. As a result, longer-term U.S. Treasury yields fell and the S&P 500 reached new highs enabling equities and Treasuries to outperform during the fourth quarter while emerging markets and high yield bonds underperformed (see Table 1). (Bloomberg)

RATES

Treasury yields were mixed in the fourth quarter with the 1-year the worst performer and the 30-year the best performer. Overall, yields were +12 basis points to -45 basis points as the curve continued to flatten (Figure 1).

Rates on the long-end of the curve continued to fall despite the robust second and third quarter GDP growth rates. Inflation expectations also continued to fall with the precipitous drop in oil prices and should remain below the U.S. Federal Reserve's (Fed) 2% target level. The first Fed rate hike is still expected in the second half of 2015. Nominals notably outperformed Treasury Inflation-Protected Securities (TIPS) again in the fourth quarter.

ECONOMIC OVERVIEW

The divergence theme was very apparent in the performance of the U.S. economy during the third quarter. Third quarter GDP rose at a 5% annual rate, the fastest pace in over a decade. This followed a robust 4.6% pace in the second quarter and puts the U.S. on pace to finish 2014 around a 2.5% growth rate if the fourth quarter comes in at half the pace of the third quarter. This would be quite an achievement considering the surprisingly weak first quarter of 2014 when the economy contracted -2.1%. The increase in third quarter GDP reflected a 3.2% rise in consumer spending, higher business investment, a jump in goods exports and a strong increase in defense spending. Solely focusing on U.S. performance would indicate many sectors are improving, labor markets are getting better and the Fed would have a sound basis to normalize monetary policy and begin to raise interest rates. However, we live in a global world in which market events and monetary policy decisions are often not confined to geographic borders. It is when we look through this global lens that divergences become more apparent and the ramifications or unintended consequences of decisions made at home or elsewhere can impact a local economy. So, while the U.S. and U.K. performed reasonably well in 2014 the economies of the Euro area and Japan have struggled (Figure 2). As the reverberations of the strong rise in the U.S. dollar and precipitous drop in oil prices continue to play out, we believe concerns over global growth will increase, creating a more volatile environment and keeping central banks inclined to maintain very accommodative monetary policy. (Bloomberg)

The rise in consumer spending during the third quarter was broad-based as expenditures for both goods and services increased. Personal consumption expenditures accounted for over 40% of GDP growth with spending on health care and financial services providing the biggest boost to growth. Durable goods spending increased at a still brisk 9.2%, compared with an increase of 14.1% in the second quarter. Auto sales continued to hold up reasonably well in the fourth quarter, closing the year at a 16.8 million unit annual pace in December. Overall, the U.S. consumer continues to provide a solid foundation for the economy to grow. Consumer confidence remains upbeat, especially in the wake of rapidly declining gasoline prices (Figure 3). This can provide a near-term boost to the economy in the form of additional discretionary income for U.S. consumers. A one cent drop in the price of a gallon of gasoline should equate to $1.3 billion of savings for U.S.

consumers and businesses based on annual usage of 130 billion gallons of gasoline in the U.S. The price of a gallon of gasoline was near $3.30 at the beginning of 2014, peaked around $3.70 in the spring and declined to $2.21 as of January 9, 2015.

The knock-on effect of the rapid decline in oil prices calls into question whether the temporary benefits to the U.S. consumer will be offset by weakness in other parts of the economy. We are already seeing a declining rig count in the biggest shale states which will likely translate to lower oil investment and production (Figures 4 and 5). These states have been growing at a much faster pace than the rest of the country and have provided over 1 million new jobs since 2008, while the net job gain for the rest of the U.S. is barely positive. Ancillary businesses tend to pop up in and around areas of higher growth leading to more robust economic activity which fuels higher wages and demand for housing. A sustained drop in oil prices may not only impact oil companies and their workers, but could threaten supporting goods and services providers in those areas as well. Therefore, the concern that the rapid decline in oil prices provides too little time to adjust and becomes a drag on growth may be warranted. There is likely to be a lag effect as the initial positive impact of lower oil prices works its way through the economy before potentially giving way to more negative consequences. It remains to be seen whether or not these second-order effects materialize into something that becomes a drag on growth or if the economy is resilient enough to withstand it. If the naysayers are incorrect, then rising U.S. economic growth should bolster demand for oil at the same time that many energy firms are planning to drill fewer wells because of the big price decline. In this scenario, the outlook would be for tighter oil supplies and stronger demand, which could lead to a price rebound.

IMPLICATIONS OF A RISING U.S. DOLLAR

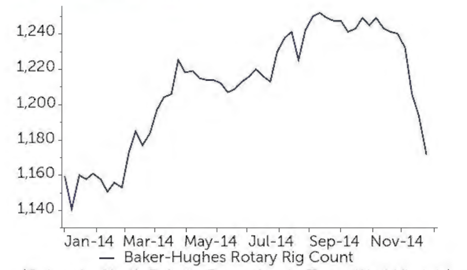
A few key factors appear to be pushing the U.S. dollar higher including a stronger U.S. economy and increasing energy independence (Figure 6). An improving U.S. economy increases the odds that the Fed will raise rates sooner than other major central banks. A higher rate structure in the U.S. vis-à-vis the Euro area and Japan can attract more foreign capital to the U.S. and provide support for the U.S. dollar. Increasing energy independence reduces the amount of imported oil (priced in U.S. dollars), shrinking the trade deficit and lowering the supply of U.S. dollars. The consensus outlook is for the U.S. dollar to continue to appreciate relative to other major currencies, which likely will lower U.S. export competitiveness as U.S. goods become more expensive in local currency terms. The stagnant economies of the Euro area and Japan, which together account for 17% of U.S. exports, could pressure competitiveness further.

Currency appreciation cycles can last for years as economic developments usually take a while to unfold. However, a sharply rising U.S. dollar can become worrisome if it is disorderly and driven more by weaker growth prospects outside the U.S. which can destabilize global markets and create asset bubble concerns. This is especially true in today's world where capital flows can happen quickly. Emerging markets have typically suffered with a stronger U.S. dollar as this has coincided with lower commodity prices and higher capital outflows. Additionally, weaker local currencies lowers the U.S. dollar value of emerging market earnings and can make U.S. dollar-denominated debt more expensive to service.

INFLATION OUTLOOK REMAINS SUBDUED

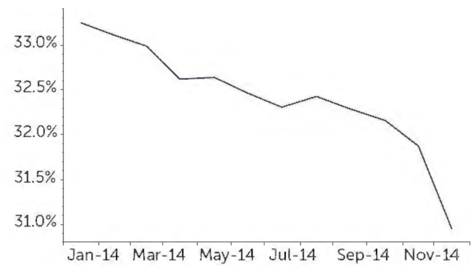
Overall commodity prices have tumbled 25% since the end of the second quarter, while the price of crude hit its lowest level since 2009 (Figure 7). The prices of metals like copper, steel, platinum, aluminum and silver have also fallen since the summer. Part of the drop can be attributed to the economic changes occurring in China, where the growth rate has slowed as has demand for raw materials. Another factor in the commodity price decline is the slowdown in Japan and the Euro area. The sharp drop in commodity prices disproportionately impacted countries dependent upon commodity exports like Russia and Brazil, both of which had substantial economic issues to deal with even before the price collapse.

Figure 4: Low Oil Prices Taking a Toll on Production Rigs



(Colorado, North Dakota, Pennsylvania, Texas, West Virginia)
Source: FactSet and Baker Hughes, Inc. as of December 26, 2014

Figure 5: Low Oil Prices Taking a Toll on Energy Capital Expenditures

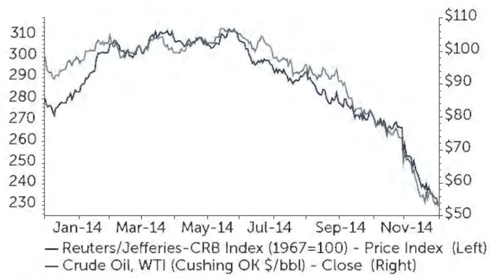


Source: FactSet and Standard and Poors as of December 31

Figure 6: U.S. Dollar Strengthens in 2014

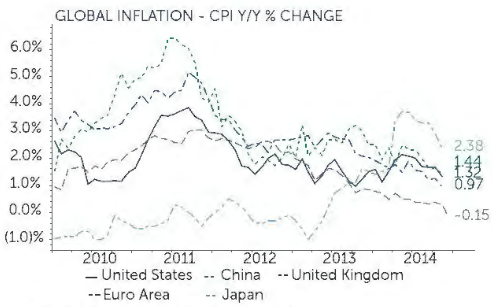
Source: FactSet as of December 31, 2014.

Figure 7: Broad Commodities and Oil Tumble



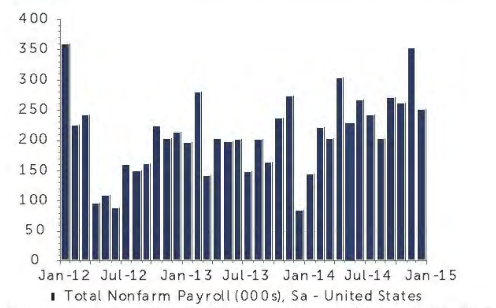
Source: FactSet as of December 31, 2014.

Figure 8: Global Inflation Rates Trend Lower



Source: FactSet as of December 31, 2014.

Figure 9: Decent Jobs Momentum Entering 2015



Source: FactSet and Bureau of Labor Statistics as of December 31, 2014.

The magnitude of the drop in oil prices is likely to keep year-over-year headline inflation figures subdued well into 2015. The big fall in crude oil and gasoline prices muted inflation during 2014. If energy prices rebound modestly in 2015, it is unlikely that they would exert much upward pressure on consumer prices. Unless prices fall further, oil and gasoline prices should not have the same deflationary impact that they had in 2014. Current inflation measures remain well below the Fed's 2% target level and, with an appreciating U.S. dollar and falling commodity prices, the current trend is still deflationary. Globally, headline inflation readings are trending lower (Figure 8). Eventually, a stronger U.S. economy should boost general inflation but that's not likely anytime soon as global growth conditions remain weak. This should allow the Fed to tread lightly when it comes to raising interest rates and exercise an abundance of caution at the risk of undermining the recovery.

EMPLOYMENT SITUATION IMPROVING

The labor market continued to provide good news throughout the fourth quarter. The December employment report beat market expectations by adding 252,000 jobs. In November, nonfarm payrolls increased by 353,000, the largest one-month gain since January 2012 (Figure 9). December gains were broad-based across most industries, led by growth in professional and business services, construction, food services and drinking places, health care, and manufacturing. Employment gains in October and November combined were 50,000 more than previously reported. The average monthly payrolls gain was 246,000 in 2014.

The unemployment rate fell by .2 percentage points to 5.6% in December. Over the course of 2014, the unemployment rate and the number of unemployed persons were lower by 1.1 percentage points and 1.7 million, respectively. The December labor force participation rate and employment-population ratio, at 62.7% and 59.2%, respectively, were again little changed during the quarter. The Fed is expecting the unemployment rate to drop further in 2015 and end the year at 5.25%.

If the employment picture continues to improve, wage growth is likely to improve in 2015. We saw some evidence of a rise in employment costs at the end of the third quarter, but wouldn't categorize the move as upward pressure yet (Figure 10). Average hourly earnings grew just 1.7% year-over-year in December. However, other forces at work including the rising U.S. dollar and declining commodity prices should combine with modest wage growth to boost consumer purchasing power.

CORPORATE PROFITS AND CAPITAL SPENDING

U.S. corporate profits were up again in the third quarter, rising 3.1% from the second quarter to $2.2 trillion (Figure 11). Corporate profit margins have been bolstered in recent years by low labor costs and interest rates. However, further wage gains and a rising U.S. dollar that could hinder foreign profits are worth monitoring to see if profit margins come under pressure. Domestically, the picture should be brighter.

While the U.S. economy is expected to grow at a 3% rate in 2015, concern about global weakness abroad and the impact it will have on U.S. exports could dampen plans for capital spending. We mentioned that energy capital expenditures may continue to decline with the price of oil, but a gradual pickup in the pace of U.S. economic activity should lead to stronger capital investment. If U.S. consumer purchasing power does improve on the heels of a rising U.S. dollar and low inflation, business investment could pick up in order to meet demand. Metrics for industrial production and capacity utilization are the best they have been in years, indicating that factories are close to the point where they must expand to supply increasing demand. Other indicators such as the ISM manufacturing and service indices have turned down from high levels but remain comfortably in expansion territory. (Bloomberg)

GLOBAL GROWTH WORRIES MARKETS

The IMF consistently downgraded the global GDP growth forecast throughout 2014. U.S. growth was revised higher in October, while the Euro area and Japan outlooks were lowered. Among the biggest developed market economies, the U.S. is expected to grow 2-2.5% in 2014 and the Euro area and Japan are basically stagnant with both expected to grow less than 1% in 2014 (Figure 12). As we look toward 2015, the Fed is expecting the U.S. to grow 2.8%, Bank of England expects the U.K. to grow 2.9%, the ECB recently lowered its growth forecast to 1% and the BOJ is forecasting 1.5% growth, but private market forecasts are calling for 1%. Weaker global growth is also a primary factor in the drop in global rates.

The three major global growth concerns emanate from the Euro area, Japan and China. In the Euro area, weak investment, high debt levels and high unemployment continue to dampen credit demand. Inflation prospects remain bleak. The euro could depreciate further as a result of the ECB's intention to move forward with quantitative easing; however, a weaker euro should diminish the positive impact of lower oil and commodity prices. Japan's consumption tax hike in April 2014 pushed its economy into its fourth recession in the last six years. This prompted the government to postpone the second stage of the consumption tax hike until April 2017, which should improve the near-term outlook for GDP growth. However, structural reforms and much-needed fiscal discipline should continue to weigh on the outlook. The aggressive easing by the BOJ in the fourth quarter is aimed at increasing the odds of Japan exiting its deflationary environment and could contribute to further yen depreciation. China also poses concerns for the global growth outlook. China is expected to grow just under 7.5% this year. While that is an enviable growth rate compared to developed market economies, it is a significant slowdown following 30 years of 10% growth. Economic growth is expected to moderate further in 2015 to 7%, as the government continues to push forward with economic reforms. However, the downturn in the real estate sector and declining global demand could force authorities to act more aggressively. (Bloomberg)

OUTLOOK

While the U.S. seems to be the best positioned economy during the current environment owing to the strengthening U.S. dollar, lower commodity prices and its economic leverage to the vigor of the consumer, the risk of economic and financial contagion from other parts of the globe appear to be rising. Global growth risks from the Euro area, Japan, China and other emerging markets are currently worrying the market. Currency risks seem to be increasing as monetary policy appears to be diverging between the Fed, which is widely expected to raise rates in 2015, and other major global central banks which are still easing. As we mentioned last quarter, the prospect of tighter monetary policy in the U.S. and looser central bank policies abroad should continue to strengthen the U.S. dollar and flatten the U.S. Treasury yield curve. Amidst an environment of declining inflation expectations and extremely low German and Japanese government yields, U.S. interest rates should stay low. Thus, we reiterate our view that the slow growth, low rates and accommodative monetary policy environment will continue.

The positives of low government yields, supportive central banks and a benign default outlook are being countered by declining sentiment, poor liquidity and some assets that appear fully-priced. We continue to believe market volatility and global decoupling will again be a major theme in 2015. While the corporate sector may face additional risks as it adjusts to the new economic reality, it does so from an overall position of financial strength. We expect a higher volatility environment to present some attractive opportunities in the credit markets, enabling active managers to continue to distinguish themselves.

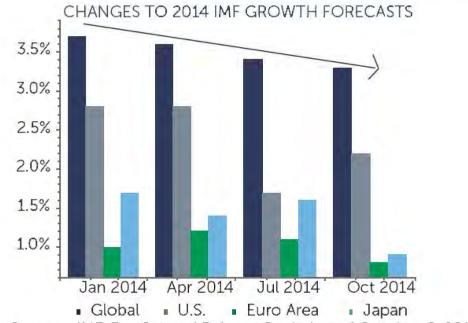
Figure 10: Wage Growth Showing Early Signs of Life?

Source: FactSet and Bureau of Labor Statistics as of September 30, 2

Figure 11: Corporate Profits Reach a New High

Source: FactSet and Bureau of Economic analysis as of September 30, 2014.

Figure 12: Global Growth Forecast Weaker



Source: IMF, FactSet and Babson Capital as of October 6, 2014

INVESTMENT GRADE CORPORATE CREDIT

Highlights

- Investment grade corporate credit spreads widened in the fourth quarter led by energy
- U.S. investment grade corporate issuance set a new record with $1.15 trillion of new supply
- Within corporate credit we retain our preference for BBB/BB-rated bonds

Figure 13: Investment Grade Corporate Spreads

— Barclays US Aggregate Credit - Corporate - Investment Grade

Source: Factset as of December 31, 2014.

MARKET REVIEW

Despite stronger U.S. economic growth in the fourth quarter, global data generally disappointed. Moreover, the winding down of quantitative easing by the Federa Reserve combined with dramatically lower oil prices set the stage for a notable rise in volatility across global markets.

Corporate spreads, as measured by the Barclays Corporate Index, widened by 19 bps during the quarter, the largest quarterly widening since the second quarter of 2012. Energy led the way, widening 64 bps, as West Texas Intermediate (WTI) Crude Oil dropped over $36 during the same period. The weakening in spreads has been indiscriminate, impacting Pipelines, Refiners and Servicers as well as higher- and lower-quality energy names alike.

This spread weakness has occurred even as profit margins, revenues, and EBITDA are close to all-time highs. However, these metrics have started to plateau. Debt on corporate balance sheets has increased to nearly $3 trillion, though this rise in leverage is not impacting all sectors and companies equally—resulting in a mixed picture overall. Corporate capital expenditure (capex) is high by historical standards but this is primarily from energy and metals & mining companies. Capex without this cohort is not significantly higher over the past decade. Dividends and share buybacks have been rising, though we would expect these to slow as more stressed energy and metals & mining companies reduce dividends. Overall leverage is increasing among investment grade corporates, but this is mainly concentrated in companies with healthy balance sheets as opposed to those with already high levels of debt.[1]

U.S. investment grade corporate issuance set a new record-high in 2014 with $1.15 trillion of gross supply and $596 billion of net supply.[2] We expect issuance to remain robust into 2015 driven by M&A and low yields. As investors have shown a preference for new issuance, supply has been easily absorbed.

OUTLOOK

We expect 2015 to bring more volatility in global markets than has been the case in recent years. The significant changes in oil and other commodity prices, combined with what we see as a potential inflection point in global monetary policy, should be contributing factors. Corporate credit still compares well from a relative value perspective to other U.S. fixed income sectors as spreads have widened over the last three months. Additionally, with U.S. interest rates higher than in many other parts of the globe, there is strong demand for USD corporate credit which should be beneficial in 2015 as supply projections are close to 2014 issuance levels.

Within corporate credit, we retain our preference for cross-over BBB/BB-rated bonds given the spread-widening that occurred in the fourth quarter. We have a preference for shorter duration securities given our expectations for increased volatility in 2015, but will look to add longer duration exposure as opportunities arise. Finally, we continue to look for opportunities to add select emerging markets (EM) exposure as market movements result in attractive risk/return profiles in specific EM Corporate names.

1. Source: J.P. Morgan
2. Source: Barclays, U.S. Investment Grade Corporate Update; January 5, 2015.

GLOBAL HIGH YIELD BONDS AND LOANS

MARKET REVIEW

The negative trend in high yield from September continued into mid-October, and then things turned positive for the rest of October into November. However, in late-November, post OPEC's announcement that it was not reducing production, the tone turned more negative as oil prices declined and high yield market volatility increased. Absent the energy sector, the U.S high yield markets were generally positive until late in the quarter, when most sectors turned negative. Overall, the U.S. high yield bond market has the largest exposure to energy (14-18%), followed by the U.S. loan market (less than 5%). The European bond and loan markets have minimal energy exposure. High yield bonds were down 1.00% in the U.S. but up 0.85% in Europe for the quarter, and up 2.45% (excluding energy would have been up 4.35%) in the U.S. and up 5.25% for the full year 2014. Loans were down 0.37% in the U.S and up 0.18% in Europe for the quarter, and up 2.06% in the U.S. and up 2.49% in Europe for the full year 2014. (Barclays U.S. Corporate High Yield Index, BofA/ML European High Yield Constrained Non-Financial Index, Credit Suisse Leveraged Loan Index and Credit Suisse Western European Leveraged Loan Index, as of December 31, 2014).

After record global high yield new issuance in 2013, issuance declined in 2014, although it was still the second largest year on record with $1 trillion of new issuance. The European high yield bond market had its largest new issuance year ever. Despite strong issuance in 2014, the fourth quarter was the lightest new issuance quarter of the year.

Loan retail mutual funds continued the trend of recent quarters and had outflows of $13.8 billion, ending the year with nine straight months of outflows after 21 months of inflows. For the full year, loan mutual funds experienced $22.9 billion of outflows after record inflows in 2013 of over $62 billion. After $5.6 billion of inflows into U.S. bond mutual funds in October and November, the quarter ended with $8.2 billion of outflows in December, resulting in U.S. high yield mutual fund outflows of $19.7 billion for the full year. European high yield mutual funds had outflows of €2.0 billion during the quarter and inflows of €5.0 billion for the full year. U.S. CLO issuance had another strong quarter with $30.7 billon of issuance and has set a new annual record with $131.4 billion priced, surpassing 2007's $94.1 billion. European CLO issuance remained strong and 2014 issuance of $19.2 billion is the fourth largest year on record. (J.P. Morgan; fund flow estimates may not include all December monthly reporters).

Spreads and yields across both bonds and loans in the U.S. and Europe widened during the quarter and except for European loans, spreads and yields are wider since the start of the year. During the quarter, bond spreads in the U.S. widened 59 bps to 483 bps, while Europe widened 20 bps to 431 bps. The yield to worst increased 48 bps in the U.S. to 6.61% and 3 bps to 4.58% in Europe (Barclays U.S. Corporate High Yield Index and BofA/ML European High Yield Constrained Non-Financial Index, as of December 31, 2014). In loans, the three-year discount margin increased 48 bps in the U.S. to 558 bps and by 11 bps in Europe to 521 bps. (Credit Suisse Leveraged Loan Index and Credit Suisse Western European Leveraged Loan Index, as of December 31, 2014).

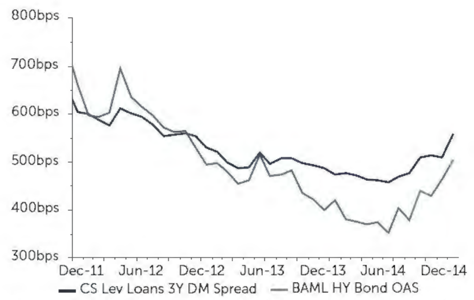
OUTLOOK

We expect volatility to continue, especially in energy-related names. Despite this volatility, corporate fundamentals remain stable, and as a result, we believe defaults will remain below historical averages. Overall we remain favorable towards secured credit.

Highlights

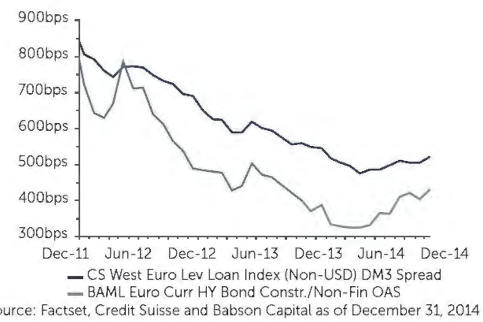
- Volatility increased in the fourth quarter, especially in energy-related names
- Corporate fundamentals remain stable
- We expect defaults to remain below historical averages

Figure 14: U.S. Loan and Bond Spreads



Source: Factset, Credit Suisse and Babson Capital as of December 31, 2014

Figure 15: European Loan and Bond Spreads



Source: Factset, Credit Suisse and Babson Capital as of December 31, 2014

STRUCTURED CREDIT

Highlights

- CLO 2.0 spreads widened across the capital stack in the fourth quarter
- Global issuance set a record-high at $150 billion
- We see value opportunities throughout the capital stack

MARKET REVIEW

The oil-driven volatility in the corporate bond and loan markets fed through to the CLO market in the fourth quarter as spreads widened across vintages and throughout most of the capital structure. Issuance slowed in the fourth quarter but remained strong by historical standards to cap off what was a record year for new supply. With the market adjusting to new risk-retention rules, issuance may slow in 2015. Given the widening of spreads, we see opportunities across the capital stack as opposed to previous quarters when compelling value was mainly concentrated in senior CLO tranches.

Secondary trading volumes of USD CLOs, as measured by published bid list activity rose in the fourth quarter to $9 billion (up from $7 billion in the third quarter).[1] AAA paper constituted the majority of trades as usual, but in a change from recent quarters, equity tranches were particularly well-offered, driven by unexpected selling from Business Development Companies (BDCs) and concerns about oil & gas credits. Trading in Euro-denominated paper also rose in the quarter to €2.6 billion versus €1.5 billion in the third quarter.[2] Looking forward to 2015, we anticipate healthy secondary volumes as we expect volatility in the credit markets to continue.

CLO spreads widened nearly across the board in the fourth quarter, a change from previous quarters which saw 1.0 paper tighten and 2.0 paper widen. Recent vintage AAA and AA spreads widened 10 bps and 15 bps, respectively, and finished the quarter at or near the widest levels of the year. Mezzanine 2.0 CLO spreads also widened for the quarter despite a brief rally mid-quarter. Even CLO equity, which has been range-bound for nearly two years, finally widened under heavy supply and growing credit concerns. Vintage (1.0) CLO paper, which is in relatively short supply, also widened in a sign that recent CLO price weakness in not entirely a supply-driven phenomenon (Figure 16).

Figure 16: Trading Levels (Discount Margins in bps) for Typical CLOs

CLO 1.0*

	CURRENT	Q/Q CHANGE
AAA	98	2
AA	144	8
A	190	4
BBB	305	3
BB	485	-3
EQUITY	12.0%	1%

CLO 2.0*

	CURRENT	Q/Q CHANGE
AAA	165	10
AA	256	15
A	355	16
BBB	461	21
BB	688	37
EQUITY	12.0%	1%

Source: J.P. Morgan as of December 31, 2014.
*Post-financial crisis issuance is commonly referred to as CLO 2.0; the primary difference with pre-crisis era CLOs (CLO 1.0) is that CLO 2.0 structures have lower leverage.

Global CLO issuance slowed slightly in the fourth quarter but with a still robust $36.2 billion in new paper, annual global issuance reached an all-time high of $150 billion. Despite the record issuance, market participants did not end the year in a celebratory mood as global issuance for December ($8.7 billion) was the lowest since January 2014. Estimates for 2015 CLO issuance vary widely, mainly driven by a lack of consensus on how risk-retention rules will impact the market—with a rush to issue ahead of new rule implementation potentially being offset by less participation from smaller and/or less capitalized managers. The silver lining is that lower supply may have a positive effect on secondary pricing levels. Issuance trends were not uniform across geographies as European new supply ($19.2 billion) was well below former peak issuance, though up notably from 2013 ($10.3 billion). Spreads in Europe have been uncharacteristically tighter than those in the U.S. but the gap between the two began to close in the fourth quarter as the new issue pipeline started to fill up in Europe. Finally, CLO re-financing has slowed materially as CLO liabilities have widened beyond the coupons currently available in 2-3 year-old transactions; this will likely reduce near-term supply but create a source of "shadow" supply should spreads tighten significantly. (J.P. Morgan)

OUTLOOK

We believe that excellent opportunities exist for investors throughout the CLO capital structure. In our opinion, senior CLO tranches offer notable value relative to similarly rated assets. Additionally, given the volatility in the markets in the fourth quarter, value opportunities have arisen further down the capital stack in mezzanine and equity tranches. Finally, slowing new issuance in the asset class should persist in early-2015, which we believe will support prices overall.

1. Source: CitiVelocity (research website)
2. Source: Ibid

EMERGING MARKETS

MARKET REVIEW

Emerging Markets (EM) experienced a fair amount of volatility during the fourth quarter as spreads widened, long-dated U.S. Treasury yields fell, oil slid 50% from its recent peak and geopolitical tensions continued to cast a shadow over some regions. EM hard currency bond indices demonstrated resilience until December, with EM Sovereigns holding on to gains and finishing 2014 with a total return of 7.43%. EM Corporates were also in positive territory, returning 4.96%, while EM Local Currency Debt fell 5.72%. EM local rates remained steadfast, returning 3.15%, however currencies continued to decline over 10% on the back of slower global growth and the dramatic decline in the price of oil during the quarter. (J.P. Morgan)

EM aggregate debt funds experienced $0.4 billion in inflows during the fourth quarter, leaving net flows for the year up $13.4 billion, or roughly double the prior year's inflows. Within that, hard currency Sovereigns saw strong inflows while Local Currency Debt experienced outflows and a key trend towards blended strategies emerged. EM Corporate spreads and yields widened 40 bps and 10 bps, respectively, during the quarter as U.S. Treasury yields fell, tensions re-escalated between Russia/Ukraine and China's economy slowed. New issuance ended the year at $340 billion, surpassing 2013's $330 billion (72% investment grade), led by Asia with 51% of all new issuance. Asia led regional performance with total returns +7.14%, with India +5.04% and China +5.37%. Meanwhile, Eastern Europe continued to lag its peers with a total return of -4.0%, pulled down by the conflict between Russia -11.18% and Ukraine -29.95% in addition to slow economic activity out of Europe and the dramatic decline in the price of oil along with other commodities. (J.P. Morgan)

EM corporate defaults reached 2.7% for the year, with Latin America at 4.4%, the Middle East & Africa at 4%, EM Europe at 2.6%, and Asia at just 0.9%, per BofA Merrill Lynch. Consensus forecasts for 2014 were for defaults of approximately 3.0%. We continue to believe that fundamental research is important in potentially avoiding default candidates.

EM Local Currency Debt continues to be affected by the stronger U.S. dollar, persistently weak global trade and a strong decline in commodity prices. Currencies underperformed (-12% for the year) beginning in July, led by a depreciation in the Russian Ruble which registered total returns for the year of -46%, along with the Colombian Peso -19%, Chilean Peso -13% and the Hungarian Forint -17%. (J.P. Morgan)

EM Sovereigns, as a whole, remained strong throughout the year with Belize, Honduras and Jamaica leading the way with returns above 15%. Oil-linked sovereigns Venezuela -30%, Ecuador -11%, Russia -7.6% and Kazakhstan -5% dragged the index down on the heels of the decline in oil with investors closely watching for indications of deteriorating current accounts and other economic stresses.

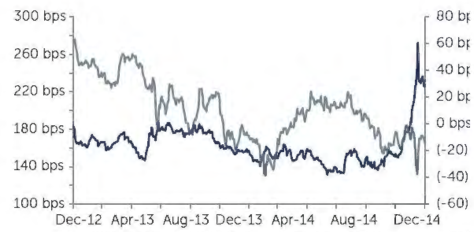
OUTLOOK

We continue to see opportunities in Emerging Markets but with volatile conditions in commodity markets and slowing global growth, we believe that selectivity and a focus on credit analysis are critical. EM Corporates are likely to be supported by a benign outlook for U.S. rates and we expect continued strong issuance to further cement this as a mainstream asset class. A further strengthening of the U.S. dollar could put additional pressure on Local Currency Debt but with EM countries using their currencies as shock absorbers to protect their creditworthiness, we believe that hard currency bonds will be more insulated. Oil-linked countries may continue to underperform while those tied to U.S. growth may benefit most.

Highlights

- Emerging Markets experienced increased volatility in the fourth quarter
- EM Corporates and hard currency Sovereigns registered positive returns for the year while Local Currency bonds posted negative returns
- Economies linked to the U.S. may outperform while oil-driven countries may continue to underperform

Figure 17: EM Corporate vs. Sovereign Spreads



Source: J.P. Morgan, data as of December 31, 2014.
CEMBI spreads are relative to sovereign bonds for all CEMBI bond for which there is a sovereign curve for comparison

Figure 18: EM Local Market Government Bond Yields vs. U.S. 5-year Swaps

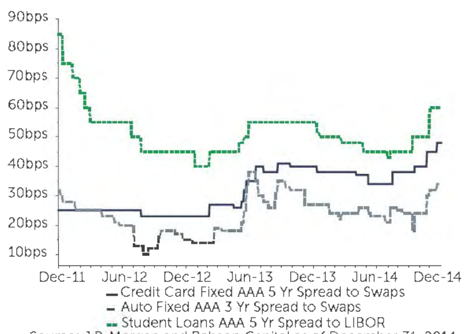
Source: J.P. Morgan and Bloomberg; data as of December 31, 2014

ASSET BACKED SECURITIES

Highlights

- ABS issuance was robust in the fourth quarter
- Regulatory scrutiny increased across various sectors and bears watching in 2015
- The asset class continues to gain traction with investors and issuers

Figure 19: ABS Spreads



Source: J.P. Morgan and Babson Capital as of December 31, 2014.

MARKET REVIEW

The asset-backed security (ABS) market saw strong issuance to finish the year, albeit in an environment of gradually widening spreads late in the quarter. ABS issuance exceeded 2013 levels by approximately 20%, with esoteric ABS in particular enjoying a surge of activity late in the year. Activity was broad-based with at least 12 deals coming to market in the fourth quarter in the subprime and near-prime auto sectors, along with notable transactions in business development loans, dealer floorplan, equipment finance, container leases, cell phone tower leases, merchant cash advances, single tenant realty, auto dealer specialty CMBS, timeshare receivables, tax liens and television royalties. Additionally, issuance in aircraft lease deals, minimal for years following the financial crisis, began a nascent recovery with three transactions during the quarter.

Increased regulatory scrutiny was a theme across multiple sectors, which is a trend that bears monitoring. Specifically, the Consumer Financial Protection Bureau (CFPB) issued multiple reports on private student loan borrowers pointing to increases in the frequency of complaints relating to borrowers' inability to pay, a lack of options around loan modifications and illegal loan servicing practices. While the CFPB's approach thus far does not appear to be focusing on a single practice or behavior, the private student loan business is clearly an area of concern for them and one that we continue to monitor closely. The subprime auto sector also appears to be under heightened scrutiny as evidenced by the CFPB's $8 million fine on DriveTime, an operator of "buy here, pay here" dealerships, for what it described as unfair debt collection practices. We believe that the industry is capable of managing the regulatory focus and that investors in securitizations are well protected, but these trends bear close monitoring in 2015.

ABS issuers were active in public equity markets in the fourth quarter, with several IPOs and filings to raise equity capital. IPOs were priced in the quarter for STORE Capital (an issuer of leases on single tenant properties), On Deck Capital (an issuer of securitizations backed by loans and merchant cash advances to small businesses) and Avolon Holdings (a lessor with a mix of narrow and wide-body aircraft). Additionally, IPOs were announced for OneMain Financial (a subsidiary of Citigroup issuing securitizations backed by personal loans to subprime borrowers) and Intrepid Aviation (a wide-body aircraft lessor). We follow equity performance among ABS issuers and related sectors closely; we believe equity capital raises in issuing sectors serve as validation of the business models and provide enhanced information flow and transparency for issuers and non-public competitors alike.

OUTLOOK

Despite some widening in spreads on low volume as the market moved into year-end, the ABS market, broadly speaking, had a very successful year in 2014, expanding its bases of both issuers and investors. We expect this growth to continue in 2015, as a decline in Federal Family Education Loan Program (FFELP) student loan securitization and flat issuance in credit cards are offset by healthy growth in traditional sectors such as autos and equipment as well as esoterics.

RESIDENTIAL AND AGENCY MORTGAGE BACKED SECURITIES

MARKET REVIEW

In the legacy residential mortgage-backed security (RMBS) market, the fourth quarter was characterized by a high level of secondary market activity as spreads tightened and particular strength was seen in shorter maturities. The primary market was less active, particularly for traditional non-agency paper, where new-issue volumes finished below 2013 levels. With new supply limited, the main venue for investors in search of residential credit exposure continued to be government sponsored enterprise (GSE) "credit sharing" platforms (STACR[1] and CAS[2] securities), the REO-to-Rental[3] sector and non-performing loan transactions (NPLs). While demand has not been particularly deep for either the GSE credit sharing vehicles or the REO-to-Rental sector, with both subject to spread volatility from new supply, we expect these markets to continue developing in 2015. We anticipate incremental supply in both markets over the next twelve months which may result in the emergence of new investors, improved secondary market liquidity and greater pricing transparency.

In the agency mortgage-backed security (MBS) market, spreads tightened during the quarter which was particularly notable as the Fed's quantitative easing program came to an end in late-October. This effectively ended net new purchases of agency mortgage securities for the central bank's balance sheet. Notwithstanding the completion of the taper, the Fed is likely to continue to reinvest mortgage paydowns in 2015, and possibly into 2016. The prospect of this continued reinvestment combined with muted net issuance has undoubtedly been a source of support for the market.

Elsewhere, regulatory changes impacting the RMBS space remained in focus during the fourth quarter. Specifically, the Federal Housing Finance Agency (FHFA) announced changes to the framework under which Fannie Mae and Freddie Mac will enforce originator representations and warranties. The changes require originators to buy back loans where misrepresentations or data inaccuracies have occurred in origination. Uncertainty around the specifics of how these changes would be applied emerged as a significant source of risk for originators. This prompted further clarification from the FHFA including establishing a minimum number of loans that must be identified to trigger so-called "life of loan exclusions," and instituting a significance test to determine whether a loan would have originally been ineligible for purchase had the information been accurately reported.

Additional clarity around risk-retention requirements for securitized products (under the Dodd-Frank Act) also emerged during the quarter. The final version of the rule allows issuers to retain either a "vertical" 5% slice of all cashflows in a securitization or a "horizontal" 5% first loss or residual piece. The ruling, which was a coordinated effort from six federal agencies, also provides a number of exceptions and perhaps most significantly, standardizes the definition of a Qualifying Residential Mortgage (QRM) and effectively exempts these mortgages from risk-retention rules.

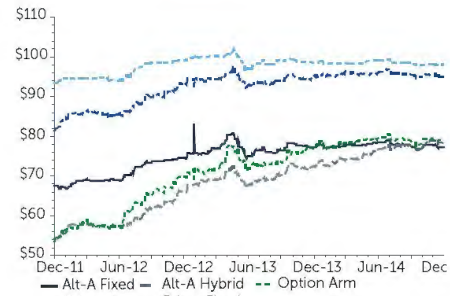
OUTLOOK

Looking forward, we expect the legacy non-agency RMBS market to continue to benefit from the strong technicals that have propelled it to current levels. Post-crisis issuance, also known as RMBS 2.0, appears to be more fully valued but could become more attractive if spreads widen on agency paper. Spreads in the agency market ended 2014 at or near their tightest levels of the year, and we think the market is likely vulnerable to some spread-widening as demand among market participants is reallocated in 2015. Finally, as discussed, we anticipate a further deepening of the GSE credit sharing and REO-to-Rental markets in 2015.

Highlights

- Spreads in both the agency and non-agenc MBS markets were firm over the course of the quarter
- Regulatory changes remained a key focus
- We expect legacy non-agency RMBS to remain strong while agencies look vulnerat to spread-widening

Figure 20: RMBS PRICES



Source: J.P. Morgan and Babson Capital as of December 31, 2(

Figure 21: AGENCY MBS SPREADS

Source: Factset and Babson Capital as of December 31, 2014.

1. Structured Agency Credit Risk (STACR) debt notes are issu by Freddie Mac; principal payments are determined by the delinquency and principal payment experience on a STACI Reference Pool consisting of recently acquired single famil mortgages from a specified period.
2. Connecticut Avenue Securities (CAS) are issued by Fannie Mae. Payment on securities is based on the performance o loans in a "reference pool" of recently securitized Fannie M MBS.
3. Real Estate Owned-to-Rental

COMMERCIAL REAL ESTATE

Highlights

- Continued strong commercial real estate fundamentals remain supportive of the sector
- 2014 was the strongest year for new issuance since the start of the recovery
- We expect CMBS spreads to tighten in the near term given favorable market technicals

Figure 22: CMBS Spreads

Source: Factset as of December 31, 2014.

MARKET REVIEW

As in the third quarter, commercial mortgage-backed security (CMBS) pricing finished the year on a mixed note. Continued strengthening in commercial real estate fundamentals and a broadening of transaction activity combined with strong technicals and a low-yield environment provided support for the asset class. Conversely, a heavy new issue calendar and heightened broader market volatility were headwinds during quarter.

Legacy AAA super-seniors, AMs (mezzanine AAA class with 20% credit-enhancement at issuance), AJs (natural AAA class), and seasoned mezzanine classes were unchanged to slightly tighter over the quarter as investor interest remained strong for names that have less voluntary and involuntary prepayment risk and offer adequate protection from projected losses. 2.0/3.0[1] super-senior AAA spreads widened to finish at 88–90 bps spread-to-swaps, or near the widest levels of the year. Additionally, 2.0/3.0 junior AAA-rated through BBB minus-rated classes were wider by 15–20 bps.

After falling behind 2013 levels in the first half of the year, the pace of CMBS issuance strengthened in the third and fourth quarters resulting in the highest full year of issuance since the recovery began. Volumes for the year totaled $57.2 billion for conduit transactions and $28.5 billion in single-asset/single-borrower (SASB) transactions, up 7% and 13%, respectively, over 2013.[2] In terms of overall CMBS performance, delinquencies fell to 5.75% at year-end, owing in part to an increase in prepayments and defeasance activity in 2014. Delinquencies fell 168 bps on the year.[3]

OUTLOOK

In the near term, we expect CMBS spreads to tighten and the credit curve to flatten as the sector still offers relative value versus corporates, in our opinion. Positive technicals in the form of a low-yield environment and negative net supply should also support investor demand. We continue to favor seasoned double-A rated through triple-B classes from 2011 and 2012 transactions as these bonds have 20-25% embedded property price appreciation that makes their credit profile more like single-A bonds off of new issue.

With an accelerating U.S. economy driving further strengthening in real estate fundamentals and continued strong investor demand for real estate that is moving up the risk spectrum into more secondary and tertiary markets, demand for CMBS financing in 2015 should outpace 2014 levels. Increased competition among loan originators as the debt market recovery matures is leading to the (re-) emergence of more complex deals and also concerns about less stringent underwriting criteria factors that will have to be watched carefully in 2015.

1. CMBS 2.0 refers to new transactions restarted in 2010 after a period of non-issuance. CMBS 3.0 refers to transactions issued publicly from 3Q 2011 onwards.
2. Source: Morgan Stanley, CMBS Deal Comp Database
3. Source: Trepp

GLOBAL PRIVATE DEBT

MARKET REVIEW

Much of the world's economic activity is fueled by privately financed companies, as evidenced by the exponential growth in the ratio of private debt to GDP globally.[1] Despite the significant economic representation, the role of private markets in investor portfolios remains relatively limited. Importantly, this disproportionate relationship may shrink as the significant opportunity in the private lending market further develops.

Once thought of as an opportunistic or alternative allocation, private debt as a standalone asset class is gaining in popularity amongst investors and money managers alike. Traditional banks, hamstrung by stringent regulatory frameworks and the need to deleverage, have been unable to serve an expanding market of borrowers. This has resulted in borrowers seeking alternative sources of financing, allowing institutional debt funds to fill this void globally. There are regional differences; for instance, in the U.S., leveraged lending is dominated by the institutional market whereas European and Asian economies are far more reliant on bank lending, a notable disparity creating opportunity for non-bank lenders.

As global investment firms step into the financing role formerly dominated by banks, a mutually beneficial relationship is created between lenders and investors. The latter have been drawn to private debt funds both for their potential to generate attractive yields in today's low-rate environment and as a way to further diversify their fixed income portfolios. The attractions of the asset class have also resulted in new entrants, namely traditional fixed income managers seeking to broaden their product offerings. However, in our opinion, money managers with established private lending platforms and direct origination sources have a distinct advantage in the direct lending market, namely: *access* to opportunities and the *demonstrated* ability to effectively execute transactions. Managers with broad capabilities should also be better positioned to tailor fund strategies to match an investor's risk appetite and allocation preferences. These factors will be crucial in differentiating emerging managers from established ones, in our opinion.

Fundraising in global private debt increased materially from 2009 to 2013, as the number of funds more than doubled and the total capital raised increased from $23 billion in 2009 to $77 billion in 2013. This trend continued in 2014 with an estimated $101 billion in funds raised. Capital flows were the greatest in the more mature North America market; Europe showed the most year-over-year growth while Asia Pacific remains bank-dominated with early institutional penetration.[2] Within the overall private debt fund space, institutional investors recently ranked direct lending funds as their top preference for investment (Figure 23).

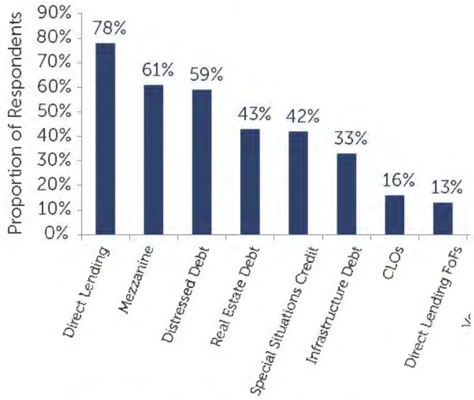
OUTLOOK

We expect to see the continued development of the private debt asset class in 2015. In a sustained low-rate environment, investors are likely to seek out asset classes that can generate attractive yields while at the same time providing diversification. The floating-rate payment structure of most private debt instruments, along with a continued strong corporate fundamental picture should also bolster demand for the asset class. We continue to see private debt investment opportunities across the globe and throughout the capital structure. In our opinion, institutional investors with the experience and relationships to source deals across geographies are positioned well to generate attractive returns in private debt in the coming years.

Highlights

- Private debt strategies are increasingly popular amongst investors in the post-crisi hunt for attractive yield
- As banks maintain higher capital reserves in a heightened regulatory framework, considerable opportunities exist for non-bank lenders

Figure 23: Institutional Investors' Preferences for Private Debt Fund Type



Source: Preqin Special Report: Private Debt: The New Alternative?, July 2014.

1. Source: World Bank
2. Source: Preqin

EQUITIES

Highlights

- U.S. equities returned 4.93% for the quarter and 13.69% for the year
- Falling commodity prices and low labor costs remain supportive of equities
- We believe the longer-term secular bull market remains in place

MARKET REVIEW

Equities, as measured by the S&P 500, returned 4.93% in the fourth quarter and 13.69% for the year. The quarter was one of ups and downs. It ended more up than down, but to a large degree how well it went was a function of how much energy and energy-related exposure investors had in their portfolios. While difficult to pinpoint the specific drivers behind the collapse in oil prices during the fourth quarter, market participants have pointed to new supply being added in the U.S (as innovations in drilling techniques took hold) and a slowing in global demand. Many energy stocks closely tracked the relentless fall in oil over the course of the quarter, which at times weighed on the market overall.

Three themes are evident in relation to these market movements. The first is that while overall volatility has declined, event volatility has increased. A potential explanation for this is that short-term market moves are arguably dominated by market participants who are heavily incentivized to "protect the downside". When events such as the recent drop in oil prices occur, these players push the market more than would otherwise be expected, adding to the event volatility. The second theme is the continuation of the secular bear market in commodities that began back in 2011. For equity investors, this trend may prove to be helpful as secular commodity bear markets have historically tended to coincide with secular bull markets in equities. The third theme is that valuation matters. When energy stocks hit their all-time low on relative price-to-book measures in mid-December (they were as cheap relative to the market as they have ever been when measured by their market value to book value), they turned and started to rally. While it is difficult to predict if this low will hold, we believe that valuation is a fundamental driver of performance over the long term and easier to analyze than the future direction of volatile commodity prices.

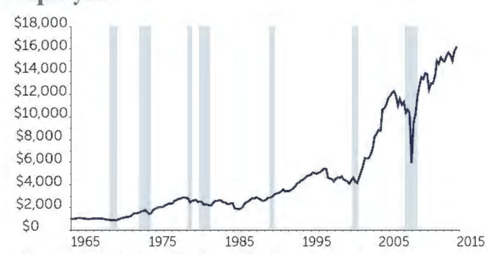
OUTLOOK

We continue to believe that equities are in a secular bull market. Inevitably, within such a long-term trend, there will be periods of cyclical decline, but over the long term we think that equities can provide attractive annualized returns. Rather than trading in and out of the market, we believe that the way to profit from the secular bull trend is by investing in companies over a long time horizon. We expect both the positive trend in equities and the negative trend in commodities to continue.

Figure 24: A Bear Market in Commodities

Source: Ned Davis Research; data period: Jan 1975 - Dec 2014.

Figure 25: U.S. Corporate Profits per Employee



Source:FactSet as of December 31, 2014.

IMPORTANT INFORMATION

Standard and Poor's Rating Definitions:

'AAA'—Extremely strong capacity to meet financial commitments. Highest Rating.
'AA'—Very strong capacity to meet financial commitments.
'A'—Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.
'BBB'—Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.
'BBB-'—Considered lowest investment grade by market participants.
'BB+'—Considered highest speculative grade by market participants.
'BB'—Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
'B'—More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.
'CCC'—Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments.
'CC'—Currently highly vulnerable.
'C'—Currently highly vulnerable obligations and other defined circumstances.
'D'—Payment default on financial commitments.
Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Index Definitions:

Barclays Capital Gov't & Treasury Index is a broad-based benchmark that measures the government and Treasury bond market.
Barclays Capital Municipal Bond Index is a broad-based benchmark that measures the municipal bond market.
Barclays Capital Aggregate Index is a broad-based benchmark that measures the securitized, corporate, agency, government and Treasury bond markets.
Barclays Capital TIPS Index is a broad-based benchmark that measures the inflation-protected Treasury bond market.
Barclays Capital Securitized ABS Index is a broad-based benchmark that measures the asset-backed securities market.
Barclays Capital Securitized MBS Index is a broad-based benchmark that measures the mortgage-backed securities market.
Barclays Capital U.S. Investment Grade Corporate Bond Index is a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market.
Barclays Capital U.S. High Yield Corporate Bond Index is a broad-based benchmark that measures the below-investment grade, fixed-rate, taxable, corporate bond market.
Credit Suisse Leveraged Loan Index is designed to mirror the investible universe of the $US-denominated leveraged loan market.
Credit Suisse Western European Leveraged Loan Index is designed to mirror the investible universe of the non-$US-denominated leveraged loan market.
Dow Jones-UBS Futures Commodity Index is a broad-based commodity futures index. It is comprised of 20 commodities ranging from petroleum-based products to soft commodities to metals.
Employee Cost Index – An index compiled by the Bureau of Labor Statistics measuring percentage change in total compensation for private industry workers.
JPM Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified is an index of U.S. dollar-denominated Emerging Market corporate bond issues.
JPM Emerging Markets Bond Index (EMBI) Global Diversified is an index of U.S. dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities.
JPM Global Bond Index is a broad-based benchmark that measures the global bond market.
JPM Government Bond Index – Emerging Markets (GBI-EM) Global Diversified is an index that tracks local currency bonds issued by Emerging Market governments.
Thomson Reuters/Jefferies CRB Index is a broad-based commodity futures index. It is comprised of 19 commodities ranging from petroleum-based products to soft commodities to metals.
S&P GSCI Commodity Index – A broad-based index measuring the performance of commodity futures contracts, including energy, metals, agriculture and livestock.
S&P 500 Index is a capitalization-weighted index of 500 stocks.

BABSON STAFF LETTER

January 2015

Babson Capital Management LLC (Babson) is a leading global asset management firm with over $212 billion in assets under management as of December 31, 2014. Through proprietary research, analysis and a focus on investment fundamentals, the firm and its global affiliates develop products and strategies that leverage its broad expertise in global fixed income, structured products, middle market finance, commercial real estate, alternatives and equities. A member of the MassMutual Financial Group, Babson maintains a strong global footprint with operations on four continents and clients in over 20 countries. Learn more at babsoncapital.com or 1-877-766-0014.

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Babson
CAPITAL MANAGEMEN

BABSON FACTS AT A GLANCE

Fourth Quarter 2014

WHO WE ARE

Babson Capital is a global investment management organization that manages $212.8 billion[1]. With offices on four continents, we offer clients access to investment opportunities around the globe and across the investment universe, providing uniquely tailored investment strategies and an open door to our talented professionals.

WHAT WE DO

FIXED INCOME

Babson Capital Management is an institutionally-focused global fixed income manager with $165.4 billion[2] in assets under management. Our capabilities include investment grade, global high yield, structured products, and middle market finance.

REAL ESTATE

Cornerstone Real Estate Advisers is one of the largest global real estate investment managers with $45.4 billion in assets under management[4]. Cornerstone is one of the most diverse real estate investment organizations providing expertise in real estate equity and debt in both public and private markets.

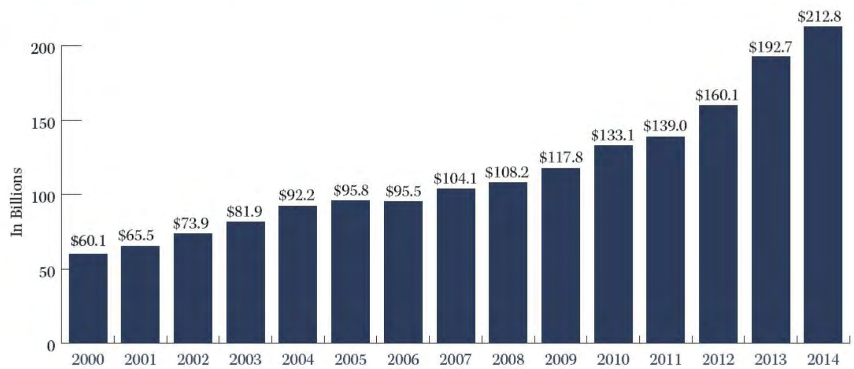
REAL ASSETS

Wood Creek Capital Management, LLC is an investment manager with $2.0 billion[3] in assets under management, at the forefront of real assets investing. Our mission is to address the challenges faced by institutional investors by offering asset-based investments within a defined investment horizon. Wood Creek constructs portfolios of tangible and intangible asset exposures for its clients, who are themselves global leaders in institutional investing.

ASSETS UNDER MANAGEMENT[1] AS OF DECEMBER 31, 2014

Total Firm AUM ($B)	$212.8
Total No. of Institutional Separate Accounts	184
Total No. of Funds	100
Tax-exempt AUM ($B)	$46.6

HISTORICAL ASSETS UNDER MANAGEMENT[1] PERIODS ENDING DECEMBER 31



BABSON CAPITAL MANAGEMENT INVESTMENT PLATFORMS[3]

Babson Capital Management	Cornerstone	Wood Creek
Market leading Global Fixed Income investment platforms	One of the largest global real estate investment managers	A leading asset manager in next generation alternative investments
AUM $165.4 Billion	**AUM** $45.4 Billion[4]	**AUM** $2.0 Billion
Investment Professionals 253	**Investment Professionals** 171	**Investment Professionals** 15
Core Capabilities Investment Grade, High Yield, Structured Products & Middle Market Finance	**Core Capabilities** Commercial Real Estate: Public & Private Equity & Debt	**Core Capabilities** Real Assets: Tangible & Intangible

Providing customized solutions for a diverse client base:

- Financial Institutions
- Insurance Companies
- Sovereign Wealth Funds
- Foundations & Endowments
- Pensions
- Superannuation Funds
- Family Offices
- Wealth Advisory

1. Asset figures include Babson Capital Management LLC and its subsidiaries Babson Capital Management (UK) Limited, Babson Capital Australia Pty Ltd, Cornerstone Real Estate Advisers and Wood Creek Capital Management as of December 31, 2014
2. As of December 31, 2014. Includes Babson Capital Management LLC and its subsidiaries Babson Capital Management (UK) Limited and Babson Capital Australia Pty Ltd
3. As of December 31, 2014
4. Includes subsidiaries

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
Numbers may not add due to rounding.

Babson

BABSON FACTS AT A GLANCE | Fourth Quarter 2014

EMPLOYEE INFORMATION

Total No. of Staff:	1,115
Number of Investment Professionals:	439
Number of Portfolio Managers:	89
Number of Analysts:	329
Number of Traders:	21
Average Years of Experience:	19

REPRESENTATIVE CLIENTS

Family Offices
Financial Services
Foundations & Endowments
Insurance Companies
Multi-employer (Taft Hartley)
Public & Corporate Qualified Plans
Sovereign Wealth Funds
Superannuation Funds

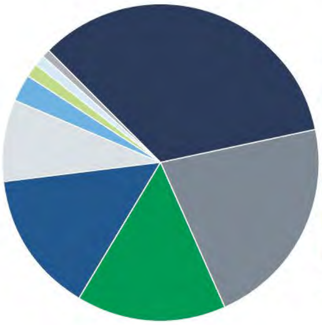
INVESTMENT OFFICE LOCATIONS

Charlotte
Chicago
Hartford
London
New Haven
Springfield
Sydney

REGIONAL OFFICE LOCATIONS

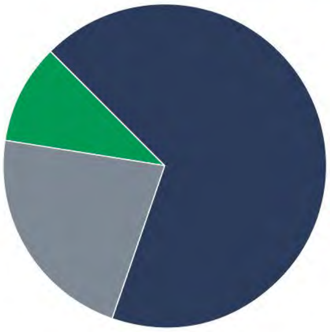
Amsterdam
Boston
Chicago
Dallas
Glastonbury
Helsinki
Hong Kong
Los Angeles
Melbourne
New York
Newport Beach
Rotterdam
Santa Monica
Stockholm
Tokyo
Washington D.C.

EXTERNAL AUM BY CLIENT TYPE



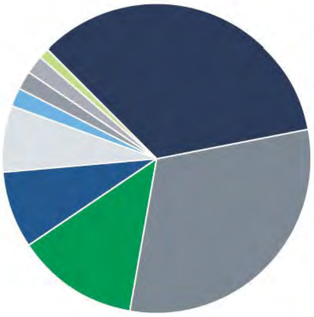
Sub-advised	34%
Corporate/Corporate Pensions	22%
Public Funds	15%
Structured Funds	14%
Insurance	8%
Superannuation Funds	3%
Mutual Funds	2%
Endowments & Foundations	1%
Family Offices/HNW	1%

EXTERNAL AUM BY CLIENT REGION



United States/N. America	68%
EMEA	22%
Asia Pacific	10%

EXTERNAL AUM BY ASSET CLASS



Investment Grade	35%
Senior Secured Loans	31%
Real Estate	13%
High Yield Bonds	8%
Structured Credit	7%
Real Assets	2%
Quantitative Equity	2%
Private Credit	1%
Alternatives & Private Equity	<1%

As of December 31, 2014. Asset figures include Babson Capital Management LLC and its subsidiaries, Cornerstone Real Estate Advisers and Wood Creek Capital Management. External AUM excludes the MassMutual general investment account.

1. Structured funds are distributed via intermediaries to a global investor base and may be traded in the secondary market

Learn more at babsoncapital.com or 1-877-766-0014.

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Babson

BABSON FACTS AT A GLANCE

Fourth Quarter 2015

WHO WE ARE

Babson Capital Management (Babson) is one of the world's leading global asset managers with over $222 billion in assets under management and clients in more than 20 countries.

With investment teams on four continents, our expertise across traditional and alternative asset classes provides visibility and access to a wide variety of opportunities for both our institutional and wealth advisory clients.

WHAT WE DO

At Babson, we build strong and enduring partnerships by leveraging our proven capabilities to meet the unique needs of our clients.

We draw on our deep experience in a wide range of traditional and non-traditional asset classes and employ a team-based approach that brings our best investment ideas to the forefront.

Our global teams of investment professionals—more than 400 across the U.S., Europe, Asia and Australia—work together to create innovative multi-strategy solutions for our clients.

FIRM STRUCTURE

MassMutual FINANCIAL GROUP

BARINGS
Global Equity, Fixed Income and Multi-Asset
$35.2 billion in AUM

Babson
Global Fixed Income, Private Credit and Equity, Multi-Asset
$222.9 billion in AUM[1]

OppenheimerFunds The Right Way to Invest
Global Equity and Fixed Income
$216.8 billion in AU

CORNERSTONE
Commercial Real Estate: Public and Private Equity and Debt
$46.3 billion in AUM

WOOD CREEK
Real Assets: Tangible Intangible
$2.6 billion in AUM

EMPLOYEE INFORMATION

Total Number of Firm Employees:	1,171
Number of Investment Professionals:	526
Number of Portfolio Managers:	87
Number of Analysts:	416
Number of Traders:	23
Average Years of Experience:	18

AUM & CLIENT GROWTH ($B)[2]

[1]Includes assets managed by Cornerstone and Wood Creek.
[2]Number of clients excludes structured funds and mutual funds.
As of December 31, 2015.

ASSET SPECIFIC AND MULTI-STRATEGY SOLUTIONS

GLOBAL FIXED INCOME

INVESTMENT GRADE **$81.1B**
- Short / Long Duration
- Core / Core Plus
- Corporate Bonds
- RMBS / ABS
- CMBS / Cornerstone[1]
- TIPS
- Stable Value

EMERGING MARKETS **$3.4B**
- Corporates
- Local Debt
- Sovereign

HIGH YIELD **$52.0B**
- Senior Secured Loans
- High Yield Bonds
- Structured Credit
- Special Situations
- Multi-Credit
- Event Driven

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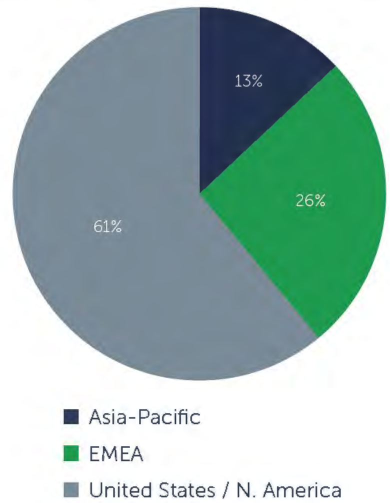

$2.1B is managed within public equity strategies.
[1]Cornerstone Real Estate Advisers, a wholly owned subsidiary, is one of the largest real estate investment managers in the world.
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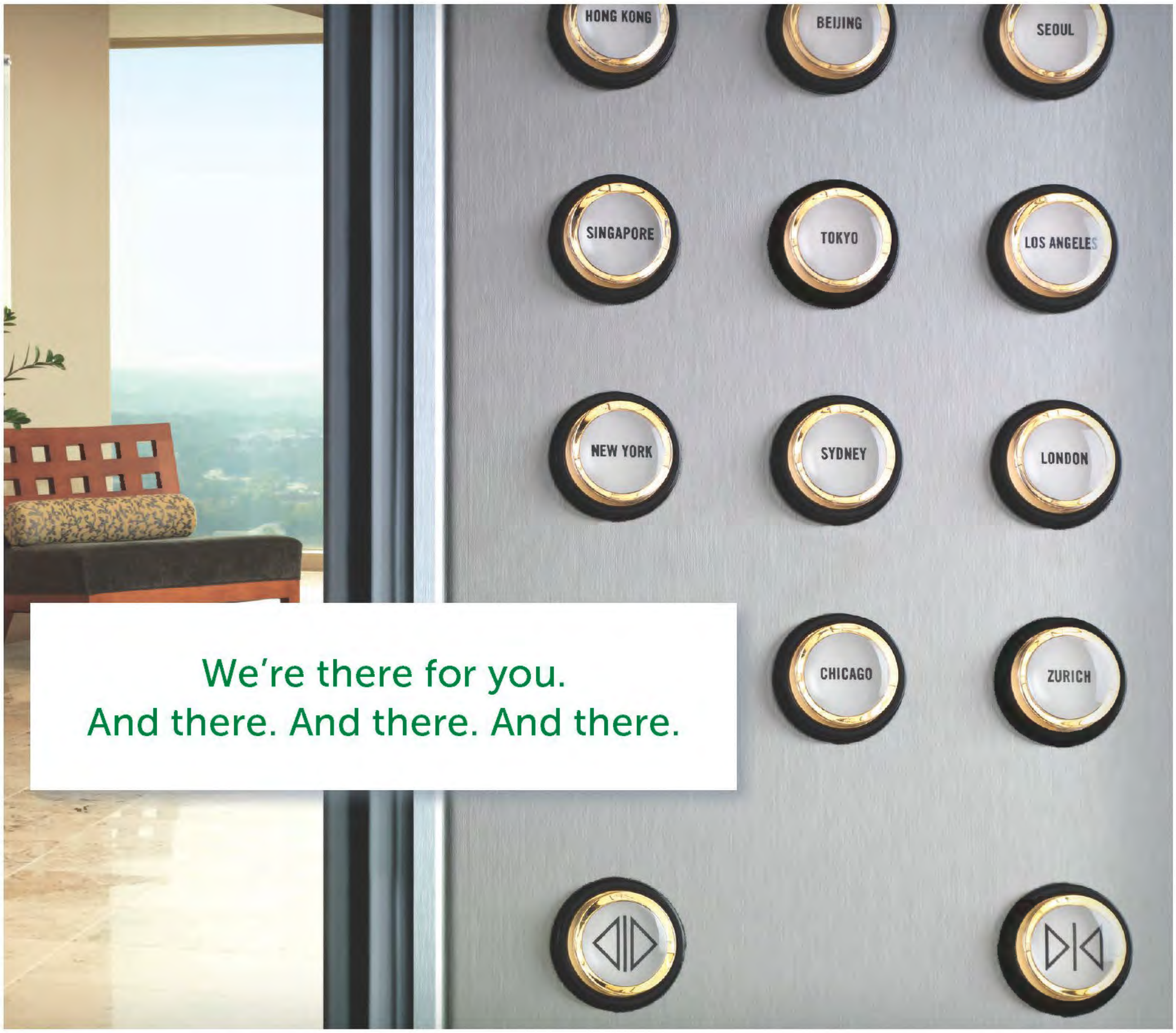

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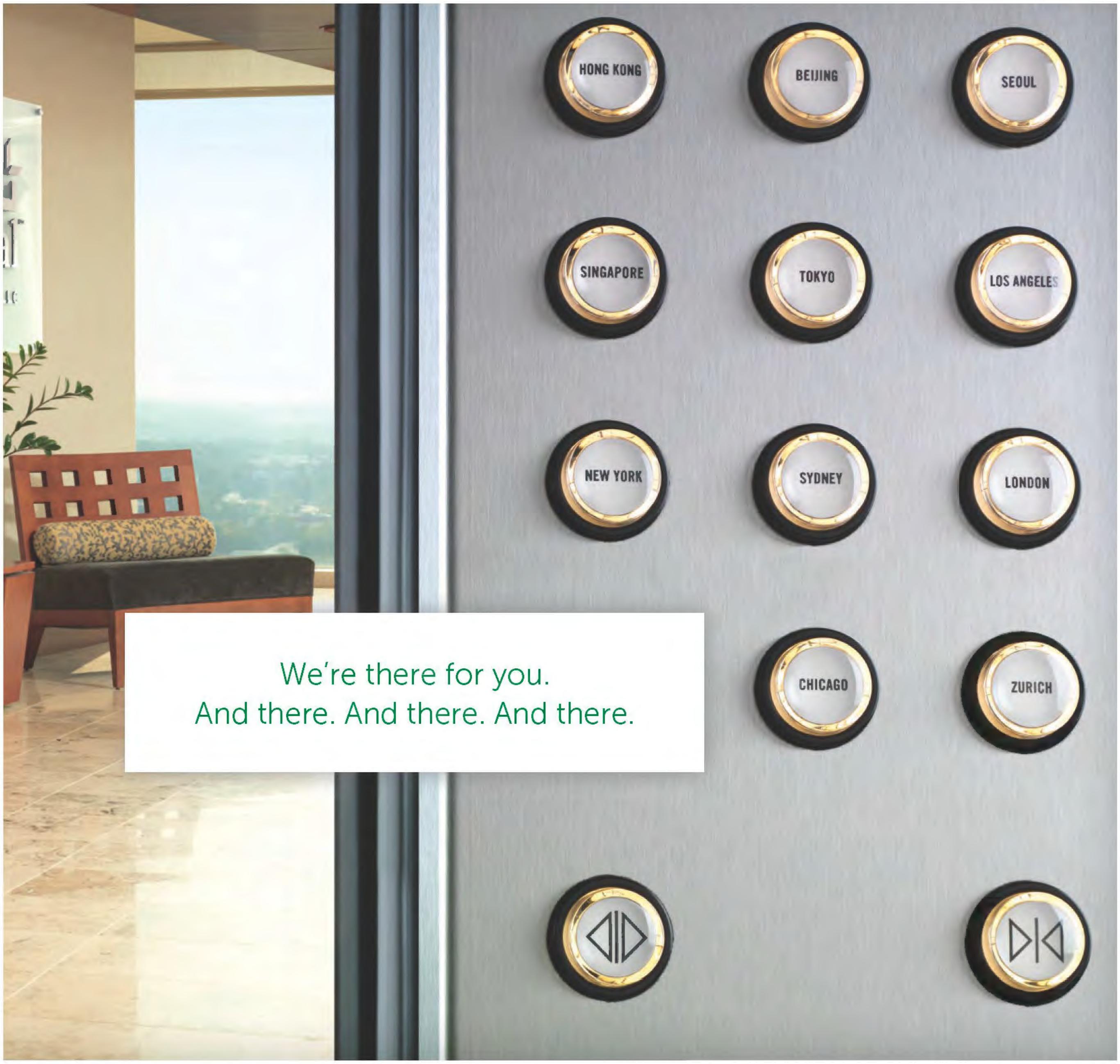

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ENTERING A BRAVE NEW WORLD

The managers of multi-asset investing strategies want investors to know that these aren't just balanced funds by another name.

Investors would be forgiven, upon hearing the phrase multi-asset investing, for thinking it is nothing new. To a certain extent, those investors would be right. The investment landscape for the last half century and more has been dominated by the idea that diversification is paramount. From the capital asset pricing model onto more contemporary theories of finance, diversification remains a ruling concept. So how can multi-asset investing be anything more than just one more version of diversified investing?

The answer is somewhat straightforward. "At one level, multi-asset strategies are quite simple; they are portfolios that include more than one asset class," says Steve Brundage, Managing Director and Product Specialist for QMA. "These strategies have developed from early ideas of diversification: first combining just U.S. stocks and bonds, followed by international diversification, then came the addition of inflation protection alternatives such as real estate and commodities, and now even more strategies have been added, including various total return strategies."

But these developments reflect some ideas that are less straightforward. It now crucially includes not only more asset classes, but the ability to go long and short. This allows investors to reduce volatility and drawdown while still receiving uncorrelated return streams. The financial crisis drove home the idea that static asset allocations can prove difficult when asset classes become highly correlated to each other.

In addressing the issues raised during the financial crisis, investment managers have sought new methods and trialed new strategies to support, for instance, the ability to short effectively and safely within mainstream portfolios. "Multi-asset strategies are more mature now," says Stuart Peskin, Investment Director at Standard Life Investments. "They have track records that support the approach. There is a more developed set of market tools that allow managers to execute these strategies more efficiently. Some of these include more deep and liquid emerging markets, and more developed derivative markets."

Engine room

Broader, deeper markets, not just in developed country equities, but across the globe and across asset classes, mean that these tools are now central to this style of investing. Nevertheless, the definition of multi-asset investing is not yet set. It still means different things to different managers. "Multi-asset investing is not a product but a capability used to achieve investor outcomes," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "We view multi-asset investing as the engine room. The actual focus is on the investor requirements such as capital preservation, risk-controlled growth – equity like returns with less risk, a real return that takes account of inflation, well-diversified income and control of downside risk."

One key plank for most multi-asset managers is the need to diversify away from equity risk, which dominates long-term institutional portfolios today. "We define multi-asset as a strategy that uses various global asset exposures to hedge economic outcomes," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "From our point of view, it's the changes in the economic landscape that affect the direction, the magnitude and the correlation across asset class returns. Because most portfolios are biased toward positive economic growth through equity investments, multi-asset portfolios may help investors perform better in environments that are unfavorable to stocks, whether that is due to a recession or a period of inflation."

It's imperative to understand what a manager means by diversification. "When we say diversification, we mean economic diversification," says Invesco's Gluch. "We don't mean simply adding a lot of exposures together that may well be geared to one phase of the economic cycle, such as growth. You can have a high degree of segmentation across exposures and still behave a lot like the equity market. Economic diversification means having the hedges in place when the economy transitions from growth to recession and/or inflation."

Not unconstrained

While for most managers multi-asset investing involves investing across stocks, bonds and other asset classes, some managers see even a single asset class as roomy enough to pursue a multi-asset approach. "At Babson, we see multi-asset investing as an opportunity to provide customized solutions for clients, whether at the fund level or via separately managed accounts," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "On a broad level, a portfolio may include a wide range of assets spanning investment grade, high yield, U.S., European and emerging markets. However, while a very broad mandate may be suitable for some investors, we as a high yield group also offer multi-asset products that focus specifically on opportunities in the below investment grade market."

As many investors rethink their approach to fixed income, it's not a surprise that there's room for a fixed income multi-asset strategy. "Multi-asset means having the flexibility to invest where we see the most attractive risk-adjusted returns, whether it's in liquid or illiquid assets," says Eric Lloyd, Head of Global Private Finance at Babson. "In that context, our clients look to us to bring our knowledge of various markets and sectors to bear in one place as we seek to deliver them the most attractive risk-adjusted returns."

What it isn't is unconstrained. "The term 'unconstrained' often tends to have constraints," says Babson's Freno. "We are seeing a trend within our client base whereby our clients are looking for managers to implement multi-asset class solutions, but within a specific framework. For instance, we see clients looking for broad investment grade exposure or broad high yield exposure, which gives them an idea of what they should expect from a risk, return and volatility standpoint. The idea is that within that space the manager is free to seek the best relative-value."

Multi-asset investing offers a distinct characteristic that unconstrained portfolios (in any asset class or classes) usually do not. That's a focus on limiting downside risk or maximum drawdown. This is where hedging – and shorting or taking relative positions comes in. "Relative value positions make up a fairly sizeable part of our portfolios," says Standard Life Investments' Peskin. "These don't ever dominate the portfolio. But in the current environment, we are making a fair amount of use of relative value."

"We don't borrow stocks as part of our strategies, so we're not shorting through borrowing. But we are taking positions and using derivatives such that we have some notional short exposure."

This judicious use of shorting is common to many multi-asset managers. "Babson's approach is long-biased," says Babson's Freno. "It isn't long only and it isn't long-short. From time to time we look to buy protection on the portfolio using a variety of methods. It's more to protect against long-tail events rather than taking a short position in the market – long-biased with the ability to hedge."

continued on page 6

> Because most portfolios are biased toward positive economic growth through equity investments, multi-asset portfolios may help investors perform better in environments that are unfavorable to growth in stocks, whether that is due to a recession or a period of inflation

continued from page 5

Another common theme in multi-asset portfolios is the ability to move quickly to take advantage of market dislocations and opportunities. Yet this ability is not without limits or constraints. Call it dynamic with guardrails. "Being dynamic is critical to the success of multi-asset investing," says Standard Life Investments' Peskin. "Our firm uses a philosophy called 'focus on change.' We are constantly looking at the current market drivers, what expectations are currently priced in and what the triggers are to release value."

Again, much can rest on how you define a term. "Dynamic asset allocation should not be confused with market timing because it is just not consistent or repeatable," says Schroders' Marais. "Dynamic asset allocation is a useful tool, but the emphasis must first and foremost be on portfolio construction. When the portfolio is well-designed, you might dynamically adjust it. But if you tell me that you make your money from dynamically allocating between stocks and bonds, I simply don't believe it. If you tell me that you have a well-designed portfolio that is risk-premia-based and you may gently tilt in terms of value, momentum or the environment towards the premia that is most attractive, that's a very different approach."

Frictional cost

In bonds, opportunities can be more limited. "Fixed income generally doesn't lend itself to big short-term shifts in a portfolio without some level of volatility," says Babson's Freno. "But there are periods of time when the market has offered the opportunity to move. We saw it in the fourth quarter of 2011, for example, with the downgrade of the U.S. coupled with issues in some of the peripheral European countries. We also saw an opportunity in the fourth quarter of last year, amid growing concern over energy exposure within the U.S. market. In our opinion, it is at those times that managers can best make asset allocation decisions with a certain amount of speed. At other times, you need to be fairly deliberate in how you deploy capital and not move for the sake of moving."

Multi-asset managers often offer a variety of strategies, dialing up or down on risk and return, as well as how wide the investment parameters are. "We build multi-asset portfolios in different ways," says Invesco's Gluch. "We build them in a long-only framework where we will use a risk-parity approach. That's a more strategic buy-and-hold approach that can be complemented with a small amount of tactical. The point here is that risk parity is a great way to build a longer-term strategic allocation, but we can better adapt it to the near-term through tactical."

"We can also build a multi-asset strategy that has a small amount of strategic through risk parity, but a larger amount of tactical," continues Gluch. "Here we reduce the long-only constraint, and go long and short. In that case, we take a total return risk mitigating strategy — risk parity — and turn it into an absolute return portfolio."

In general, investors can choose among a variety of multi-asset flavors. Often it is a choice along a spectrum that moves from a long-only bias to one focused more on absolute return. The choice often depends on how an investor chooses to use the strategy — as a replacement for an equity allocation, or in the alternatives bucket, or even, in some cases, for a broader fixed income mandate.

"We have two types of multi-asset strategies - absolute return and long-biased," says Standard Life Investments' Peskin. "In the absolute return strategies, return objectives are set from cash plus 3% to as high as cash plus 7½%, with the flagship product set at cash plus 5%, over rolling three-year periods. The higher-returning mandates are allowed to invest in many more asset classes, such as equity and REITs, and may have more credit than the cash plus 3% portfolio."

Some managers offer several varieties of multi-asset strategies. "Risk parity is really about building better beta exposures that account for different economic outcomes," says Invesco's Gluch. "Our absolute return approach is more of a play on alpha, with only a small beta component. It's mostly tactical. Some of our clients are combining both of these multi-asset approaches as they are complementary."

The use of more than one of these strategies by investors reflects a broader theme in the industry that analyzes entire portfolios according to risk. "What is the common language around multi-asset?" asks Schroders' Marais. "If you were investing in equities, you might use the phrase, discounted cash flow. If you're in bonds, you probably talk about duration. For us the common denominator is the use of risk premia. There's no magic here; it's simply the building blocks of asset classes. Every asset class is made up of drivers or premiums. These premia are better descriptors of risk and return than of asset classes themselves. This is a powerful message that U.S. institutional investors are increasingly receptive to."

Maximum drawdown

By limiting risk, managers hope to limit drawdown, thus quelling investor concerns. "Investors are trying to reduce volatility inside their portfolios and in particular, overall portfolio drawdowns, while also receiving uncorrelated return streams," says QMA's Brundage. "When designing and managing our portfolios, in particular our real assets strategy, we view maximum drawdown as an important risk measure. With markets becoming more correlated during periods of stress, investors have seen that drawdowns

continued on page 8

We view maximum drawdown as an important risk measure. With markets becoming more correlated during periods of stress, investors have seen that drawdowns can be larger than anticipated

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can be larger than anticipated."

It is important for investors to understand exactly how some of these strategies operate. Not all managers construct their portfolios using the same methods or methodologies. "We allocate based on risk, which frees us from allocating on nominal terms by asset class or risk factor," says Standard Life Investments' Peskin.

Some strategies run across both public and private market segments, adding additional measures of risk to consider. "We run risk-based portfolios that are constructed from the bottom-up based on our assessments of individual credits," says Babson's Lloyd. "After that we look at the value of the credit from a return perspective relative to the risk in the underlying asset. If it's private debt, we also consider the relative return of a similar risk in the liquid part of the market. If we aren't picking up a true illiquidity premium then we don't believe we are investing our client's money in the most attractive risk-adjusted return solution."

It can help to walk through examples. "Our portfolios are risk-based in terms of how they are designed," says Schroders' Marais. "Risk premia means that I think about whether I am getting rewarded for the risk I am taking. So say I'm in cash. If you want me to part with cash and go into credit, there's a premium. So what is the reward for going into credit? It's risk-driven. I'm not going to give you my cash if I don't think the investment is worth the risk."

Whatever the method, investors in multi-asset strategies will want to know exactly how success is measured. It can be difficult, even as these strategies are almost by definition constructed away from a single or even a composite benchmark, to get away from sizing up performance against a benchmark. "Our below-investment-grade multi-credit strategy is not measured against a benchmark, but a live hurdle rate," says Babson's Freno. "If you have a benchmark your portfolio is going to look like the benchmark, or maybe deviate just a bit. Because our hurdle rate is defined as the risk-free rate plus an additional amount, our portfolio can and generally does look completely different from a benchmark."

Risk at a reasonable price

Multi-asset strategies focus on the longer-term and should not be judged on a quarter-to-quarter or even a year-to-year basis. "We have identified 500 basis points over the risk-free rate as the appropriate premium for investors to get paid over the course of a cycle for investing in below-investment-grade credit," says Babson's Freno. "It's not a rate that will be obtained in every market all the time–there will be some periods of time when spreads are tighter, and some when spreads are wider. But over a normal economic cycle, we believe that is a fair premium for investors to be paid."

So while multi-asset investing has some themes in common across managers, there are also differences in style and approach. "Advanced beta is a big part of our multi-asset investing initiative," says Schroders' Marais. "These are the building blocks that we use to construct portfolios. We use three types of advanced beta: thematic betas, structural betas and outcome betas. An example of a thematic beta would be 'risk at a reasonable price.' Here we saw a dislocation in the market – equities became very volatile – so we created a basket of stocks that took advantage of investor overreaction. That structure worked for six months and then we closed it. We consider these betas tactical."

"In a structural beta, we use value or momentum, but try to do it better than traditional providers who often need to compromise in design to accommodate large flows," continues Marais. "The third dimension is outcome, which is yield, creating yield baskets whereby income funds could seize baskets with different dimensions of yield."

Others take a more top-down approach. "We believe in a quantitative approach to investing," says QMA's Brundage. "You need to be able to process huge amounts of data to understand what's going on not only in the equity markets globally, but also in the various components of fixed income returns, such as inflation expectations. These expectations also have an impact on other asset classes such as real estate, commodities and global infrastructure. We believe using a quantitative approach to construct our portfolios provides investment discipline and leaves us less susceptible to behavioural biases."

Reduce losses

"A risk parity strategy is intended to reduce losses," says Invesco's Gluch. "An absolute return strategy seeks positive returns. In 2009, risk parity forced you to own the reflationary assets in stocks and commodities, whereas tactical strategies had to adjust to the reversal in the trend. So the two approaches capture returns in different directions and different levels of magnitude."

"From a broad view, we describe ourselves as top-down global macro investors," says Invesco's Gluch. "We describe it as using our fundamental views of how asset classes behave relative to the economic cycle and expressing that through a quantitative platform."

Volatility is a risk and an issue that concerns investors. For multi-asset managers, volatility can be both a risk and an opportunity. "We think it's really important to be careful about making predictions about volatility," says Standard Life Investments' Peskin. "Volatility is mean-reverting over the long run, but it can go through periods that belie what the fundamentals may be suggesting. Post taper-tantrum two years ago, the conventional view was that the stage was set for a continuation of the sort of risk-on, risk-off market environment and high volatility that arose in 2011 and 2012. But since the taper-tantrum, volatility has been historically low. It's only recently that you've seen a pickup in volatility in interest rates and currency, with equity volatility remaining subdued. So there's still a possibility of a mean reversion."

"The danger of positioning yourself in too extreme a way for mean reversion is the carry cost of that insurance," continues Peskin. "We're very careful about how we utilize volatility. In fact, we typically structure ourselves so we have zero carry costs in our relative value volatility positions. But we are also looking for investment positions that would provide the same sort of characteristics as an explicit long volatility position."

Not all multi-asset managers work in both the public and the private realm, but those that do offer a certain flexibility to their clients. "At Babson, we are a bottom-up, fundamental credit business. We apply the same committee-based decision making process across all of our global fixed income asset classes, both public and private," says Babson's Lloyd. "In the private credit space, we invest in senior debt through mezzanine tranches in Europe, North America and the Asia/Pacific region. Ultimately, it really comes down to what solution is right for the investor. Investors will typically specify the geographies they want to include in their portfolios but from there we generally choose the asset classes we think will provide the best risk / return solutions. It could be a mix of senior and mezzanine, for instance, or something else – usually it's some combination of a return dynamic, geographic diversity and the investor's risk tolerance."

"In our below investment grade multi-credit strategies, we invest in global high-yield corporate bonds as well as loans," says Babson's Freno. "We also include some exposure to structured credit products such as CLOs (collateralized loan obligations) as well as special situations opportunities."

"We are flexible, but at our core we are also thoughtful," says Babson's Lloyd. "We're deliberate in all of our credit work and underwriting."

This area of investing now offers something for everyone, it seems. "Multi-asset is no longer traditional exposures to active equity managers and active bond managers," says Schroders' Marais. "It's now a full menu of alphas and some smart betas to better get you to the outcome you desire." •

INVESTORS FLOCK TO MULTI-ASSET INVESTING

After years of bull markets in stocks and bonds, savvy investors are wondering if a more defensive stance is required. That's where multi-asset investing comes in.

In the years since the financial crisis, some tough lessons have been learned. It takes longer to make up losses than you might think. Losses hurt – more than you might think. Volatility can be friend or foe, and sometimes both together.

So even though many investors are basking in the glow of some recent double-digit returns, few are complacent. "One of the biggest challenges to multi-asset investing is a bull market in equities," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "We are, by definition, more defensive given that we combine different assets. So our risk-controlled growth strategies might lag standard equities. That said, with markets becoming more expensive and more volatile, in many ways, multi-asset investing becomes more attractive because we aim to provide a client with better diversification while focusing on the downside."

Just how unfriendly markets might become is not known. But with the unwinding of quantitative easing in the U.S. close on the horizon and equity markets that may be fully valued, the future does not look as bright as the recent past for institutional investors. "Certainly investors are looking for a smoother ride," says Steve Brundage, Managing Director and Product Specialist for QMA. "They are looking for diversification. Say the investor has a traditionally oriented 60/40 portfolio with a 10% volatility target, they may ask us to find a way of getting returns that have a low correlation to that portfolio but with similar volatility. So I believe that multi-asset strategies are being used as risk-reduction strategies as well as a way to increase total return."

Ability to go short

It's this combination that explains why multi-asset strategies are gaining fans today. "Multi-asset class strategies are attractive because investors are looking for return streams that have a low correlation to other more traditional return streams in their portfolios," says QMA's' Brundage. "It is important to add asset classes that can fulfill more than one role in a portfolio like real estate, master-limited partnerships, and global infrastructure. These asset classes not only provide diversification and exposure to real growth, but also help protect against the possibility of rising inflation. As a result, institutional investors are saying that they want a sleeve of their portfolio that incorporates such asset classes. One such strategy that includes such exposures is real assets."

Investors want to keep hold of returns already made even as the prospects for the future are a bit less rosy. "If you look back over the last five or six years, you've had a great run for stocks and bonds," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "Central banks have worked to lower yields and sought to create a wealth effect through stocks. But now investors are faced with the prospect of meager risk premiums – across both stocks and bonds – that may limit their ability to

continued on page 10

continued from page 9

achieve their return targets. Multi-asset strategies can reduce the correlation with financial assets and help with capital preservation."

Given the current and predicted returns available in traditional stocks and bonds, anything that can help reduce correlation and increase the likelihood of wealth preservation is being greeted with interest. "At this point in the economic cycle, investors are tentative about how much to have in traditional asset classes, as well as in illiquid assets, as they don't want to be caught on the downside," says Stuart Peskin, Investment Director at Standard Life Investments. "Multi-asset strategies offer some protection on the downside and a more tactical approach than buy-and-hold."

Derisking

Specifically bond investors, stuck with the low returns in the asset class, have been thinking of replacements. Multi-asset bond strategies may be an answer. "When investing in below investment-grade credit, we think a global approach across several asset classes has a number of advantages," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "In our opinion, the senior secured part of the high yield market is an attractive place to be. You have a very low duration in this part of the market and you also have better credit protection than investing only in the unsecured part of the high yield markets."

Core fixed income, long a mainstay of institutional and pension portfolios, has been a tough place to be lately. "Investors are looking for a substitute for their core fixed income allocation," says Standard Life Investments' Peskin. "Multi-asset strategies can be an effective substitute."

Of course, the dire scenario that investors remember all too well from 2008 is correlations between asset classes going to one. "We continuously look at scenarios where equities and bonds sell-off at the same time – when diversification doesn't work," says Schroders' Marais. "For example, should inflation pick up and the Fed be behind the curve on inflation, your bonds will sell-off and your equities might not rally, so diversification won't protect you. However, if the market thinks the Fed is in control, equities might continue rallying."

Scenario testing is part of the process of understanding multi-asset strategies. "Investors should have a sense of what to expect from a portfolio in terms of the expected returns and volatility under different scenarios," says QMA's Brundage. "Obviously, the most important scenario would be a severe market correction, but also what happens when rates rise or currency markets correct. Then you would want to see how each asset class reacts not only on a stand-alone basis, but also how it interacts with the other asset classes used in the portfolio."

It has also been tough within or across asset classes to take advantage of opportunities in markets that are tending to move more quickly. "Institutions often have to go through a lengthy process to enter a specific asset class," says Babson's Freno. "Because markets move much more quickly than the typical six-to-12 month period those processes require, investors are looking at ways to keep up. Investing in a broader multi-asset mandate can be one way to do this. For a high yield manager, that may mean they can shift from the U.S. to Europe because that is where they see the best opportunities – or from high yield bonds to floating rate loans because duration risk appears unattractive, without going back to committee."

It can also be hard to keep up. "The markets may move dramatically," says Babson's Freno. "Sometimes these moves are fundamental, but sometimes they are just technical. We believe having a manager that has the ability to react quickly is the best approach. It allows investors to capture return that they potentially would not be able to through their longer approval process."

Keeping within boundaries

The structure of these portfolios is transparent. "We see investors broadening their mandates, but keeping within boundaries," says Babson's Freno. "They say, 'We want an investment-grade-type return and an investment-grade-type risk profile. So whatever you see in that space, feel free to pick what you see as the best relative value.' The same goes for below-investment-grade portfolios."

"Investors in below investment grade multi-asset strategies have generally compared returns achieved by their managers to those of a high-yield index," says Babson's Freno."If it doesn't capture all those returns, then they are going to need to see that the returns were generated with a lot less volatility, which you can demonstrate through a higher than index Sharpe ratio."

Multi-asset strategies aren't yet, and may never be, a total portfolio solution. Many investors just use the strategies for a sleeve in their portfolio. And they use different versions in different circumstances, which could include larger discretion for shorting and a wider array of asset classes.

Managers agree that a range of approaches to multi-asset is in order. "We think it's important to have two approaches," says Invesco's Gluch. "Each has a different outcome in mind. One says, 'I'm going to be highly diversified across the economic cycle.' The other says, 'I'm going to be much more flexible and adaptable to both opportunities and dislocations in the markets by being able to go both long and short. And I'm going to have fewer constraints on the amount I have in any single asset.'" •

> At this point in the economic cycle, investors are tentative about how much to have in traditional asset classes, as well as in illiquid assets, as they don't want to be caught on the downside

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A GENERAL APPEAL

It isn't just some institutions that are adopting multi-asset sleeves. All kinds of investors, including retail and DC plans, are hopping aboard.

Multi-asset strategies have useful attributes. They provide diversification and downside risk protection, while still offering a level of return commensurate with their risk profile. Not surprising then that all sorts of investors are using these strategies today.

For larger institutional investors — defined benefit pension funds, and endowments and foundations – multi-asset strategies probably play a particular role within a larger asset allocation strategy. There will be either an emphasis on diversification or on downside risk protection, depending on the needs of that investor. For other client groups — retail investors or defined contribution participants — multi-asset can be the cornerstone of an entire approach. It just depends on what the investor is looking to achieve.

Diversification is often most needed away from the predominance of equity risk in portfolios. "Our clients use this strategy generally for a portion of their portfolio," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "With risk parity, we are finding that investors acknowledge the concentration and dependence on equity risk premiums. So they are using risk parity to better diversify that concentration and dependency."

For defined benefit plans that are on a derisking path, multi-asset fixed income could be either part of a hedging portfolio or part of a risk-seeking one. "We believe that high yield should be a core allocation and a long-term allocation," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "The discussion among investors should then be whether to be underweight or overweight that allocation. In today's low-yield, low interest-rate environment investors generally want to reduce their exposure to interest rates as much as possible. You can't eliminate that exposure, but you can mitigate some of the duration risks that you have. There are floating rate securities such as loans that can be used, without potentially giving up much yield in what would have been a fixed rate portfolio."

Different outcomes

How multi-asset strategies are used can depend quite heavily on where the institution is based globally. "Multi-asset investing can be different in different regions because investors want different outcomes," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "What Japanese investors want can be quite different by outcome than Europeans or American investors. U.S. investors are increasingly focused on wealth preservation; they don't have an affinity for sharp prolonged losses. So there is an increased demand for very well-diversified portfolios. They want their equity portfolios to be controlled specifically for volatility so as to limit the downside. Demand for income is also strong."

Some investors are just starting to use multi-asset strategies, though others are comfortable with allocating a larger portion of their portfolio to the investment approach. "If you look at larger investors, it would be surprising if they had more than 5% or 10% allocated to multi-asset strategies," says Stuart Peskin, Investment Director at Standard Life Investments. "But we certainly work with some investors that want to build portfolios made up primarily of multi-asset strategies because it allows economies of scale and they don't have the governance structures to make timely tactical decisions."

How much an investor assigns to multi-asset investing can depend on where the allocation sits in the overall portfolio. "Where an investor puts a multi-asset portfolio in their asset allocation structure depends on the outcome they require," says Schroders' Marais. "If they are looking for wealth preservation, it might sit in the alternatives bucket. Or many investors now have a cross-asset bucket. Many are replacing the equity bucket with a more risk-adjusted equity exposure, with income as an intermediate element. They also may have an inflation or real asset investing alternatives bucket. If it's risk mitigation that they are after, then it might be in the LDI portfolio or if it involves overlays – volatility overlays – then in the equity or return-seeking bucket."

Because of its all-in-one appeal, multi-asset investing is also finding favor with retail investors and defined contribution participants. "One of the fastest-growing areas of interest in multi-asset investing is coming from the DC side," says Schroders' Marais. "Often it is actually needed more by retail investors than institutional investors because there's a more limited financial skill base. It might be in the default option or as part of an income strategy."

Looking to DB

Multi-asset strategies are also integrated into asset allocation strategies such as target-date funds. "We see interest in our strategies across a wide range of institutional investors," says Invesco's Gluch. "DC plans are certainly part of our client base. It's hard to know exactly how much is in DC plans as the strategies are sometimes used in custom target-date series. We have our own target-date offerings that are built off the risk parity framework. The glidepath is built based on targeted risk levels, balanced economically across stocks, bonds and commodities."

Although multi-asset investing can be quite complicated in execution, the outcome can be outlined in simple language, which can be appealing to the less financially savvy. "We have a powerful language to talk to individual investors because we talk about outcomes," says Schroders' Marais. "We don't need to talk about equities and bonds; that's just the engine room. These strategies could be used as an inflation-sensitive, real return standalone option, or they could be used in the target-date fund. It depends how the fund is labelled. We work with the plan sponsor to design and implement the strategy they want to offer to their participants."

Early defined contribution adopters appear to have heard about multi-asset investing from their defined benefit colleagues. "We see a lot of interest from DC plan sponsors in companies that also have DB plans," says Invesco's Gluch. "Some of these plans will use risk parity as a standalone option on their platform."

You might think that most of the assets allocated to these strategies would be transferred from the equity, but the reality is less consistent. "We find that some investors fund a risk parity allocation from equities," says Invesco's Gluch. "Some from bonds, particularly those bonds that are more equity like, such as high yield and credit. Some will take from both bonds and equities. Others see risk parity as an alternative, so they may look to reduce their exposure to illiquid alternatives, gaining lower fees and daily liquidity."

"The low nominal returns today point to investing in multi-asset portfolios as a complement to traditional assets," says Standard Life Investments' Peskin. "Mindful of the possibility of rising rates, many investors want to pare back their allocations to traditional asset classes but are constrained in their ability to add illiquid assets as a substitute. This is sparking continued growth in multi-asset allocations as a prudent alternative."

"We can provide an all-illiquid portfolio, but that would typically be for an investor with longer-term liabilities and less need for current liquidity," says Eric Lloyd, Head of Global Private Finance at Babson. "Allocation shifts into these assets don't come from just one source. They could come from private equity or liquid fixed income. It depends on the situation."

"For example, we've seen investors allocate a portion of their portfolio that was going to be core fixed income to private debt," continues Lloyd. "In other cases, the funds transitioned out of private equity."

Downside protection

"A large number of very large, sophisticated pension plans and investors use a multi-asset, risk-premia approach at the aggregate level," says Schroders' Marais. "We partner with some of these investors; it's a strategic partnership involving research, skill and experience. We help these investors with the process. With a smaller investor, we might take almost all of the portfolio and manage it for them in this way, almost an outsourcing arrangement."

"Multi-asset strategies have a role in downside protection," says Standard Life Investments' Peskin. "We also see clients using these strategies to provide complementary diversification and finally, being invested in multi-asset portfolios gives investors a real time indication of where the world is headed according to a trusted manager in their lineup. This in turn provides insight into the wider investment world that they can use in their overall portfolio execution." •

The Liquidity Conundrum

Liquidity is more important than ever to investors, particularly those stung when it dried up in the financial crisis. Yet there is less of it about than ever. So it remains a key concern of both investment managers and investors. "We are always conscious of our liquidity position and expend considerable resources to minimize trading costs," says Stuart Peskin, Investment Director at Standard Life Investments. "Our investment style is a crucial starting point. By applying a longer time horizon in our investment decisions, we construct our portfolios with the aim of not being forced to trade hastily nor having to turnover our portfolio at a high rate. Our assessment is that, at the margin, overall liquidity has been impacted by the regulatory environment, however we have taken action to adjust to the environment, including how we access certain markets and the counterparties that we choose for trade execution."

Key factor

This is a sentiment echoed by other multi-asset managers. "Liquidity is an extremely important consideration for any asset class that gets included in our portfolio," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "We will only include exposures that we think will deliver a long-term positive risk premium. It has to have a beneficial risk-adjusted return or Sharpe ratio – and sufficient liquidity for us to trade in that asset. If we believe – in any way – that the liquidity would be an impairment to our implementation, then that asset would be excluded."

Many managers see liquidity as more of a risk than a premium. "Liquidity is a risk premia," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "But it's asymmetric because most of the time it doesn't offer you an attractive premia, until after a liquidity shock when it rewards investors for a period of time. It's a key risk for us in multi-asset investing as investors in search of yield are taking on more and more (liquidity) risk."

Client focus

From an investor point of view, liquidity is in the eye of the beholder. Some investors need more liquidity than others. "Liquidity risk depends to a certain extent on the client," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "Investors and their managers need to weigh how much they are being compensated for giving up liquidity. That being said, if your investors have a long-term investment horizon and liquidity is not as much of an issue, then more of the portfolio can be allocated to performing illiquid credit, as well as stressed and distressed issues. If an investor has the luxury of not worrying about monthly liquidity, you can probably construct a more efficient portfolio than one that requires more frequent liquidity."

A WORLD OF OPPORTUNITY

To gain insight into how multi-asset managers think, ask about their best ideas.

Beyond returns, downside protection and diversification, multi-asset strategies also provide investors with an additional benefit — access to the best ideas of managers that have access to and the ability to analyze opportunities across the globe. So as managers crunch data, sift through research and weigh the relative valuations of asset classes and securities, what is speaking to them today?

One area of some consensus is the U.S. equity market. "We would definitely say that U.S. equities are overvalued," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "Valuation is an input into our risk estimate across our global equity exposures. Across the broader universe of developed equity markets, the U.S. is the most extended in valuations – both large cap and small cap. In our models, those exposures have a higher risk estimate meaning that we are decreasing their exposure and redirecting toward non-U.S. equities, which we believe are more fairly valued."

But overvaluation doesn't always mean that managers stay away. "We think equity valuations in the U.S. may be the richest, but at the same time growth is on a solid track," says Stuart Peskin, Investment Director at Standard Life Investments. "We still see attractiveness in larger cap stocks and in the technology sector in large- and mid-cap relative to a broad small-cap exposure."

Saved by QE

Others concur on the relative value point. "U.S. equities look attractive vs. the other alternatives we have now," says Steve Brundage, Managing Director and Product Specialist for QMA . "Europe is struggling, but is being helped by quantitative easing, which makes equities there more attractive. U.S. equities are probably slightly rich, but they don't look all that bad when compared with the other options out there."

"When you look at risk premium research, we would say that equities are fully priced," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "But almost immediately that can be flipped to ask, 'Fully priced relative to what?' For an equity investor it might be relative to history or traditional P/Es. For me, it's relative to other opportunities other risk premia, which is very different."

"I do think equities are still a better option relative to fixed income," says Schroders' Marais. "But we're very sensitive to credit and high yield because of liquidity, and how expensive certain bond markets are."

Opportunities do exist in a variety of bond markets, if not the most traditional ones. "Structured credit assets certainly have merit today, in our opinion," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "They are derivative forms of loans and are floating rate. Often you may pick up excess return versus comparably rated corporate securities."

"We remain invested in Europe on both a senior secured and unsecured basis but have found the secured market to be particularly attractive," says Babson's Freno. "It's also where we are seeing many of our special situations opportunities coming from. While the default rate remains low, there are still opportunities to find stressed companies that will give you above-market returns."

Staying senior

"On the private side, we think that the Australian mezzanine market is attractive," says Eric Lloyd, Head of Global Private Finance at Babson. "But it's not a particularly large market. A reasonably large amount of funds have been raised for direct lending in Europe, particularly targeting senior debt and unitranche type financing. On a relative basis, we have a bias now to be more senior in the capital structure, predominantly floating rate, and more diversified on a geographical and sector basis. That's because of the point we are in the economic cycle and the rate environment."

Insight into both market and economic environments is another area where multi-asset managers can help. "We see the economic cycle as multi-speed across the globe, which allows for opportunity in currency and certain fixed income markets," says Standard Life Investments' Peskin. "Within equity markets we see valuations as an inhibitor for increasing allocations. In fact, we're going the other way. We do see plenty of opportunity to express our views through the relative value approach within equities."

"Normally riskier asset classes outperform less risky asset classes over time," says QMA's Brundage. "But there can be long periods of time where investors' appetite for risk can remain depressed. TIPS have done surprisingly well in a low risk appetite environment, as Treasuries have been the ultimate safe haven. From a valuation point of view, however, they are richly priced."

Europe is an issue for all investors. "In the past year, our clients have been worried by Europe's troubles," says Standard Life Investments' Peskin. "Was it going into a deflationary spiral and a lost decade, like Japan? Now that question is even larger, in that investors are wondering about a wider deflationary environment. We see this as a low probability and not very likely."

"As far as fixed income goes, we like Brazil, Korea and still think Australia has some attraction," says Standard Life Investments' Peskin. "We express the view through futures or physicals, swaps or inflation-linked securities — or even standard sovereigns. It's the whole spectrum."

"We think the U.S. dollar is in a long-term positive cycle," says Standard Life Investments' Peskin. "That's notwithstanding the very strong move in the dollar since August of last year through to March. The current pause makes sense to us, as central banks became increasingly uneasy about the move and investor positioning. We think the current cycle will be lengthy, as it has been in the past, and that it will undoubtedly overshoot, as it has done in previous cycles."

"To take advantage of the situation, it pays to be long the dollar," continues Peskin. "However, you need to be mindful of not trying to stay with it as it overshoots, because value does come into play eventually." •

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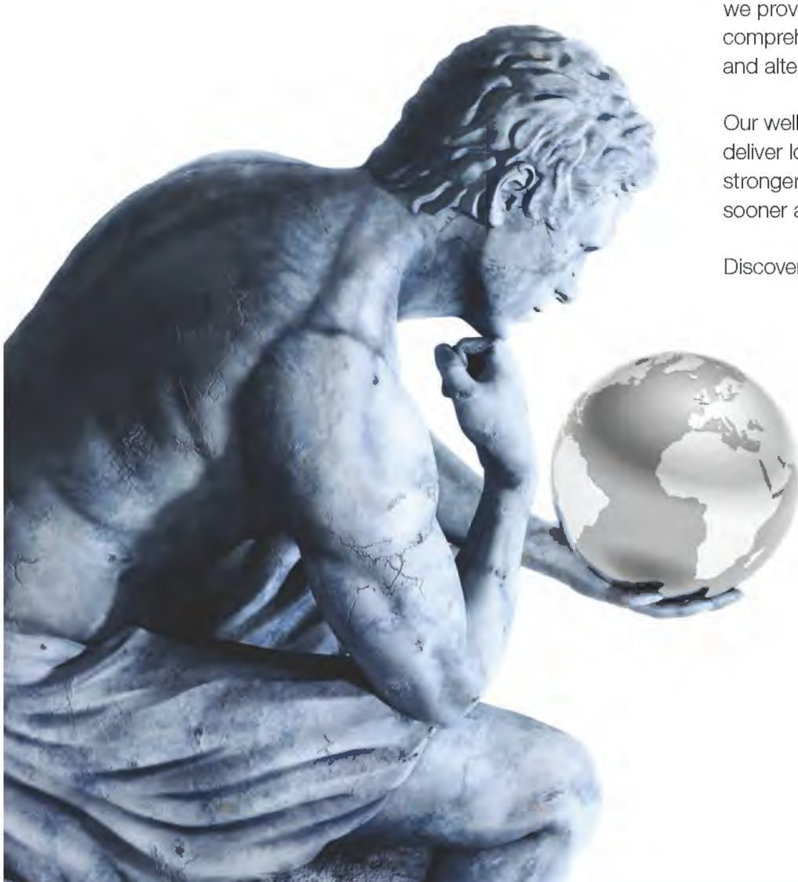

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8.30am	**Registration & Refreshments**
9.00am	**Welcome & Opening**

9.05am **Presentation: Macroeconomics and implications on your insurance assets**

- China's slowdown
- The European debt crisis
- US interest rates
- What's in store for 2016

Presenter: *Clarence Wong, Chief Economist, Head ER&C – Asia*, ***Swiss Reinsurance***

9.25am **Presentation: Opportunities in Global Equity**

9.45am **Panel: The CIO Roundtable**

Chief Investment Officers from leading insurance companies discuss best practices, trends in investment, their biggest investment concerns and predictions for the future.

- Managing ALM in an environment of volatile interest rates
- Keeping up with fast changing regulations
- Building local currency presence

Moderator: *Stuart Valentine, International Counsel,* ***Debevoise & Plimpton***

Panellists:

Arnaud Miroudel, Chief Investment Officer, Asia - ***BNP Paribas Cardif***
Boris Moutier, Regional Chief Investment Officer , ***AXA Asia***
Mark Konyn, Group Chief Investment Officer, ***AIA Group***
Thomas Spirig, Chief Investment Officer, Investment Management HK, ***Zurich Insurance***

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10.30am	**Networking Coffee Break**

11.00am **Presentation: Fixed Income ETFs**

Presenter: State Street Global Advisors

11.20am **Panel: Investing in Emerging Markets**

Our panel of experts examine issues surrounding managing investments in emerging economies.

Moderator: *Leigh Powel, Brand Editor,* ***AsianInvestor***

Panellists:

Jeffrey Tan, Regional Director, Investment Management & Corporate Finance, Asia, ***Ageas***

A.K. Sridhar, Director & Chief Investment Officer , ***IndiaFirst Life Insurance***

Larry Wan, Chief Investment Officer, ***Shanghai Life***

12.00pm **Breakout Discussion**

An informal, closed door meeting with your peers in the industry to discuss your biggest investment issues.

Breakout 1	Breakout 2	Breakout 3	Breakout 4
Billy Wong, Managing Director and Hong Kong Business Leader, ***Mercer***	*Isaac Poole, Willis Towers Watson, Head of Capital Markets Research, Investment Services, Asia Pacific,* ***Towers Watson***	*AsianInvestor*	

1.10pm	**Networking Lunch Break**

2.10pm **Presentation: Global Private Credit**

Presenter: *Eric Lloyd, Head of Global Private Finance,* ***Babson Capital Management LLC***

2.30pm **Investment Workshops**

A special closed interactive session focused on specific investments.

Workshop 1	Workshop 2	Workshop 3

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	Structural Investment Allocation – with or without Asian Equities? ***Presenter:*** *Arthur Kwong, Head of Asia Pacific Equities,* ***BNP Paribas Investment Partners***	**Workshop 2**	**Workshop 3**
3.30pm	**Networking Coffee Break**		

4.00pm **Panel: Non-investment considerations**

- Duration Matching
- Regulatory Capital
- Financial Strength Ratings
- Risk Management

Moderator: *Jame Dibiasio, Editorial Director,* ***Haymarket Financial Media***

Panellists:

Christian Wegener, Regional Manager, Financial Risk, ***AXA Asia Regional Office***
Mary Kwan, Risk Management Actuary, ***Ageas***

4.40pm **Presentation: How technology is changing the way we invest**

- What emerging technologies will drive returns?
- Innovating your investment department
- Disruptive innovation: fintech
- Investing in change

5.00pm **Closing**

session times and topics for discussion subject to change

8:00 - 9:00 | **Breakfast and Registration**

9:00 - 9:30 | **Welcome & Introduction**

9:30-10:45 | **The US Corporate Loan Market in a Global Context**

- Overview of the Global Credit Markets
- Factors Impacting the US Loan Market
- What Happened in 2014?
- The Primary Market Today

Moderator: **Bram Smith,** LSTA
Panelists: **Americo Cascella,** Ares
Andy Gordon, Octagon
Paul Hatfield, Alcentra
Andy Marshak, CSAM

10:45-11:00 | **Break**

11:00-12:15 | **Loan Market Performance and Liquidity**

- Secondary Market Trends
- Performance, Volatility and Correlation
- Active Portfolio Management: Technical and Fundamental Credit Analysis
  - Industry Analysis In Focus: Oil/Gas
- A Look Forward
- Liquidity in the Loan Market

Moderator: **Ted Basta,** LSTA
Panelists: **Mike Freno,** Babson
Dan Norman, Voya
Chris Remington, Eaton Vance

12:15-1:30 | **Lunch**

1:30-2:45 **Key Themes in the CLO Market**

- Trends in Issuance, Structure, Pricing and Performance
- How the Market is Solving for Risk Retention
- Outlook for the U.S. and European CLO Market

Moderator: **Meredith Coffey,** LSTA
Panelists: **Wynne Comer,** BAML
John Fraser, 3i
Paul Hatfield, Alcentra
Rachel Russell, Morgan Stanley

2:45-3:45 **Investing in CLO's**

- Primary/Secondary
- Investing Up and Down the Capital Structure
- 1.0 vs.2.0
- Long vs. Short

Moderator: **Jon Kitei,** Barclays
Panelists: **Andy Gordon,** Octagon
Paul Travers, Onex
Adnan Zuberi, BNP Paribas

3:45-4:00 **Break**

4:00-5:15 **The Value in Loans**

- Why Loan Returns Compare Well to Other Fixed Income Asset Classes
- How Loan's Unique Features Provide Value and Protection
- How Various Loan Segments Offer Attractive Risk Return Trade Offs
- Why Loans Fit Well in a Fixed Income Portfolio Context

Moderator: **Bram Smith,** LSTA
Panelists: **Dan Baginski,** Golub
Kevin Petrovcik, Invesco
John Fraser, 3i
Steven Oh, Pinebridge
Mark Okada, Highland

Cocktail Reception

SuperReturn International 2016

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http://www.icbi-superreturn.com/

Integrating ESG Into Private Equity Summit - Monday 22 February 2016	
08:15 - 08:50 **Registration & Coffee**	
08:50 - 09:00 **Chairman's Welcome**	Chairman Adam Frost, Responsible Investment Manager, **Partners Group**
09:00 - 09:40 **ESG: WHERE ARE WE NOW?** If We Accept That ESG Is A Means To Unlocking Value, Why Isn't Everyone Doing It?! What Are The Barriers Preventing Industry-Wide ESG Integration & How Are They Overcome?	Moderator Mark Eckstein, Director, Environmental & Social Responsibility, **CDC** Panellists Ken Mehlman, Member, Global Head of Public Affairs, **KKR** Colin le Duc, Partner & Co-Founder, **Generation Investment Management** Therése Lennehag, Head of Responsible Investments, **EQT Partners** LP Perspective Maaike van der Shoot, Corporate Social Responsibility Officer, **Alpinvest**
09:40 - 10:05 **LATEST ACADEMIC RESEARCH** Implications Of ESG Integration On Performance And Organisational Structure	Ioannis Ioannou, Assistant Professor Of Strategy & Entrepreneurship, **London Business School**
10:05 - 10:45 **VALUE CREATION CASE STUDIES** A Series Of 10 Minute Case Studies Outlining A Variety Of Environmental & Social Value Creation Routes	Session Coordinator Tomi Nummela, Associate Director of Investment Practices, **PRI** Case Study 1 Jan Kengelbach, Partner, **BC Partners** Case Study 2 Jörg Rockenhäuser, Managing Partner, Germany, **Permira** Case Study 4 Magnus Christensson, Head of Funding, Europe, **TPG Capital**
10:45 - 11:15 **Morning Coffee**	
11:15 - 11:45 **LP DRIVERS FOR ESG** Why Do We Care, What Do We Want & How Do We Know We're Getting It?	Moderator Marta Jankovic, Senior Sustainability Specialist & Head Of ESG Integration Alternatives, **APG Asset Management** Panellists Richard Hope, Principal , **Hamilton Lane** Katja Salovaara, Senior Portfolio Manager, **Ilmarinen** Anders Strömblad, Head of External Managers, **AP2** Lee Gardella, MD, CRO & Chairman of Responsible Investing, **Adveq Management**
11:45 - 12:15	

What Tools Have People Employed For Monitoring ESG Factors & How Is The Information Used?	Moderator **Maaike van der Shoot**, Corporate Social Responsibility Officer, **Alpinvest** Panellists **Anna Follér**, Sustainability Manager, **AP6** **Geetha Tharmaratnam**, Director, **The Abraaj Group** **Ellen de Kreij**, Director, **Apax Partners** **Ignacio Sarria**, Managing Director, **New Mountain Capital**
12:15 - 13:00 Guest Address **REPUTATIONAL RISK** Handling A PR Disaster	**Gerald Ratner**, Co-Founder & Partner, **Gerald Online**
13:00 - 14:00 **Lunch**	
Please note: All sessions that follow will be run strictly according to the Chatham House Rule. "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the	
14:00 - 14:40 **DEBATE** "This House Believes That ESG Is Full Of Good Intention, But Lacks The Ability To Make A Real Impact" Each side will have 5 minutes to put their case, followed by a 20 minute discussion	Debate Moderator **Marta Jankovic**, Senior Sustainability Specialist & Head Of ESG Integration Alternatives, **APG Asset Management** **Tom Rotherham-Winqvist**, Vice President, **Institutional Investors Roundtable** On Opposition **Christy Hoffman**, Deputy General Secretary, **Uni Global Union** **Ken Mehlman**, Member, Global Head of Public Affairs, **KKR**
14:40 - 15:10 **ESG DUE DILIGENCE: KEY TO RISK AND REPUTATION MANAGEMENT** How To Ask The Right Questions & Effectively Engage Consultants To Assess A Target Company's Capacity To Protect Value Through ESG Management	Moderator **Andrew Malk**, Managing Partner, **Malk Sustainability Partners** Panellists **Ralph Guenther**, Principal, **Pantheon Partners** **John Aiello**, Partner, **Lindsay Goldberg** **Adam Frost**, Responsible Investment Manager, **Partners Group**
15:10 - 15:40 **Afternoon Tea**	
15:40 - 16:40 **WAR STORIES FROM THE TRENCHES** Case Studies & Frank Discussion On How Things Can Go Badly Wrong Very Quickly – And How They Can Be Fixed	Moderator **Maarten Biermans**, Associate Principal, **Spring Associates** Panellists **David Stokoe**, VP, Operations - Sourcing, **Sun Capital Partners** **Jesse de Klerk**, Director, Private Equity, **RobecoSAM Private Equity**
16:40 - 16:40 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Venture Capital & Growth Equity Summit - Monday 22 February 2016

08:15 - 08:50 **Registration & Coffee**	
08:50 - 09:00 **Chairman's Welcome**	
09:00 - 09:20 **BENCHMARKING & PERFORMANCE DATA**	**Holger Rossbach**, Investment Director, **Cambridge Associates**

Comparing VC Performance Across Regions, Asset Classes & Strategies	
09:20 - 09:40 **MAPPING VENTURE ECOSYSTEMS** Looking At The World's Venture Hotspots & What Makes Them Hot Who's There & What Have They Done	Facilitated By Bjorn Tremmerie, Head of Venture Capital & Impact Investing, **European Investment Fund**
09:40 - 10:10 **ASSET ALLOCATION** How Do LPs Sit VC Within Their Overall Allocation & How Do you Get Exposure If The Top 5 Are Not An Option?	Moderator Ilona Brom, Managing Director, **Wilshire Private Markets** Panellists Anselm Adams, Director, Senior Portfolio Manager, **PECA Family Office** Thomas Kristensen, Executive Director, **LGT Capital Partners** Jens Simon, Managing Director, **Fides Family Office**
10:10 - 10:40 **EARLY STAGE** How Is The Market Evolving & How Are The Roles Of Established Managers, Accelerators & Micro-VCs Changing?	Moderator Joe Schorge, Founder & Managing Partner, **Isomer Capital** Panellists Elizabeth "Beezer" Clarkson, Managing Director, **Sapphire Ventures** Alex Bangash, Managing Director, **TI Platform Fund** Pawel Chudzinski, Co-Founder & Managing Partner, **Point Nine Capital** Alex MacPherson, Head of Octopus Ventures, **Octopus Ventures**
10:40 - 11:10 **Morning Coffee**	
11:10 - 11:40 **LIQUIDITY & RETURNING CAPITAL** What Has Been Sold, How Much For, Who Is Making Money & How?	John Gabbert, CEO, **Pitchbook**
11:40 - 12:10 **"THIS TIME IT'S DIFFERENT"** How Will Current High Valuations Be Monetised & What Has Changed Since The Year 2000?	Moderator George Arnold, Managing Principal, **Knightsbridge Advisers** Panellists Klaus Hommels, Founder & CEO, **Lakestar** Frederic Court, Founder & Managing Partner, **Felix Capital** Doris Blasel, Managing Director, **Siemens Venture Capital** Nils Rode, MD, Co-Head of Global Investment Management, **Adveq Management**
12:10 - 12:40 **ENTREPRENEUR KEYNOTE**	Brent Hoberman, Co-Founder, **- lastminute.com, made.com, Founders Forum & Founders Factory**
12:40 - 13:10 **FUNDRAISING: LPS' TOP TIPS** Institutional investors discuss what they are looking for from their GPs	Moderator Hendrik Brandis, Co-Founder & Partner, **Earlybird Ventures** Panellists Tim Cruttenden, CEO, **VenCap International** George Arnold, Managing Principal, **Knightsbridge Advisers** Johannes Virkkunen, Head Of ICT Investments, Venture Capital, **European Investment Fund** David York, CEO & Managing Director, **Top Tier Capital Partners**
13:10 - 14:15 **Lunch** Julia Bösch, Founder & CEO, **Outfittery** Niklas Ostberg, CEO, **Delivery Hero**	

GROWTH CAPITAL: A SEGMENT COMING TO MATURITY	
14:15 - 14:45 **SESSION 1** Who Are The Growth Capitalists, What Kind Of Investments Do They Make & What Is The Risk/Return Profile Of These Investments?	Moderator Joost Holleman, Partner, **Prime Ventures** Panellists Ross Morrison, Partner, **Adam Street Partners** Brian Conway, MD, Chairman, **TA Associates** Mike Reid, Managing Partner, **Frog Capital** Michael Wand, Managing Director, Head of Europe Technology, **The Carlyle Group**
14:45 - 15:15 **SESSION 2** Is This A Bubble? How Sustainable Is The Current Growth Capital Ecosystem & What Does The Future Look Like For The Asset Class?	Moderator Lauge Sletting, Managing Partner, **Northsea Capital** Panellists James Anderson, Joint Manager, **Baillie Gifford** Jens Munk, Managing Director, **Kennet** Ben Cukier, Founder & Managing Partner, **Centana Growth Partners** Fergal Mullen, Partner, **Highland Capital Europe**
15:15 - 15:45 **Afternoon Tea**	
15:45 - 16:15 **TECH** How Is Connectivity Driving Opportunities Across Different Sectors? How Do You Pinpoint Where There Is Still Capacity?	Moderator Alan Feld, Founder, **Vintage Investment Partners** Panellists Rainer Maerkle, General Partner, **Holtzbrinck Ventures** Max Niederhofer, Partner, **Sunstone Capital** Reinier Musters, Founding Partner, **Orange Growth Capital** Tomasz Czechowicz, Managing Partner, **MCI Capital**
16:15 - 16:45 **BIOTECH** How Is The World Of Healthcare Investing Changing, What Role Does Big Pharma Play & Where Is Liquidity Coming From?	Rainer Strohmenger, General Partner, **Wellington Partners** Deborah Harland, Partner, **SR One** Henrijette Richter, Partner, **Sofinnova Partners**
16:45 - 17:30 **THE BEST IDEAS SOAPBOX with Electronic Polling** 3 VCs get 5 minutes each to explain what they think is the next hot thing, why, and what they are going to do about it. Three LPs will provide their feedback on the quality of the pitch, the attractiveness of the opportunity and what they would want to know further.	LPs Jens Simon, Managing Director, **Fides Family Office** Ian Connatty, Director, Funds, **British Business Bank** Alan Feld, Founder, **Vintage Investment Partners** GPs Rainer Maerkle, General Partner, **Holtzbrinck Ventures** Christian Leybold, General Partner, **E.ventures** Hans Otterling, General Partner, **Northzone**
17:30 - 17:30 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Energy & Natural Resources Summit - Monday 22 February 2016	
08:15 - 08:50 **Registration & Coffee**	
08:50 - 09:00 **Chairman's Welcome**	Jason Cheng, Co-Founder & Managing Partner, **Kerogen Capital**
09:00 - 09:30	

BIG PICTURE ENERGY LANDSCAPE Exploring The Forces At Play Shaping The Global Energy & Oil Price Landscape	Marcel van Poecke, Director, **Carlyle International Energy Partners (CIEP)**
09:30 - 10:00 **OUTLOOK ON ENERGY** Tapping Into The Oil Sector – How Can Energy Fit Into A Broader Strategy? What Returns Can Energy Funds Expect & What Are Investors' Allocation Plans?	Panellists E. Murphy Markham, Managing Partner, **EnCap** Rahul Advani, Principal, **Energy Capital Partners** J. Brady Hyde, Portfolio Manager, Private Equity Investments, **UPS Group Trust**
10:00 - 10:30 **DATA SESSION**	Mark O'Hare, Founder & CEO, **Preqin**
10:30 - 11:00 **Morning Coffee**	
11:00 - 11:20 **DISLOCATION IN THE ENERGY SECTOR** Who Is Taking Advantage Of The Current Dislocation In The Energy Sector?	Greg Beard, Senior Partner, Head of Natural Resources, **Apollo Global Management**
11:20 - 11:50 **PANEL DISCUSSION** How Is This Impacting The Attractiveness Of The Asset Class? Where Is The Most Capital Flowing & Where Are The Most Robust Strategies?	Moderator Greg Beard, Senior Partner, Head of Natural Resources, **Apollo Global Management** Panellists Marcel van Poecke, Director, **Carlyle International Energy Partners (CIEP)** Mustafa Siddiqui, Managing Director, Head of Energy Investing, Europe, **The Blackstone Group** John A. Hill, Vice Chairman & Managing Director, **First Reserve** Jason Cheng, Co-Founder & Managing Partner, **Kerogen Capital**
11:50 - 12:20 **SHALE REVOLUTION** Implications Of The Shale Revolution For Energy Investing: How Can Investors Remain Confident of the Economic Competitiveness of the Sector?	Moderator Charles Cherington, Managing Partner, **Intervale Capital** Panellists William C Sonneborn, President, **EIG Global Energy Partners** John Moon, Managing Director, Head, **Morgan Stanley Energy Partners** Robert Tichio, Partner, **Riverstone**
12:20 - 12:50 **ENERGY DEBT** Can Non-Traditional Lenders Fill The Gap? Seeking The Most Promising Opportunities In Distressed Assets & Examining The Risk/Return Profile Of Various Energy Subsectors	Christopher A. Abbate, Managing Director, **Riverstone Holdings** Interviewed by Alex Griffiths, MD, Head of Natural Resourcs & Commodities, EMEA, **Fitch Ratings**
12:50 - 14:00 **Lunch**	
14:00 - 14:20 **DATA PRESENTATION** Key Market Drivers & Deal Flow In Renewables: Examining The Positive Impact Of Improving Technology, Lower Costs, Cheap Debt & Managing Political & Regulatory Risks	

14:20 - 15:00 **RENEWABLES PANEL** Evaluating Innovation In Renewables: What Opportunities Does This Present To Investors?	Moderator Tom Murley, Director & Head of Renewable Energy, **HgCapital** Panellists Karl Smith, Fund Manager, **Green Investment Bank** Chris Wedding, Founder & Managing Director, **IronOak Energy** Christopher B Hunt, Managing Director, **Riverstone** Ben Cotton, Partner, **Earth Capital Partners**
15:00 - 15:30 **LP VIEWS ON THE ENERGY MARKET** Gauging Investor Appetite For Energy & Natural Resources: How Are LPs Gaining Exposure, Which Sectors Are Attracting The Most Interest & How Are They Managing Commodity Risk?	Moderator Mark O'Hare, Founder & CEO, **Preqin** Panellists Maurice A. Gordon, MD, Head of Private Equity, **The Guardian Life Insurance Company of America** Paul Manias, Managing Director, **OMERS Strategic Investments** Dominik Scheven, Vice President, Infrastructure & Energy, **DB Private Equity**
15:30 - 16:00 **Afternoon Tea**	
16:00 - 16:30 **INFRASTRUCTURE OPPORTUNITIES** Targeting Large Scale Energy Infrastructure Investment Opportunities Via Strategic Partnering With Corporates: How To Mitigate The Risks Involved & Structure Deals To Deliver Predictable & Sustainable Long-Term Returns	Moderator Simon Eaves, Managing Director, **Capital Dynamics** Panellists Chris Wrenn, Managing Director - Infrastructure Debt, **BlackRock** Greg Taylor, Founding Partner, Co-Portfolio Manager, **Sequoia Investment Management Company** John A. Hill, Vice Chairman & Managing Director, **First Reserve**
16:30 - 16:30 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

German Private Equity Summit - Monday 22 February 2016

The Largest Annual German Private Equity Gathering

08:15 - 09:10 **Registration & Coffee**	
09:10 - 09:15 **Chairman's Welcome**	
09:15 - 10:00 **GEOPOLITICAL OVERVIEW** Germany: The Cornerstone Of Growth & Stability In Europe? What Political Developments Can We Expect To See In Germany & The Wider Eurozone?	Thierry Malleret, Co-Founder, **Monthly Barometer**
10:00 - 10:30 **THE BULL CASE FOR GERMANY** How Can LPs Take Advantage Of Fundamental Opportunities From The Strongest Economy In The Eurozone? How Truly Competitive Is The German Private Equity Landscape	Moderator Thierry Malleret, Co-Founder, **Monthly Barometer** Panellists Torsten Grede, CEO, **Deutsche Beteiligungs AG** Burkhard Wangenheim, Investment Manager, **Afinum** Wendelin Thönes, Director, Fund Investments, **Allianz Capital Partners** Ulf von Haacke, Partner, MD, Germany, **3i**

10:30 - 11:00 **Morning Coffee**	
11:00 - 11:30 **KEYNOTE INDUSTRY ADDRESS** Where Is PE In Germany Headed Now? How Would A Potential Economic Slowdown Affect The German PE Market?	Michael Phillips, Managing Director, **Castik Capital**
11:30 - 12:15 **GUEST SPEAKER - HIGH PERFORMANCE UNDER PRESSURE** Making The Apparently Impossible Happen	Marc Priestly, Former Race Mechanic & Member of the McLaren Formula One Pit Crew ,
12:15 - 13:00 **DATA SESSION** Update On German PE Outlook: Analysing Industry Comments From The Past 3 Years: How Accurate Were Industry Predictions On Fundraising, Investing, Growing Businesses & Exits & What Does The Future Hold?	Moderator Richard von Gusovius, Partner, **Campbell Lutyens** Panellists Ralf Huep, Managing Partner, **Advent International** Jörg Rockenhäuser, Managing Partner, Germany, **Permira** Daniel Flaig, Partner, **Capvis Equity Partners** Till Burges, Principal, **HarbourVest Partners (UK) Ltd** Marc Brugger, Managing Director, **LFPE**
13:00 - 14:00 **Lunch**	
14:00 - 14:40 **10 MINUTE MINI CASE STUDIES** Presenting Some Of The Most Successful Deals In The German Market - How Did It Work For Specific Firms?	Moderator Silvina Aldeco-Martinez, MD, Product & Market Development - EMEA, **S&P Capital IQ** 14.00 - 14.10: Mid Market Georg Ganghofer, Investment Director, **Brockhaus Private Equity** 14.10 - 14.20: VC Christoph Jung, General Partner, **Holtzbrinck Ventures** 14.20 - 14.30: Private Debt: Jason Carley, CIO, European Opportunities Funds, **RiverRock**
14:40 - 15:10 **ACADEMIC RESEARCH - DATA PRESENTATION** Operational Value-Add: Everyone Says They Do It, But Do They? How Can The Quality Of Analysis Be Improved?	Michael Prahl, Distinguished Fellow GPEI, Adj. Professor of Entrepreneurship INSEAD, Partner Asia-IO, **INSEAD**
15:10 - 15:40 **Afternoon Tea**	
15:40 - 16:15 **REGULATORY CHALLENGES FOR GERMAN GPs & LPs** Covering The German Investment Act & Its Impact On Debt & Private Equity Funds, AIFMD Passport & Private Placement Regimes Plus Update On The Marketing Regimes, Challenges For Sub-Threshold Managers Under The EUVECA Regime	Panellists Dörte Höppner, Chief Executive, **Invest Europe** Patricia Volhard, Tax & Legal Committee, **Invest Europe**
16:15 - 16:45 **LP PERSPECTIVES** Analysing The Impact Of The Denominator Effect For German Investors: Where Will They Look To Deploy Capital & Maintain Allocations, How Much Exposure To The Market Should LPs Want,	Moderator Rene Höpfner , Investor Relations, **Ardian** Panellists Sarah Farrell, Managing Director, Private Equity, **Rising Tide GmbH**

Which LPs Are Investing & Why?	**Daniel Boege,** Principal, Head of Buyout, **Golding Capital Partners** **Kaarina Suikkonen,** Partner, **Lyrique Private Equity** **Sven Berthold,** Managing Director, **ATRUM**
16:45 - 17:15 **DIMINISHING FRONTIERS BETWEEN PE AND VC** How Much Common Ground Do PE and VC Share, & What Must Change In The Mindset Of Investors For The Two Asset Classes To Work Successfully Together?	Moderator **Peter Beusch,** Managing Partner, **Pesca Equity Partners** Panellists **Christoph Jung,** General Partner, **Holtzbrinck Ventures** **Michael H. Bork,** Senior Partner & Member of the Management Board, **Equistone Partners** **Joern Nikolay,** Managing Director, **General Atlantic** **Jan-Gisbert Schulze,** Managing Partner, **Acton Capital Partners**
17:15 - 17:15 **Close of Summit** Day	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Private Debt & Mezzanine Finance Summit - Monday 22 February 2016

08:15 - 08:45 **Registration & Coffee**	
08:45 - 08:50 **Chairman's Welcome**	**Anthony Fobel,** Partner, Head of Private Debt, **BlueBay Asset Management**
08:50 - 09:20 **OVERVIEW OF THE ECONOMY 2016: BIG PICTURE & IMPLICATIONS FOR THE PRIVATE DEBT MARKET**	**Jakob Lindquist,** Co-CEO & Co-Founder, **CORDET** **Christophe Evain,** CEO, **ICG** **Stephen Hickey,** Managing Partner, **CVC Credit Partners** Interviewed by **Peter Schwanitz,** Managing Director, **Portfolio Advisors**
09:20 - 09:45 **PERSPECTIVES ON PRIVATE DEBT** Taking The Temperature Of The Debt Market: Assessing Valuations, Debt and Leverage Levels, Risk & Pricing	**Anthony Fobel,** Partner, Head of Private Debt, **BlueBay Asset Management**
09:45 - 10:30 **CHALLENGES OF OVERSUPPLY OF CAPITAL** Can Debt Funds Continue To Deliver? What Will The Stars Of Leveraged Finance Do With $52bn Of Dry Powder? Where Will They Seek New Sources For Deals? Is Direct Lending Overcrowded? Are Funds Currently Being Raised Going To Deliver Advertised Returns?	Moderator **Anthony Fobel,** Partner, Head of Private Debt, **Blue[illegible] Management** Panellists **Eric Lloyd,** Head of Global Private Finance, **Babson Capital Management** **Andrew McCullagh,** Head of Origination , **Hayfin Capital Management** **Symon Drake-Brockman,** Managing Partner, **Pemberton Asset Management** **Mathieu Chabran,** Managing Director & CIO, **Tikehau Investment Management** **Michael A. Ewald,** Global Head, Middle Market Lending, **Sankaty Advisors**
10:30 - 11:00 **LP PERSPECTIVES: SEARCHING FOR YIELD IN PRIVATE DEBT** Can Debt Funds Continue To Deliver? What Will The Stars Of Leveraged Finance Do With $52bn Of Dry Powder? Where Will They	Moderator **Matthias Unser,** Founding Partner, **Yielco Investments** Panellists **Peter Schwanitz,** Managing Director, **Portfolio Advisors**

Seek New Sources For Deals? Is Direct Lending Overcrowded? Are Funds Currently Being Raised Going To Deliver Advertised Returns?	Timo Hara, Partner, **Certior Capital** Sanjay Mistry, Director of Private Debt, **Mercer Private Markets**
11:00 - 11:30 **Morning Coffee**	
11:30 - 12:00 THE FUTURE OF LENDING Demystifying The Private Debt Market: Examining Positive & Negative Developments In Lending & The Role Of Banks Vs Lenders	Moderator Louis Lavoie, Managing Director, **Crescent Credit Europe** Panellists Cécile Mayer-Lévi, Co-Head of Private Debt, **Tikehau** Tom Newberry, Partner, Head of Private Funds, **CVC Credit Partners** Blair Jacobson, Partner, Director Lending Group, **Ares Management**
12:00 - 12:30 COMPARING DIFFERENT STRATEGIES & PRODUCTS Assessing The Risks & Merits Of Different Debt Strategies & Products: How Can The Debt Industry Provide Attractive Offerings & Can The Cost Structures Be Supported?	Moderator Robert Ruberton, Senior Portfolio Manager, Head of Illiquid Credit, **Apollo Global Management** Panellists Graeme Delaney-Smith, Head of European Direct Lending, **Alcentra** Susan Kasser, Head of Private Debt, **Neuberger Berman** Michael A. Ewald, Global Head, Middle Market Lending, **Sankaty Advisors** Louis Lavoie, Managing Director, **Crescent Credit Europe**
12:30 - 13:00 DOING DEALS IN THIS MARKET Deal Deployment In The Credit Markets: Where & How Can Asset Managers Effectively Connect & Deploy With Medium Sized Companies?	Moderator James Newsome, Managing Partner, **Arbour Partners** Panellists Maurizio Petitbon, General Partner, **Kreos Capital** Theodore Koenig, President & CEO, **Monroe Capital** Jason Carley, CIO, European Opportunities Funds, **RiverRock** Thomas Duetoft, Head of Origination, **Permberton Asset Management**
13:00 - 14:30 **Lunch**	
14:30 - 15:00 DIRECT LENDING Examining The Growing Attraction of Direct Lending For Medium Sized Firms: What Terms Are Being Used & What Are The Risk/Return Profiles Of Different Financing Structures?	Moderator Mike Ramsay, Partner, CIO, Global Credit Fund, **Generation Investment Management** Panellists Paul Shea, Co-Founder & Managing Partner, **Beechbrook Capital** Malcolm Hassan, Head of Funds & Asset Management Sector, **RBS Commerical & Private Banking** Patrick Ordynans, Senior Direct Lending Analyst, Germany, **Alcentra** Marco Natoli, Head of Lower Mid-Market Europe, Norther, Eastern & Southern Europe, Equity Investmentsts, **European Investment Fund**
15:00 - 15:30 GROWTH CAPITAL Assessing The Growing Volume Of Growth Capital Investments In Europe: What Sub-Strategies Are Worth Exploring For Investors As Firms Develop & Risk Profiles Change?	Moderator James Newsome, Managing Partner, **Arbour Partners** Panellists John Sinik, Managing Partner, **Metric Capital Partners** Alex Schmid, CEO, **ESO Capital** David Bateman, Senior Managing Director, **Harbert European Growth Capital.**
15:30 - 16:10	Panellists

Specialist Strategies In Private Debt: Why Are These Increasingly Attractive To Investors? Examining The Opportunities & Risks In The Real Estate, Energy, Infrastructure & Healthcare Sectors 10 minute presentation for each strategy	Christian Reiner, Partner & Investment Director, **Proventus Capital Partners** Daniel Heine, Managing Director, Private Debt, **Patrimonium** Tim Cable, Investment Director, Infrastructure Debt, **Hastings**
16:10 - 16:40 **Afternoon Tea**	
16:40 - 17:10 **WEIGHING UP DIFFERENT DEBT STRUCTURES** Why Are Mid Market GPs Using Private Debt Versus Banks? Evaluating The Opportunity Sets For Senior Debt, Unitranche, Covenants, 1st/ 2nd Lien, Mezzanine: What Circumstances Determine When A Particular Structure Should Be Used, & How Is It Executed?	Moderator Frédéric Nadal, Partner & Co-Founder, **MV Credit** Nathalie Faure Beaulieu, Regional Managing Director, Norther Europe, **European Capital** Christophe Bavière, CEO, **IdInvest Partners** James Greenwood, CEO, **Permira Debt Managers** Peter Lockhead, Portfolio Manager, **Avenue Europe Management**
17:10 - 17:40 **SUPER-YIELD: US VERSUS EUROPE** The Evolution Of US Direct Lending: Market Size Comparison Of US Direct Lending Versus Europe & Lessons Learned In The US From The Financial Crisis	Moderator Eric Green, Co-Head, Middle Market Capital, **Muzinich & Co** Panellists Andre Hakkak, Managing Partner, **White Oak Global Advisors** Nael Khatoun, Managing Director, European Principal Group, **Oaktree Capital Management** Michael Smith, Partner, Direct Lending Group, **Ares Management** David Allen, MD, Principal Credit Investments, **CPPIB**
17:40 - 18:30 **ROUNDTABLES** 1. Sponsorless Lending: The Opportunities and Challenges 2. Private Debt: What The Regulators May Not Understand	Table 1 Hosted by James Newsome, Managing Partner, **Arbour Partners** Table 2 Hosted by Matthias Unser, Founding Partner, **Yielco Investments**
18:30 - 18:30 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Main Conference Day 1 - Tuesday 23 February 2016

07:30 - 08:00 **Registration & Morning Coffee**	
08:00 - 08:10 **Chairman's Welcome**	George R Anson, Managing Director, **HarbourVest Partners**
MAIN STAGE Part 1	**ENGAGED CONVERSATIONS Part 1**
08:10 - 08:50 **GLOBAL ECONOMIC OUTLOOK** Overview Of The Global Economic & Political Outlook Today & Over The Next 12 Months Zanny Minton Beddoes, Editor-in-Chief, **The Economist**	RUNNING ALONGSIDE THE MAIN CONFERENCE: PUBLIC AND PRIVATE SMALL-GROUP FACILITATED DISCUSSIONS. LIMITED NUMBERS 09:00 - 09:30 **ENGAGED CONVERSATIONS WITH ......** Chatham House Rule Applies – No Press

08:50 - 09:30

KEYNOTE INDUSTRY OVERVIEW

Drivers of Returns

Al Gore,
Co-Founder & Chairman,
Generation Investment Management

David Blood,
Co-Founder & Senior Partner,
Generation Investment Management

Interviewed by
Jason Kelly,
New York Bureau Chief,
Bloomberg L.P.

09:30 - 10:10

STATE OF THE UNION

How Can Private Equity Source Attractive Investment Opportunities In An Environment Of Record Purchase Price Multiples And Stiff Competition From Strategic Bidders?

Moderator
Henny Sender,
Chief Correspondent, International Finance,
Financial Times

Panellists
William Ford,
CEO,
General Atlantic

Donald J Gogel,
Chairman & Chief Executive Officer,
Clayton Dubilier & Rice

James Brocklebank,
Managing Partner,
Advent International

Robert J Tomei,
Founder & Chairman,
Advanced Capital Group

10:10 - 10:35

INDIVIDUAL KEYNOTE ADDRESS

Private Equity 3.0: A Vision for Tomorrow's Investing

Robert F Smith,
Chairman & CEO,
Vista Equity Partners

Interviewed By
Simon Clark,
Reporter,
The Wall Street Journal

Come along to ask any burning questions arising from Zanny's earlier presentation

Zanny Minton Beddoes,
Editor-in-Chief,
The Economist

09:45 - 10:35

SuperReturn Boardroom SPOTLIGHT ON REGULATION

Come along to an intimate and informative discussion on the impact of US and European regulatory directives, & the practicalities of implementation

Dörte Höppner,
Chief Executive,
Invest Europe

Bronwyn Bailey,
Vice President of Research,
PEGCC

David Crosland,
Partner,
Carey Olsen

10:35 - 11:05

Morning Coffee Networking Break

MAIN STAGE Part 2

11:05 - 11:30

FIRESIDE CHAT

Leon Black,
Founding Partner,
Apollo Global Management

Interviewed By
Jim Strang,
Managing Director & Head of EMEA,
Hamilton Lane

11:30 - 11:55

INDIVIDUAL KEYNOTE ADDRESS

11:55 - 12:20

KEYNOTE INTERVIEW

What Are The Hot-Button Issues Affecting Private Equity Today & Into The Future?

Steve Koltes,
Co-Founder & Co-Chairman,
CVC Capital Partners

Interviewed By
Helen Steers,
Partner, Head of European Investment Team,
Pantheon

12:20 - 12:50

PLENARY PANEL

Moderated by Coller Capital

12:50 - 13:20

LP PERSPECTIVES

Sourcing New Opportunities For Under Allocated LPs: How & Where Should Investors Put Their Record Distributions To Work? How Are They Balancing Allocations & Enhancing Liquidity In Today's Volatile Markets?

Moderator
Hanneke Smits,
Co-Founder & Chair,
Level 20

Peter Pereira Gray,
Head of Investments,
The Wellcome Trust

Wesley W. Gipson,
Director of Private Equity,
Employees Retirement System of Texas

ENGAGED CONVERSATIONS Part 2

RUNNING ALONGSIDE THE MAIN CONFERENCE: PUBLIC AND PRIVATE SMALL-GROUP FACILITATED DISCUSSIONS. LIMITED NUMBERS

11:05 - 11:45

ENGAGED CONVERSATION

Your opportunity to discuss your most pressing issues with leading women in Private Equity

Chatham House Rule Applies. No Press Limited Numbers

Hanneke Smits,
Co-Founder & Chair,
Level 20

Jennifer Dunstan,
Partner, Head of Fund Investor Relations,
3i

Alex Hess,
Partner, Head of Fundraising & Investor Relations,
Cinven

12:00 - 12:45

SuperReturn Boardroom: ENGAGED CONVERSATION WITH .....

Discuss your most pressing issues with these private equity luminaries

Chatham House Rule Applies – No Press

LIMITED NUMBERS - FIRST COME FIRST SERVED

Al Gore,
Co-Founder & Chairman,
Generation Investment Management

David Blood,
Co-Founder & Senior Partner,
Generation Investment Management

12:45 - 12:50

Break

12:50 - 13:20

ENGAGED CONVERSATION

Questions To A GP

Chatham House Rule Applies

Sandra Bosela,
Co-Head Private Markets Group, MD & Global Head of Private Equity,
OPTrust Private Markets Group

Steve Koltes,
Co-Founder & Co-Chairman,
CVC Capital Partners

13:20 - 14:50

Lunch Including VIP Lunch Tables

LP Judge J. Daniel Parker, Investment Officer, **Helmsley Charitable Trust**

Investor Outlook
Ed Hall, International Funds Partner King & Wood Mallesons

14:50 - 15:15

Session TBC

15:15 - 15:45

SPOTLIGHT ON INVESTOR ISSUES

How Do LPs Assess Success & Failure In A Private Equity Fund & Determine Which Managers Have Potential & Which Are At Or Past Their Peak?

Moderator
Thierry Malleret,
Co-Founder,
Monthly Barometer

Panellists
Rhonda Ryan,
Head of EMEA Investments,
Altius Associates

Michael Lindauer,
MD, Global Co-Head of Fund Investments,
Allianz Capital Partners

Mike Powell,
Head of Private Markets Group,
USS Investment Management

Joshua B Stern,
Director, Private Investments,
Robert Wood Johnson Foundation

15:45 - 16:15

LPS ON PERFORMANCE

How Do LPs Assess Success & Failure In A Private Equity Fund & Determine Which Managers Have Potential & Which Are At Or Past

Mid Market Focus
David Bailey, Group Head of Marketing & Communications Augentius

14:50 - 15:15

Session TBC

15:15 - 15:45

PRESSURE IN THE MID MARKET

How Is It Possible To Get The Right Deal At The Right Price? What Is The Current LP Appetite For Mid Market Deals & What Can Mid Market GPs Do To Attract Their Interest?

Moderator
Mark Weston,
Head of Investor Relations,
Triton Partners

Panellists
Jim Strang,
Managing Director & Head of EMEA,
Hamilton Lane

Steven Costabile,
MD, Global Head of Private Funds Group,
PineBridge Investments

Christiian Marriott,
Partner, Fundraising & Investor Relations,
Equistone Partners Europe

Alessandro Binello,
Co-Founder & Chairman,
Quadrivio Capital

15:45 - 16:15

DEFINING A MID MARKET DEAL

What Are The Ongoing Consequences Of The Denominator Effect As LPs Push Allocations Towards Large Buyout Firms & The Middle Is

Capital Markets
Uwe Fleischhauer, Managing Partner Yielco Investments

14:50 - 15:15

Managing FX Risk – A Panel Debate.

Moderator
Jackie Bowie,
CEO,
J C Rathbone Associates Ltd

15:15 - 15:45

CHANGING DYNAMICS IN CAPITAL MARKETS

Moderator
Edward Eyerman,
Managing Director, Head of European Leveraged Finance,
Fitch Ratings

Panellists
Nishant Nayyar,
Principal, Capital Markets Team,
Apax Partners

Michael Marsh,
MD, Head of EMEA High Yield & Leveraged Loan Capital Markets,
Goldman Sachs

Richard Howell,
Partner,
PAI Partners

15:45 - 16:15

APPETITE FOR REAL ASSETS

Analysing The Growing Appetite For Real Assets As LPs Search For Yield: What Subsectors Are Attracting The Most Attention & What Are Return Expectations?

Update On Secondaries
Philip Tsai, MD, Global Head of Secondary Market Advisory UBS Investment Bank

14:50 - 15:15

Secondary Pricing – Temporary Lull Or Reversion To The Mean?

Bernhard Engelien,
Managing Director,
Greenhill Cogent

15:15 - 15:45

Latest Trends In The Secondary Market

Philip Tsai,
MD, Global Head of Secondary Market Advisory,
UBS Investment Bank

15:45 - 16:15

SEEKING VALUE IN THE SECONDARIES MARKET

Assessing The Impact Of Frothy Pricing On Returns & Predicting Which Strategies Will Ensure Strong Dealflow?

Moderator
Mark O'Hare,
Founder & CEO,
Preqin

Panellists
Marco Wulff,
Partner & Co-Founder,
Montana Capital Partners

Elly Livingstone,
Partner,
Pantheon

Michael Woolhouse,
Managing Director, Head of Secondaries and Co-Investments,
CPPIB

Value Creation
Francesca Cornelli, Professor of Finance & Director, Coller Institute of Private Equity London Business School

14:50 - 15:15

M&A & IT Risks

Matthias Roeser,
Head of IT Advisory Practice,
BearingPoint

15:15 - 15:45

OPERATIONAL VALUE ADD

Examining The Different Models Being Deployed By GPs & Operating Partners: What Will The Next Generation Of Operational Improvement Involve?

Moderator
Francesca Cornelli,
Professor of Finance & Director, Coller Institute of Private Equity,
London Business School

Panellists
Henry Jackson,
Chief Executive,
OpCapita

Yalin Karadogan,
Partner, Head of Emerging Europe,
Cinven

Carlos Lavilla,
Managing Partner,
Corpfin Capital

15:45 - 16:15

THE CENTRAL ROLE OF IP

Private Equity, Finance & Corporate Perspectives

Their Peak?

Moderator
Joe Topley,
Managing Director,
Stepstone Group

Panellists
Mark Boyle,
Director, Private Equity Funds,
Northwestern Mutual Capital

William Gilmore,
Senior Investment Manager, Alternatives Division,
Aberdeen Asset Management

Andre Konstantinow,
Head of Wealth Management,
Kieger AG

Miriam Schmitter,
Managing Director,
Commonfund UK Ltd

Squeezed? What Now Defines A Mid Market Deal In Terms Of Size & How Can Firms Differentiate Themselves?

Moderator
Günther Skrzypek,
Managing Partner,
Augur Capital

Panellists
Katja Salovaara,
Senior Portfolio Manager,
Ilmarinen

Andrea Bonomi,
Founder,
Investindustrial

Moderator
Uwe Fleischhauer,
Managing Partner,
Yielco Investments

Perry Noble,
Infrastructure Partner,
Hermes Investment Management

David Beamish,
Principal,
StepStone

Dmitriy Antropov,
Vice President, Private Infrastructure,
Partners Group

Heike Findeisen,
Business Development Director,
Caceis

Peter Wilson,
Managing Director,
HarbourVest Partners (UK) Ltd

Moderator
Harry Rubin,
Partner,
Ropes & Gray

Panellists
Eran Zur,
Managing Director,
Fortress IP Finance

Robert C.J. Loef,
Head of M&A Corporate Legal,
BSH Hausgeräte GmbH

Alessandro Albanese,
Associate Director, M&A & Business Integration ,
Infront Sports & Media AG

16:15 - 16:40

Afternoon Tea

16:40 - 17:10

Navigating FCPA Risk And The DoJ

The DoJ (US Department of Justice) has extensive global reach and through the US Foreign Corrupt Practices Act (FCPA) intrudes on all deals and portfolio companies that touch on the US or the US$. A DoJ investigation can cost millions of dollars and cause immense distraction. Joe Warin, a former Assistant United States Attorney, has conducted corruption investigations in more than 35 countries. He will share current thinking at the DoJ and strategies for mitigating the risks that all businesses encounter.

16:40 - 17:10

LOWER MID MARKET

Is There Still Potential For Higher Returns? If So, Where?

Moderator
Richard Lenane,
Managing Director,
Exponent Private Equity

Panellists
Sean Whelan,
Managing Partner,
ECI Partners

Jobst Klemme,
Director,
Abbott Capital Management

Denis Metzger,
President,
Chequers Capital

17:10 - 17:40

LPS ON LOWER MID MARKET

What Factors Do LPs Take Into Account When Selecting Lower Mid Market Funds? How Do

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16:40 - 17:10

DUE DILIGENCE

What Should LPs Really Be Asking About Alignment Of Interest, Governance And Transparency With Their Private Equity Manager Relationships?

Moderator
Dante Leone,
Managing Partner,
CP-DL

Panellists
Jonas Nyquist,
Head of Buyout Fund Investment,
Skandia Life

Maurice A. Gordon,
MD, Head of Private Equity,
The Guardian Life Insurance Company of America

Klaus Bjorn Ruhne,
Partner,
ATP PEP

J. Daniel Parker,
Investment Officer,
Helmsley Charitable Trust

16:40 - 17:10

LPS ON SECONDARIES

What Is The Current LP Appetite For Secondaries? What Strategies Are Investors Using To Maximise Liquidity & What Factors Influence The Balance Of Primary & Secondary Capital In Their Portfolios & Their Decisions To Buy & Sell?

Moderator
Nicolas Lanel,
Head of European Private Capital Advisory,
Evercore

Panellists
Paul Newsome,
Head of Investment Management, Private Assets,
Unigestion

Pinal Nicum,
Partner,
Adams Street Partners

Oliver Gardey,
Partner, Europe,
Pomona Capital

16:40 - 17:10

OUTLOOK FOR INFRASTRUCTURE

Understanding The True Prospects For Growth In The Infrastructure Market: Sourcing Appropriately Priced Assets With An Optimal Risk Return Profile

Moderator
David Rogers,
Founding Partner,
Caledon Capital Management

Panellists
Andreas Huber,
Partner,
EQT Partners

Chris Beall,
MD, Co-Portfolio Manager, Infrastructure Investing,
Oaktree Capital Management

Gary Withers,
CEO,
Whitehelm Capital

Moderator F. Joseph Warin, Partner, **Gibson Dunn**	They Evaluate Performance? Moderator Marc der Kinderen, Managing Partner, **747 Capital** Panellists Ralf Gleisberg, Partner, **Akina Partners** Jan Faber, Managing Director, **Bregal Investments** John Maclean, Private Equity Portfolio Manager, **BP Investment Management Ltd (BPIM)**	17:10 - 17:40 **SHAPING AN EMERGING LANDSCAPE** Defining LP Appetite For First-Time Managers Followed by: Debut Funds Showcase Strictly limited to 4 funds. To apply, contact michaela.virtue@informa.com Moderator Armando D'Amico, Managing Partner, **Acanthus Advisors** Panellists Jesper Knutsson, Principal, **Danske Private Equity** Tom McComb, MD, Portfolio Manager, Private Equity Group, **JP Morgan Asset Management** Sergey Sheshurak, Partner, Head of European Investments, **Adams Street Partners** Philippe Poggioli, Managing Partner, **Access Capital Partners**	Jonathan Blake, Partner, Head of International Funds Practice, **King & Wood Mallesons**	George Osorio, Managing Partner, **Conduit Capital Partners** Herb Magid, Partner & Co-Head of Ares EIF, **Ares Management**
17:10 - 17:40 **DATA PRESENTATION: ACADEMIC RESEARCH** CEO Turnover in LBOs:The Role of Boards Francesca will examine the change in CEO turnover that occurs when a private equity firm takes a public firm private in a leveraged buyout, and discuss what the positive and negative effects are. Francesca Cornelli, Professor of Finance & Director, Coller Institute of Private Equity, **London Business School**			17:10 - 17:40 **DEALFLOW IN SECONDARIES** The Future Of Secondaries: How To Successfully Source A Good Quality Deal Flow, How To Navigate Different Cycles & How Investors Should Best Approach Different Sales Processes Moderator Philippe Roesch, Managing Partner, **RIAM Alternative Investments** Panellists Christian de Lint, Partner & Co-Founder, **Headway Capital Partners** Andre Aubert, Partner, **LGT Capital Partners** Pål Ristvedt, Partner, **Lexington Partners UK Ltd** Carlo Pirzio Biroli, MD, Global Head of Private Equity & Illiquid Alternatives, **Deutsche Asset & Wealth Management**	17:10 - 17:40 **TURNAROUND & DISTRESSED** Where Are The Opportunities For Distressed Debt In A Bullish Economy? How Can Distressed Funds Make The Current Environment Work For Them? Moderator Garry Wilson, Founding Partner, **Endless LLP** David Forbes-Nixon, Chairman and Chief Executive Officer , **Alcentra** Dominic Slade, Managing Partner, **Alchemy Partners** Stefan Lehotkay, Senior Partner, **Clearsight Investments** Martin Gruschka, Founding Partner, **Springwater Capital** Andrés Rubio, Senior Partner, European Principal Finance Fund, **Apollo Global Management**

17:40 - 17:40

NETWORKING CHAMPAGNE ROUNDTABLES

17:40 - 19:30

Evening Networking Cocktail Party

Hosted by: UBS INVESTMENT BANK

NB Entry Strictly Restricted To SuperReturn Conference Badge Holders Only

Main Conference Day 2 - Wednesday 24 February 2016

08:00 - 08:20

Registration & Morning Coffee

Chairman's Welcome	James Moore, Managing Director, Global Co-Head, Private Funds Group, London, **UBS Investment Bank**

MAIN STAGE Part 1	ENGAGED CONVERSATIONS Part 1
08:30 - 08:55 **PRIVATE EQUITY INSIGHTS** Private Equity Investment In An Uncertain World Guy Hands, Chairman & CIO, **Terra Firma Capital Partners**	08:30 - 09:30 **Running alongside the main conference: Public and private small-group facilitated discussions.** Limited Numbers
08:55 - 09:25 **KEYNOTE ADDRESS** In The Era Of Rising Interest Rates And Lowering Growth Rates Can Private Equity Prosper? David Rubenstein, Co-Founder & Co-CEO, **The Carlyle Group**	09:30 - 10:00 SUPERRETURN BOARDROOM **SuperReturn Boardroom** Questions To A GP The Chatham House Rule Applies – No Press Your opportunity to address any challenges you face with a private equity leader Limited Numbers Guy Hands, Chairman & CIO, **Terra Firma Capital Partners**
09:25 - 09:50 **TERMS & STRUCTURES** Update On Fundraising, Negotiations And The State Of GP/ LP Relations Sonya Pauls, International Funds Partner, **King & Wood Mallesons**	10:00 - 10:45 SUPERRETURN BOARDROOM **SuperReturn Boardroom** TOO HOT TO TOUCH BOARDROOM DISCUSSION OF RED-HOT ISSUES The Chatham House Rule Applies – No Reporting, or attributing of quotes to participants. Up-to-the-minute agenda to be announced. Discussion Leaders Maarten Vervoort, Managing Director, **AlpInvest Partners** Peter McKellar, Senior Managing Partner & CIO, **SL Capital Partners** John Barber, Partner, Co-Head of Investor Services, **Bridgepoint**
09:50 - 10:20 **ELECTRONIC POLLING SESSION – RED HOT ISSUES !** Moderator T. Bondurant French, Executive Chairman, **Adams Street Partners** Panellists David Rubenstein, Co-Founder & Co-CEO, **The Carlyle Group** Todd Sisitsky, Head of North America, **TPG Capital** Alex Navab, Member & Head of Americas Private Equity, **KKR** Glenn R August, Founder & CEO, **Oak Hill Advisors**	
10:20 - 10:45 **INTERVIEW WITH A CEO**	

Global Growth Investing & Creative Origination In Today's Market: Where Do Opportunities Lie?

Interviewed By
Henny Sender,
Chief Correspondent, International Finance,
Financial Times

Joseph P Landy,
Co-CEO,
Warburg Pincus

10:45 - 11:15
Morning Coffee

MAIN STAGE Part 2	ENGAGED CONVERSATIONS Part 2
11:15 - 11:40 **INDIVIDUAL KEYNOTE ADDRESS**	11:15 - 11:50 **Delegates may attend the conference sesions on the Main Stage**

MAIN STAGE Part 2

11:40 - 12:05
OFF THE RECORD

Steve Klinsky,
CEO,
New Mountain Capital

Interviewed by:
Gui Qing Koh,
Private Equity Correspondent,
Thomson Reuters

12:05 - 12:30
FOCUS ON FUNDRAISING

The Moving Sands Of PE Fundraising: Who Will Be The Biggest Providers Of Capital To The PE Industry In 5 Years' Time? How Has The Landscape Changed And What Will Be The Most Important Influences + And - Over The Medium Term

Moderated by
Jake Elmhirst,
Managing Director, Global Co-Head, Private Funds Group, New York,
UBS Investment Bank

Panellists
Neil Brown,
Partner, Head, Investor Development Group,
Actis

Thomas C Franco,
Partner,
Clayton, Dubilier & Rice

Charlie Bott,
Managing Partner, Head of Investor Relations,
BC Partners

ENGAGED CONVERSATIONS Part 2

11:50 - 13:10
EMERGING MARKETS BOARDROOM DISCUSSION

Run under the Chatham House Rul

12.10 - 12.30: Africa
Steve Cowan,
Founder & MD,
57 Stars

12.30 - 12.50: CEE
Pierre Mellinger,
President & CEO, Head of Central Europe Private Equity,
Pinebridge Investments

12.50 - 13.10: Latin America
George Osorio,
Managing Partner,
Conduit Capital Partners

Jussi Saarinen, Partner, Head of Investor Relations, **EQT** Richard Walsh, Partner, Head of Investor Relations, **Court Square Capital Partners**	
12:30 - 13:15 **INSPIRATIONAL GUEST SPEAKER: SUCCESS REGARDLESS** Setting Your Own Boundaries Ade Adepitan, Paralympian, aka " The Michael Jordan of wheelchair basketball",	
13:15 - 14:30 **Lunch PLUS Meet The LP Lunch Roundtables**	
14:30 - 14:30 **Afternoon Plenary Chairman Welcome**	James Moore, Managing Director, Global Co-Head, Private Funds Group, London, **UBS Investment Bank**
14:30 - 15:00 **MID MARKET THOUGHT LEADERS** What Are The Best Strategies For Generating Alpha In The Mid Market? Where Are The Most Attractive Deals To Be Found Today? Is Specialisation Outperforming, & What Matters Most In Fund Selection?	Moderator Maarten Vervoort, Managing Director, **AlpInvest Partners** Panellists Neil Harper, CIO, **Morgan Stanley Alternative Investment Partners** Simon Turner, Managing Partner, **Inflexion Private Equity** Philippe Poletti, Member of the Executive Committee, Head of Mid Cap Buyout, **Ardian** Joe Giannamore, Founder & Co-Managing Partner, **AnaCap Financial Partners**
15:00 - 15:25 **KEYNOTE ACADEMIC ADDRESS: MUCH BETTER THEN EXPECTED: INSIGHTS INTO THE RISK PROFILE OF PE INVESTMENTS** Advanced Approached To Measure & Manage Risk At The GP & The LP Level & What They Tell You About The Risk Of Your PE Portfolio	Oliver Gottschalg, Head of Research, Peracs, Professor of Strategy Department, **HEC Paris**
15:25 - 16:00 **EMERGING MARKETS TITANS** Is Now The Time To Invest In Emerging Markets? What Sectors, Geos, Opportunity Sets, Exit Expectations & Growth Drivers Present The Best Investment Opportunities?	Moderator Mounir Guen, CEO, **MVision** Panellists Seymur Tari, CEO, **Turkven Private Equity** Maria Kozloski, Global Head & Chief Investment Officer, Private Market Funds, **IFC** Nick Luckock, Partner, Head of Financial Services, **Actis** Jim Hildebrandt, Managing Director, **Bain Capital** Akhil Awasthi, Managing Partner, **Tata Capital Growth Fund**
16:00 - 16:20 **Afternoon Tea**	
16:20 - 16:55 **LIVE VIDEO LINK** Interview With CIOs From World Leading Pension Funds	Ted Eliopoulos, Chief Investment Officer, **CalPERS** Christopher J Ailman, CIO, **CalSTRS** Interviewed by: John Campbell OBE, Chairman, **Campbell Lutyens**

Fundraising
Michael Halford, Head of International Funds UK King & Wood Mallesons

16:55 - 17:15

Topic & Speaker TBC

17:15 - 17:45

ACADEMIC RESEARCH ON FUNDRAISING

So Your Fund Is Top Quartile - Right?

Oliver Gottschalg,
Head of Research, Peracs,
Professor of Strategy Department,
HEC Paris

17:45 - 18:15

HOW NOT TO FUNDRAISE

Share A Nightmare Fundraising Moment You Have Experienced. What Are The Biggest Fundraising Mistakes LPs Have Seen Over The Years?

Moderator
Benjamin Ball,
Managing Director,
Benjamin Ball Associates

Maarten Vervoort,
Managing Director,
AlpInvest Partners

Peter McKellar,
Senior Managing Partner & CIO,
SL Capital Partners

John Barber,
Partner, Co-Head of Investor Services,
Bridgepoint

Andrew Honnor,
Managing Partner,
Greenbrook Communications

18:15 - 18:45

FUNDRAISING BEST PRACTICE

What Makes LPs Remember You? Why Should LPs Be Competing For Oversubscribed Funds If Track Record Is No Guarantee Of Future Returns?

The Rules Are Changing: Is PE Keeping Up?
Terrence M Tehranian, Partner Pioneer Point Partners

16:55 - 17:15

Topic & Speaker TBC

17:15 - 17:55

COMPETITION OVERLOAD – ARE ASSET CLASSES CONVERGING WHERE THERE'S ATTRACTIVE RISK/RETURN?

The Lines Between PE And Adjacent Asset Classes (Hedge Funds, Banks, Mezzanine, Pension Funds) Are Blurring. Big Outsiders Are Increasingly Targeting Deals in PE's Domain. Is This A Threat Or An Opportunity? Who Is Entering? How Do Firms With Different DNA Cooperate? Where Is Asset-Class Convergence Making the Most Impact?

Moderator
Terrence M Tehranian,
Partner,
Pioneer Point Partners

Panellists
Andrew Honan,
Managing Director, European Lending Team,
Macquarie

Raffaele Costa,
Founder, CEO & CIO,
Tyndaris

17:55 - 18:35

CAPTURING RETURNS & YIELD IN A ZERO-COUPON WORLD

The Global Liquidity Spigot And Low Interest Rates/High Valuations Are Changing PE Markets. With Returns Compressing, Do Asset-Backed, Yield-Driven Opportunities Present An Attractive Alternative, Delivering Substantial Growth & IRRs? How Are Hybrid PE/Infra Deals Getting Done? Is It A Niche, Or The Start of A New Asset Class, Suitable For Larger Firms Too?

Co-Investments
Nicholas Warmingham, Investment Director Cambridge Associates

16:55 - 17:15

Topic & Speaker TBC

17:15 - 17:45

THE CHANGING FACE OF CO-INVESTING: AN EVOLVING NICHE

The Growth In Co-Investments And Their Impact On GP-LP Relationships, Fees And Portfolio Construction: What Role Should It Play & How Can It Benefit Your PE Program?

Moderator
Nicholas Warmingham,
Investment Director,
Cambridge Associates

Panellists
David Andryc,
Head of US Co-Investments,
LGT Capital Partners (USA) Inc

Roberto Torrini,
Managing Director, Co-Investments,
AlpInvest Partners

Miriam Schmitter,
Managing Director,
Commonfund UK Ltd

Jennifer Dunstan,
Partner, Head of Fund Investor Relations,
3i

17:45 - 18:15

WHY ARE GPS CO-INVESTING?

Great Investment Opportunities Or Pressure From LPs? What Is The Evidence Of Co Investment Performance, How Do GPs Select Co-Investment Partners & How Do Co-Investors React When Things Go Wrong?

Moderator
Johanna Barr,
Managing Director and Global Co-Head of Limited Partner Services,
Advent International

Geo Focus
Rainer Ender, MD, Co-Head of Investment Management Adveq Management

16:55 - 17:15

Topic TBC

ENEAS Alternative Investments

17:15 - 17:45

LP VIEWS

Emerging Markets LP Perspectives: Which Factors Have The Most Influence On LP Investment Decisions & How Do Emerging Markets Fit Into Their Portfolio Construction Strategy?

Moderator
Rainer Ender,
MD, Co-Head of Investment Management,
Adveq Management

Panellists
Janusz Heath,
MD, Head of Investment Management, Emerging Markets,
Capital Dynamics

Joachim Schumacher,
Senior Director,
DEG Invest

Anne Fossemalle,
Head of Private Equity Practice,
EBRD

Vivina Berla,
Co-Managing Partner,
Sarona Asset Management

17:45 - 18:25

PRIVATE EQUITY IN EMERGING MARKETS

Public vs. Private Investments in EM? Are Co-Investments In EM An Option? Will Alternative PI Strategies, e.g. Sector Focused Funds, Turnaround, Private Debt Become More Prominent In The Near Future In EM Or Are The Risks Too Hight & Returns Too Low?

Moderator
Benjamin Ball,
Managing Director,
Benjamin Ball Associates

Panellists
Charlie Bott,
Managing Partner, Head of Investor Relations,
BC Partners

Alicia Gregory,
Head of European Private Equity,
MLC Wealth Management

Anselm Adams,
Director, Senior Portfolio Manager,
PECA Family Office

Robert D Brown,
Managing Partner,
BearTooth Advisors

Terrence M Tehranian,
Partner,
Pioneer Point Partners

Panellists
Roger Ammoun,
Partner,
GCM Grosvenor

Joseph Knoll,
Senior Principal,
TowerBrook

18:35 - 18:45

END OF STREAM Q&A SESSION

Searching For Yield In A Low-Interest/ High Valuation World How Are Deals Getting Done & Who Is Doing Them? How Are Blurring Boundaries Affecting PE? What Does The Future Hold?

Panellists
Merrick McKay,
Managing Director, Private Equity,
SL Capital Partners

Richard Hope,
Principal ,
Hamilton Lane

Richard Howell,
Partner,
PAI Partners

Robin Winning,
Head of Private Equity Fund Investment & Co-Investment,
SVG Capital

18:15 - 18:45

TOO HOT TO TOUCH SESSION

Co-Investing - Freeloading To Avoid The Fee-Loading?

- To What Extent Is Co-Investing Is Simply A Mechanism To Reduce The Cost Of Investing In Private Equity?
- Is The Current Interest In Co-Investments Sustainable? -How Many LPs Demanding Them Actually Have The Means To Execute Such Investments Within A Limited Timeframe?
- Why Would GPs Give Away Their Best Deals To Miss Out On Fees And Carry?

Moderator
Nicholas Warmingham,
Investment Director,
Cambridge Associates

Discussion Leaders
Chris Davison,
Partner,
Permira

James Pitt,
Partner,
Lexington Partners

Merrick McKay,
Managing Director, Private Equity,
SL Capital Partners

David Smith,
Managing Director, Co-Investment,
Capital Dynamics

Moderator
Nicolas Schellenberg,
Senior Investment Director,
Cambridge Associates

Panellists
Anthony Stalker,
Regional CIO,
ADM Capital Europe

Pierre Mellinger,
President & CEO, Head of Central Europe Private Equity,
Pinebridge Investments

Randy Mitchell,
Vice President, Strategic Engagement,
EMPEA

Matjaz Schroll,
Head of Private Equity, Central & Eastern Europe,
Franklin Templeton

Dirk Donath,
Managing Partner, Latin America,
Catterton

18:25 - 19:00

DATA SESSION PLUS PANEL DISCUSSION

Latest Data & Trends On Europe – Deals, Distributions, Returns, LP Appetite & Fundraising – Where Are We Heading?

Followed by Panel Discussion

Economic Uncertainty In The Eurozone: How Can You Make Money In Europe Now? Which Strategies Work In A Low Growth Environment And Who Has The Skills To Execute Them?

Data Presenter & Moderator
Mark O'Hare,
Founder & CEO,
Preqin

Panellists
Jos Van Gisbergen,
Senior Portfolio Manager, Manager Selection,
Syntrus Achmea

Peter Keehn,
Global Head of Private Equity,
Allstate Investments

19:00 - 21:00

Evening Networking Reception: Foods of the World

NB Entry Strictly Restricted To SuperReturn Conference Badge Holders Only

Main Conference Day 3 - Thursday 25 February 2016

LP Closed-Door Breakfast	Morning Registration & Opening
08:00 - 09:30 **LP Closed-Door Breakfast** Informative & invaluable networking for LPs. Open to pre – qualified pension funds, foundations, endowments, SWFs only. To see if you qualify for a place, please contact: lgriffin@icbi.co.uk	08:00 - 09:20 **Registration & Coffee** 09:20 - 09:30 **Chairman's Opening Welcome** Jonny Maxwell, Industry Veteran & Corporate Advisor,

09:30 - 10:00 **LATEST ACADEMIC RESEARCH ON CO-INVESTMENTS** How Do Co-Investments Perform?	Tim Jenkinson, Professor of Finance, Private Equity Institute, **Said Business School, University of Oxford**
10:00 - 10:30 **CO-INVESTMENTS - A DISCUSSION ON THE FINDINGS FROM THE RESEARCH** Should LPs Be Building Their Teams To Increase The Number Of Co-Investments?	Moderator Tim Jenkinson, Professor of Finance, Private Equity Institute, **Said Business School, University of Oxford** Panellists David Smith, Managing Director, Co-Investment, **Capital Dynamics** Chris Davison, Partner, **Permira** James Pitt, Partner, **Lexington Partners** Guthrie Stewart, Global Head of Private Investments, **PSP Investments**
10:30 - 11:00 **Morning Coffee**	
11:00 - 11:40 **REGULATORY UPDATE** The LP Call For More Transparency: How Is The Industry Responding? What Is Best Practice For The Disclosure Of Fees & Expenses For LP/GP Partnerships? Will Regulators Get Engaged & What Is The State Of Play In The US And In Europe?	Panellists Bronwyn Bailey, Vice President of Research, **PEGCC** Dörte Höppner, Chief Executive, **Invest Europe** Marta Jankovic, Senior Sustainability Specialist & Head Of ESG Integration Alternatives, **APG Asset Management**
11:40 - 12:05 **KEYNOTE ADDRESS: INVESTING IN FINANCIAL SERVICES** A Global Opportunity: Managing Risk And Complexity In The Evolving Financial Services Landscape	J. Christopher Flowers, Managing Director & CEO, **J.C. Flowers & Co**
12:05 - 12:30 **BLIND FUND SELECTION INTERACTIVE GAME SHOW** One respected LP will direct a series of questions on various investment scenarios to a panel of three GPs. The GPs will be seated behind a screen so the LP will be unable to see them. After all questions have been answered, the LP will choose the GP they would most like to invest with today in light of the responses given. Live & uncut!	Host Peter Flynn, Director, **Candela Capital**
12:30 - 13:00	

SPECIAL GUEST SPEAKER – ISLAMIC EXTREMISM: GROWING THREAT, MOUNTING RESPONSE Ed Butler, a former Commander of British Forces in Afghanistan and counter terrorism advisor, will provide expert opinion on the unprecedented range of militant and terrorism threats posed by Islamic Extremism. He will explain why we need to be prepared for a 'long campaign' against Daesh and Al Qaeda and develop strategies that protect us at "home and away.	**Ed Butler CBE, DSO,** Former Commander of the British Forces in Afganistan, Head of Threat Analysis at Pool Re & Senior Advisor, **Salamanca Risk Management**
13:00 - 14:00 **Lunch**	
14:00 - 14:45 **RISK SCENARIOS WITH ED BUTLER: HOW TO WIN AGAINST THE ODDS** Join Ed for an interactive small group session where he will share his thoughts and experiences on Risk Leadership. • What Is The Best Way To Identify, Manage And Mitigate Real, Perceived And Acceptable Risk? • How Can Political, Operational, Intelligence, Legal, Personal, Insurance And Reputational Risk Be Combined To Accurately Assess The Cumulative Effect Of Risk Factors? • To What Extent Can An Understanding Of The Inter-Relation Between Leadership And Risk Focus Challenge How Decision Makers Approach Risk Management Strategies? Ed will pose a series of questions on leadership challenges for the audience to consider and respond to, using their own workplace and life experiences as examples.	**Ed Butler CBE, DSO,** Former Commander of the British Forces in Afganistan, Head of Threat Analysis at Pool Re & Senior Advisor, **Salamanca Risk Management**
14:45 - 15:30 **TOO HOT TO TOUCH SESSIONS** BOARDROOM DISCUSSION OF RED-HOT ISSUES Chatham House Rule Applies – No Reporting, or attributing of quotes to participants. Discussion Topics Include: • What Happens If Interest Rates Increase? What Opportunities and Threats for PE? • Compression In The Market – Is It Driving All Asset Classes To Lower Returns? • How Can LPs Discern Alpha Generators In Private Equity? What Proportion Of Return Can Truly Be Attributed To Alpha? • Topic: In or Out? Does the UK PE industry need the EU? What Will It Mean For Global PE If UK leaves The EU? • Zombie funds, tail end restructuring, GP led deals – are LP rewards sufficient? • Bloom and Crash? Are Fundamentals In The Global Credit Markets Healthy & Sustainable, Or Are We Heading Off A Cliff? • Death Of The Traditional Structure - Moving Away From Blind Pool Investing • Co-investments – Roadcrash?	Chairman **Jonny Maxwell,** Industry Veteran & Corporate Advisor, Hosts **Peter Flynn,** Director, **Candela Capital** **Tim Jenkinson,** Professor of Finance, Private Equity Institute, **Said Business School, University of Oxford** **Jos Van Gisbergen,** Senior Portfolio Manager, Manager Selection, **Syntrus Achmea**
15:30 - 15:30 **Close of SuperReturn International 2016**	

FUNDFORUM INTERNATIONAL 2015

The Customer-Centric Funds Industry Of The Future

New Leadership, Product, Technology & Distribution Strategies
For Asset Managers & Distribution Partners

Main Conference Day 1 - Tuesday 30th June 2015

08.00	*Registration & Welcome Coffee*		
	NEW RESEARCH BREAKFAST BRIEFINGS	**ASSET MANAGERS EXCLUSIVE CEO & CIO BREAKFAST**	**ETHICAL HACK CYBER SURGERY ON THE SMART BUSINESS STAGE**
	Special Focus Emerging Markets: Investing Behaviour And Mutual Fund Products **Will Oswald, STANDARD CHARTERED BANK**	**Top-Tier Leaders Networking** Hosted By **William F. "Ted" Truscott, COLUMBIA THREADNEEDLE INVESTMENTS** Guest Speaker **George Blankinship,** **APPLE and TESLA MOTORS**	**Meet The Hacker To The Bluechips** How Vulnerable Are You & Why? Your Website's PCI-DSS Compliance Results To Take Away **Jamie Woodruff, ETHICAL HACKER** *C)PTE*
	Main Stage		**Smart Business Stage**
08.45	Day 1 Chair's Introduction To FundForum International **Tom Brown,** *Global Head of Investment Funds,* **KPMG**		**SMART MARKETING** Engaged Conversations & To Boost Your ROI *9.40 – 10.10* **CONTENT, CLARITY, CHARISMA!** A Fund Presentation Masterclass On How Not To Market Your Fund – And What You Should Do Instead **Baldwin Berges, BD INSIDER**
08.50	**THE FUTURE OF BUSINESS, SOCIETY & TECHNOLOGY: HOW TO THINK DIFFERENTLY** Thinking Creatively About How To Apply The Major Global Trends Challenging The Future Sustainability Of Every Industry To Your Business: Collaboration, Ethics & Stories Are Not Just For Millenials **Jonathan MacDonald,** *Founder,* **THOUGHT EXPANSION NETWORK**		
09.35	**Live Industry Challenge Survey 1: HOW TO ADDRESS THE RISE OF CUSTOMER-CENTRIC DISINTERMEDIATION IN ASSET MANAGEMENT** Innovate Or be Disintermediated: To What Extent Could P2P, Crowd, Mobile & Payment Services Democratise And Transform Asset Management For Retail and HNW Customers? What Should We Think & Do In Response? Moderated By*:* **Massimo Tosato,** *Executive Vice Chairman,* **SCHRODERS** *With Panellists:* **Derek White,** *Chief Design & Digital Officer,* **BARCLAYS** **Robert Higginbotham,** *Head of Global Investment Services,* **T. ROWE PRICE** **Nicola Horlick,** *CEO,* **MONEY & CO** **Jim McCaughan,** *CEO,* **PRINCIPAL GLOBAL INVESTORS** **Bernard Charlès,** *CEO,* **DASSAULT SYSTÈMES**		
10.20	Morning Coffee Exchange & Networking Zone *10.25 – 10.45* **Smart Business Stage: OFF-THE-RECORD MOTIVATION TALES** **John Barnes**, Former Liverpool & England International Footballer, Hosted by **STANDARD CHARTERED** 10.25 – 10.45 **Smart Investing Hub: HIGH CONVICTION CONVERSATIONS: Macro Investment Themes** What Would It Take To Change My Mind? Join Top Selectors In Small High Intensity Conversations Where You Choose The Topic *"Japan, Buy The Index Or The Active Fund?", "Does The Ideology And Politics Of The Eurozone Make It A Bad Investment?"* Or *"Have We Forgotten When Equities Look Too Expensive? E.G. US Equities"* Led by **Jonathan Beckett,** *CIO,* **GEMINI CONSULTING** with **Allen Lorentzen,** *Partner,* **JENSEN CAPITAL CONSULTING**		
10.50	**THE AMAZING MANAGEMENT JOURNEY OF APPLE & TESLA MOTORS** We Didn't Start Cool: How To Deliver End to End Transparency, Customer Engagement & Sustainability In FMCG **George Blankinship,** *Strategic Architect Of Customer Experience* **APPLE and TESLA MOTORS**		*10.50 - 11.20* **TOO HOT TO HANDLE!** With **Philip Kalus, ACCELERANDO** Managing Conflicts In Manager Selection **Enrique Pardo Fernandez, ALLFUNDS BANK** **Salvatore Cordaro, TAGES CAPITAL**
11.30	**SPOTLIGHT: RETAIL DISTRIBUTION IN REVIEW**		

	With Regulation, Technology And A New Generation Of Investors Reshaping The Retail Fund Industry, How Can Asset Managers Recalibrate Their Marketing Mix **Francois Marion**, CEO, CACEIS	**Tom Caddick**, SANTANDER **Alexandra Haggard**, STAMFORD ASSOC. EURIZON
11.40	**Industry Challenge 2: HOW TO CREATE AN INFRASTRUCTURE OF CUSTOMER-CENTRICITY ACROSS THE SAVINGS ECOSYSTEM: RE-EVALUATING THE VALUE CHAIN** How Do Fund Managers Respond To Challenges To Keep Costs Low, Look After Disengaged Customers, Get With The Digital Program & Get People Investing? *Moderator:* Consumer Champion & Industry Expert, **Holly Mackay** *With Panellists:* **Rob Kapito,** *President*, BLACKROCK **Hans Georgeson**, *Managing Director*, AXA ARCHITAS **Hendrik Du Toit**, *CEO,* INVESTEC ASSET MANAGEMENT **Martin Gilbert**, *CEO,* ABERDEEN ASSET MANAGEMENT **Patrick Colle,** *General Manager,* BNP PARIBAS SECURITIES SERVICES	*11.25 - 11.50* **SMART BUSINESS STORIES** Chinese Fund Manager Takes Europe! **Karthik Iyer,** UKTI *With* **Peng Way Choy,** HARVEST GLOBAL INV. **Jeff Lim,** HARVEST GLOBAL INV. UK **Fredrik Plyhr,** HEPTAGON 11.55-12.20 **SPOTLIGHT ECB & FUTURE FUNDS POLICY** T2S & The Implications For Asset Managers **Marc Bayle de Jessé** EUROPEAN CENTRAL BANK
12. 20	**KNOW YOUR ENEMY: PSYCHOLOGY & MOTIVATION OF CYBER-CRIMINALS** Real-Life Stories On The Anthropology Of Cyber-Crime: How Leaders Need To Think And Act In Order To Protect Their Businesses & Reputation **MISHA GLENNY** **International Cyber -Crime Expert**	12.25 – 13.00 **RE-ENGINEERING MANAGER SELECTION: STANDARDISING THE RFP SELECTION PROCESS** How To Improve Efficiency In Identifying The Most Suitable Manager: Test Drive New Process **Albert Reiter,** InvestRFP.com *With Leading Selectors & Industry Bodies* **Bruno Guy-Wasier,** AXA IM *Speaker to be confirmed,* CFA **Mussie Kidane,** BANQUE PICTET & CIE **Allan Møller,** DANSKE CAPITAL WEALTH MANAGEMENT
13.00	**LUNCH & LUNCHTIME DIARY** - *Hosted by* **PINEBRIDGE** **On The Smart Business Stage...** 13.25 -13.45 A**N AUDIENCE WITH...** **THE CLOSEST YOU WILL GET TO** ....The Minds Of & Elon Musk The Late Steve Jobs **George Blankenship,** *The Strategic Architect Of The Customer Experience,* **APPLE and TESLA MOTORS** **13.4S – 14.05 THE ETHICAL HACKER'S SECURE CYBER-SURGERY** *(repeated from 8.15)* **How Vulnerable Is Your Business?** How **Do Your PCI-DSS Compliance Test Results Compare?** **Jamie Woodruff**, ETHICAL HACKER, Certified Penetration Tester: C)PTE. STEM Ambassador **...and At The Smart Investing Hub** **13.50 - 14.20 SMART INVESTING HIGH-CONVICTION CONVERSATIONS– Managing Risk In The Portfolio** What Would It Take To Change My Mind? Join Top Strategists In Small, High Intensity Conversations Where You Choose The Theme "We Are Not Trading Volatility Correctly" " Forget Asset Allocation It's All Risk" " " Hedge Funds Are The New Bonds" Led by **Theodore Economou,** *CIO, Multi-Asset,* **LOMBARD ODIER,** *Former CEO, CIO CERN Pension Fund &* **Cameron Brandt, EPFR**	

	SPECIAL FOCUS COMMUNITIES				
	CROSS-BORDER OPERATIONS FORUM	**NEW PRODUCTS WORKSHOPS** *Chaired by* **Clara Dunne,** CACEIS	**EXPERT SELECTORS' INVESTMENT COUNCIL**	**LEADERS' SCENARIO PLANNING WAR GAME**	**FESTIVAL OF FINTECH IN ASSET MANAGEMENT** *Chaired by* **Keith Hale,** MULTIFONDS

14.20	**Future Distribution** *14.20 – 14.30* **NEW RESEARCH BRIEFING** Who Should Be The Optimum Developer Of Open Architecture B2B Platforms? **Alex Birkin** EY [illegible] MBMS [illegible] How To Incr[illegible] To Distribution [illegible] Agreements W[illegible] Banks, Insurance & Fund Platforms? **Jan Vandendriessche** **VP LUX** **Carsten Steimer** **UNIVERSAL INVESTMENT** **Roy Stockell** EY **Wade McDonald** **HSBC SECURITIES SERVICES**	**New Non-Bank Financing Products** *14.20 – 14.30* New Opportunities For Mainstream Asset Managers & Distributors: Creating Uncorrelated Yield In New Non Bank Financing Products **Chris McChesney, BROWN BROTHERS HARRIMAN** *14.30 - 15.00* Expert Discussion With Some Emerging Providers Of Non-Bank Financing Products **Ryan Flanders, PREQIN** **Ben Silver** **BABSON CAPITAL MANAGEMENT** **Jean-Baptiste Feat** **TIKEHAU IM** **Lora Peloquin, CORTLAND CAPITAL MARKET SERVICES**	**Germany & Austria** *14.20 - 14.25* **NEW RESEARCH BRIEFING** Flows, Market Development **Albert Reiter,** **E FUND RESEARCH** *14.25 - 15. 05* *Expert Discussion With Four Multi-Asset Multi-Managers* **Thomas Romig,** **ASSENAGON** **Manuela Thies,** **ALLIANZ GLOBAL INVESTORS** **Christian Hille,** **DEUTSCHE ASSET & WEALTH MANAGEMENT** **Gerhard Beulig** **ERSTE ASSET MANAGEMENT**	**Where Will The Next Financial Crisis Come From? – Creating A Tangible Action Plan For How To Protect Customers And The Industry** *14.20 - 14.30* **HOW IT WORKS & WASHINGTON DC STYLE BRIEFING** **Dr John Hulsman** **PROFESSIONAL WAR-GAME FACILITATOR** *14.30 – 15.30* **Scripted Scenario Planning "War Game** With A Stellar Cast Of Leading CIOs, Fund Selectors, Geo-Politicians and Risk Experts **Anne Richards, CBE,** **ABERDEEN ASSET MANAGEMENT** **Andrew Summers,** **INVESTEC WEALTH & INVESTMENT** **Sylvia Bocchiotti,** **LCL BANQUE PRIVÉE** **Andy Brown,** **PRUDENTIAL** **Marko Papic** **BCA RESEARCH** **Josephine Cetti** PENSION DENMARK **Torsten Hinrichs** SCOPE RATINGS Will play the positions of **The US** (Federal Reserve/Treasury Department), **Europe** (ECB), **Germany** (Finance Ministry/Bundesbank), **China** (Xi/Standing Committee), **Japan** (Abe/BoJ), **IMF** (Lagarde), and UK (BoE/Prime minister's office). *15.30 – 15.50* **Players' Review** **PLUS Washington DC Style After -Action Analysis To Take Away**	**Dystopia or Utopia? Creating A Live Analytical Framework For Judging How Your Business Should Respond** A 360 Degree View Of The Impact Of The Top FinTech Gamechangers On Asset Management *Expert Discussion Moderated* **Mark Gibbons, BNY MELLON** *With Live Framework Facilitator,* **V.Mary Abraham, ABOVE & BEYOND KM** and **Jonathan MacDonald, THOUGHT EXPANSION NETWORK** **Nuala Walsh, STANDARD LIFE INVESTMENTS** **Derek White, BARCLAYS** **Alexandre Rochegude, KPMG & FLASHIZ** **Mark Foulds** **DASSAULT SYSTÈMES**
15.05	**Customer-Centric Regulation** *15.05 – 15.15* **NEW RESEARCH BRIEFING** New Governance & Global Customer-Centric Guidelines Update: What Does This Mean For Your Business? **Avi Nachmany,** **STRATEGIC INSIGHT** *15.15 - 15.50* **Expert Discussion** Innovative Solutions To Overcoming The Combined Weight Of Governance & Customer Centric Regulation *Moderated by:* **Avi Nachmany,** **STRATEGIC INSIGHT** With **Etienne Deniau,** **SOCIETE GENERALE SECURITIES SERVICES** **Jean Devambez** **BNP PARIBAS SECURITIES SERVICES** **Susan Dargan** **STATE STREET**	**New Equity Products** Managing Volatility: How To Create Reliable Stable Growth At A Reasonable Price? *Discussion Moderated By* **Cameron Brandt, EPFR** With **Lucy Macdonald, ALLIANZ GLOBAL INVESTORS** **Francois-Régis Bocqueraz, AMUNDI ALTERNATIVE INVESTMENTS** **Stacey R Nutt** **CLARIVEST** **Will James, STANDARD LIFE INVESTMENTS** **Martyn Hole** **CAPITAL GROUP**	**UK RDR Update** *15.05 - 15.15* **NEW RESEARCH BRIEFING** Interpreting UK Guidelines: How Distributors Are Changing The Way They Deliver Advice & Supply Funds Post RDR? **Craig Philips** **COREDATA RESEARCH** *15.15 - 16.00* Discussion Moderated By **Oliver Lens, SWIFT** Is Tied Or Open Architecture The Best Way? – And For Whom? With **Andrew Power, DELOITTE** **Stephen Mohan,** **ALLFUNDS BANK** **Robert Jukes,** **CANNACCORD GENUITY WEALTH MANAGEMENT** **Ben Waterhouse** **FIDELITY WORLDWIDE INVESTMENTS** **Craig Philips** **COREDATA RESEARCH**		15. 00 **FINTECH & ASSET MANAGEMENT CHALLENGES** **Showcase & Discussion Demos: Part 1** *Moderator* **Shaul David, UKTI** **60 Second Quickfire Showcase: What Problem Do I Solve – And For Whom? Followed By The Demo Discussions:** Divided Into Small Groups Audience Rotates Every 8 Minutes To Each Demo **The Regulation & Compliance Challenge** 1. Single Source Solutions **Steven Castle,** **SPECTRA GLOBAL SOLUTIONS** 2. Fund Administration & Reconciliations Reimagined **Alan Meaney, FUND RECS** 3.BlockChain Logistics **Dr James Smith,** ELLIPTIC **The Efficient Enterprise Challenge** 1. Disruptive Predictive Analytics **Colin MaGee,** LOGICAL GLUE 2. Next Generation B.I. **Dorothee Fuhrmann,** PROPHIS TECHNOLOGIES 3. Enterprise Behavioural Analytics **Wendy Jephson,** SYBENETIX *Final Start Up To Be announced* 15.50- 16.00 **ROUND UP** **V.Mary Abraham, ABOVE & BEYOND KM** Audience Vote # 1Technology

15.50	**Break & Engaged Conversations Programme** 16.00 – 16.30 **ALTERNATIVES & ABSOLUTE RETURN SELECTION CHALLENGE & SHOWCASE** Are Selection & Asset Allocation Approaches For Alternative & Absolute Return Funds Outdated? A Discussion With Leading Fund Selectors Moderated By Alternative UCITS Services Expert **Thomas Albert,** *CEO,* **OPPENHEIM ASSET MANAGEMENT** **Jonathan Beckett,** *CIO*, **GEMINI CONSULTING** **Francois-Régis Bocqueraz, AMUNDI ALTERNATIVE INVESTMENTS** 16.15-16.30 Followed by A Quickfire Showcase Of Four Top Alternative, Credit & Absolute Return Funds *1 Fund TBC* **EURIZON CAPITAL** *2 Fund TBC* *3 Fund TBC* *4 Fund TBC*				
	CROSS-BORDER OPERATIONS FORUM	**NEW PRODUCTS WORKSHOPS**	**EXPERT SELECTORS' INVESTMENT COUNCIL**	**LEADERS' SCENARIO PLANNING**	**FESTIVAL OF FINTECH IN ASSET MANAGEMENT** Chaired by **Keith Hale,** MULTIFONDS
16.30	**Liquidity & Counterparty Risk** *16.30 – 16.40* **NEW RESEARCH BRIEFING** New Solvency Friendly Mechanisms For Asset Managers In Managing Counterparty Risk & Central Clearing **Nadine Chakar** **BNY MELLON** *16.40 – 17.15* *Followed By Expert Three Way Discussion Moderated By* **Nadine Chakar** **BNY MELLON** With **Stephanie Miller,** **J.P. MORGAN** & Systemic Risk Expert **Avi Nachmany,** **STRATEGIC INSIGHT**	**The Multi-Asset Portfolio** *16.30 - 16.40* **NEW RESEARCH BRIEFING** Crafting Multi-Asset Solutions In The Age Of Rising Correlations And High Conviction Investing Moderated by **Dr Amin Rajan** **CREATE-RESEARCH** *16.40 - 17.15* **Expert Discussion** **Jan Straatman** **LOMBARD ODIER INVESTMENT MANAGERS** **Neill Nuttall GOLDMAN SACHS ASSET MANAGEMENT** **Blair Reid, BLUEBAY ASSET MANAGEMENT** **Peter Fitzgerald** **AVIVA INVESTORS** **Florence Barjou** **LYXOR ASSET MANAGEMENT**	**Nordic Region** *16.30 -16.40* **NEW RESEARCH BRIEFING** Latest Cutting Edge Approaches To Selection From Leading Nordic Intermediaries **Niklas Tell, TELL MEDIA GROUP** *16.40 - 17.10* **Expert Discussion Love Nordström,** **SEB WEALTH RESEARCH** **Lars Wallberg,** **LD PENSION** **George Skare Lund** **STOREBRAND ASSET MANAGEMENT** **Lotta Kotioja** **AKTIA ASSET MANAGEMENT** **Anders Schelde, NORDEA LIFE & PENSIONS**	**What If... Governments Changed Attitudes To Long Term Savings & Investment** How Would We Embed A New Culture & Infrastructure To Support It Across Capital Markets & Corporate Governance ? *Facilitated By* **Thierry Malleret** **THE MONTHLY BAROMETER** *With* **Daniel Godfrey,** **THE INVESTMENT ASSOCIATION** **Aine Kelly,** **BIG SOCIETY CAPITAL** **Allan Polack,** **PFA, DENMARK** **Georgie Williams,** **AUSTRALIAN SUPER** **Ann Doherty** **J.P. MORGAN** **Campbell Fleming** **COLUMBIA THREADNEEDLE INVESTMENTS**	**FINTECH & ASSET MANAGEMENT CHALLENGES Showcase & Discussion Cont'd** *Moderator* **Shaul David, UKTI** **60 Second Quickfire Showcase: What Problem Do I Solve – And For Whom? Followed By The Demo Discussions***:* Divided Into Small Groups Audience Rotates Every 8 Minutes To Each Demo **New, Accurate Investment Insights Challenge** 1.Web to Wall Street: Leveraging Non-Traditional Insights From Data **Joseph Quinn,** EAGLE ALPHA 2. Alert & Discovery Platform **Som Sagar,** HECKYL TECHNOLOGIES 3. Customer Data Aggregation **Ian Webster,** MONEYDASHBOARD 4. Mobile Commodity Exchange & The Digital Asset Grid **Julius Akinyemi,** MIT MEDIA LAB **& Renaud Prouveur,** SPALLIAN 5.Behavioural Finance Applied To Investment Decision Making, **Clare Flynn Levy** ESSENTIA ANALYTICS 6. TBC 7 TBC **ROUND UP: V.Mary Abraham, ABOVE & BEYOND KM** 17.40-18.00 Audience Vote # 1Technology
17.15	**Cybercrime, KYC & Outsourcing** We Ask Four Real-Life Questions About Managing Cybercrime In Your Own firm & Supply Chain Vulnerabilities With Counterparties: Breach Reporting, Secondary Insurance, Reputation & Data Leaks & State Espionage *Discussion Moderated By* **Misha Glenny** *With Experts* **Karen Zachary, NERA CONSULTING** **Claudio Foglini,** **SCALARIS ECI**	**Fixed Income Products** Fund Flows Across Fixed Income & Income Generating Products: Growth Areas & Opportunities *Discussion Moderated By* **Jeremy Amias, STANDARD CHARTERED BANK** *With* **Tim Paulson** **LORD ABBETT** **Steven Bell,** **F&C INVESTMENTS** **Mark Burgess** **COLUMBIA THREADNEEDLE INVESTMENTS** **Dan James,** **AVIVA INVESTORS** **David Zahn**	**France** *17.15 – 17.25* **NEW RESEARCH BRIEFING** Quantifying & Qualifying How French Distribution Partners Are Opening Up Wholesale To Non Domestic Funds **Philip Kalus,** ACCELERANDO *17.25 – 17.35* *Followed by Expert Discussion* What Selectors Will Look For In the Future? **Bernard Aybran, INVESCO** **Phillippe Lecomte,** **LA FRANÇAISE ASSET MANAGEMENT** **Sylvia Bocchiotti,**		

	Jamie Woodruff, CERTIFIED ETHICAL HACKER	FRANKLIN TEMPLETON INVESTMENTS	LCL BANQUE PRIVÉE **Lionel Tangy-Malca,** YCAP ASSET MANAGEMENT		
18.00	**FundForum International Evening Drinks Reception At Le Meridien Pool Terrace** *Hosted by* STANDARD LIFE INVESTMENTS				

FUNDFORUM INTERNATIONAL 2015

Tomorrow's Investment Proposition

New Leadership, Product, Technology & Distribution Strategies

For Asset Managers & Distribution Partners

Main Conference Day 2 - Wednesday 1st July 2015

09.00	*Welcome Coffee*	
	Main Stage	**The Smart Business Stage**
09.25	Chairman Day 2: **Khalid Al Rumaihi,** *Chief Executive,* BAHRAIN ECONOMIC DEVELOPMENT BOARD	**SMART BUSINESS** Insights To Boost Your ROI
09.30	THE LIVE LEADERSHIP EXPERIMENT! Experience A Live Exploration Into Behavioural Neuroscience, Leadership And The Emorationality Quotient *From The Renowned Expert In Behavioural Change & Neuroeconomics* **Professor Olivier Oullier,** *Behavioral Neurologist and Founder,* @EMORATIONALITY	10.10 - 10.35 **SUPERTANKERS TO STARS: FUND SALES REALITY CHECK!** The Fund Selector Perception Vs Real-Time Performance Review: **Shiv Taneja,** MARKETMETRICS *With leading selectors and influencers* **Jon Beckett**, *CIO,* GEMINI INV.MAN **Hansjoerg Borutta,** *Member of the Executive Board* , SILVERHORN ALPINUM AG *Final Selector TBC*
10.10	**The One Session You Cannot Miss** *...From "One Of The Most Powerful Datascientists In The World, Along With Google Founders & The CTO, Usa"* *Forbes* WHAT FINANCIAL SERVICES WILL LOOK LIKE 2020: Personalisation Of Data, Predictive Investment & The Upending Of Capital Markets & Investment **Professor Sandy Pentland,** *Professor of Social Physics,* MASSACHUSETTS INSTITUTE OF TECHNOLOGY & *Academic Director,* DATA-POP *10.45 – 11.05* Industry Challenge 3: BIG DATA & THE FUTURE OF ASSET MANAGEMENT How Will Some Of The Most Insightful Leaders In Financial Services And Asset Management Respond To The New Threats & Opportunities Of Big Data? *With Challenge Questions From* **Professor Sandy Pentland** *Moderator:* **Joe Saliba,** *Deputy CEO,* CACEIS *With Panellists:* **Pascal Blanqué,** *Deputy CEO & CIO* , AMUNDI ASSET MANAGEMENT **Paloma Piqueras,** *Head Of Global Asset Management,* BBVA **Jeffrey Bohn,** *Chief Science Officer,* STATE STREET GLOBAL EXCHANGE	10.30 -11.05 **SOCIAL MEDIA INFLUENCER 2015** **Radical Jihad & The World Economy** *Global Insights From Award Winning Journalist, Author, Film Maker,* **Souad Mekhennet,** *Columnist* WASHINGTON POST *Visiting Fellow,* HARVARD UNIVERSITY, JOHN HOPKINS UNIVERSITY and the GENEVA CENTER FOR SECURITY POLICY
11.05	Morning Coffee Exchange & Networking Zone **At The Smart Investing Hub** *11.15 - 11.45* **FUND SELECTOR/ ASSET MANAGER SPEEDNETWORKING**	
11.45	LONGEVITY & REMOVING THE RISK OF PARTICIPATION IN SAVINGS & INVESTMENT *11.45 – 11.55* NEW RESEARCH BRIEFING Solving The Longevity Issue In The Savings & Retirement Time Bomb: Has Any Major Firm Yet Grabbed The 'Outcome Opportunity', Is The Industry Still Wedded To Relative Return? **Craig Philips,** *Principal,* COREDATA RESEARCH *11.55 - 12.25* Industry Challenge 4: EXPERT DISCUSSION & SURVEY What Are The Industrial Changes Required To Deliver A Reliable, Affordable Product That Delivers What it Says Across Retail & Advisory: Can Active Compete With Beta Models? *With Challenge Questions Set By* **Craig Philips,** *Principal,* COREDATA RESEARCH *Moderator:* **Thomas Seale,** *CEO,* EUROPEAN FUND ADMINISTRATION *With Panellists:* **Rachel Lord,** *Managing Director, Head of EMEA,* iSHARES **Andrew Masters,** *Leader In Life, Wealth & Long Term Savings,* KPMG **Alex Khein**, *CEO,* BLUEBAY ASSET MANAGEMENT **Steve Jacobs,** *CEO,* BTG PACTUAL ASSET MANAGEMENT	11.50 – 12.15 DISRUPTIVE ASSET MANAGEMENT 1: NEW SECURE P2P MODELS How New Crowdfunding Platforms Are Transforming Investments Moderated by **Chris Sier,** KAS BANK CEO Innovators in Secure P2P Propositions **Goncalo de Vasconcelos,** THE SYNDICATE ROOM **Brian Bartaby,** PROPLEND 12.10 – 12.35 **TOO HOT TO HANDLE!** Conflicts In Portfolio Construction & Manager Selection *Moderated by* **Dan Kemp,** MORNINGSTAR **Richard Philbin,** HARWOOD FOF **Chris Fleming,** DISTRIBUTION TECHNOLOGY **Clive Hale,** FUNDCALIBRE CONSUMER RATINGS AGENCY **Jesper Kirstein**, KIRSTEIN A/S

12.35	**THE FUNDFORUM GAMECHANGER INTERVIEW 2015** **Helena Morrissey CBE**, *CEO*, **NEWTON INVESTMENT MANAGEMENT** Interviewed by **Chris Newlands**, *Editor*, **FTfm**		12.40 – 13.00 **DISRUPTIVE ASSET MANAGEMENT 2: NEW DIGITAL DISTRIBUTION PLATFORMS & DEMO** Moderated by **Chris Sier**, KAS BANK **Guy Holding**, **FUNDBASE.COM** **David Tawil**, **HEDGEPO.COM** **Albert Reiter**,, **InvestRFP.COM**
12.55	**LUNCH & LUNCHTIME DIARY - At The Smart Business Stage** ***Hosted by* AMUNDI ASSET MANAGEMENT** 13.30- 14.00 **NEW FUND SHOWCASE CHALLENGE** with Live Selector Feedback Audience Vote On First, Second And Third Prize For The Most Effective Elevator Pitches! *Moderator:* **Antony John**, *Head of Multi Asset*, **BROMPTON ASSET MANAGEMENT** *With Three Leading Fund Selectors* **Francois-Régis Bocqueraz**, *MD, Global Head of Hedge Fund Manager Relations & Selection*, **AMUNDI ALTERNATIVE INVESTMENTS** **Hans-Georg Thurner**, *Investment Strategy & Asset Allocation*, UNICREDIT BANK AG **Cyrille Urfer**, *Head Of Asset Allocation*, GONET & Cie Fund 1. Global Equity Unconstrained: **Dominic Byrne**, *Investment Director, Global Equities*, **STANDARD LIFE INVESTME** Fund 2. European Equities: **Martyn Hole**, *SVP, Investment Specialist*, **CAPITAL GROUP** Fund 3. Emerging Markets Equity: **Stacey R Nutt**, *CEO, CIO, Principal and Lead Portfolio Manager*, **CL** Fund 4. European Fixed Income, **David Zahn**, *Head of European Fixed Income*, **FRANKLIN TEMPLETON IN** Fund 5. Fixed Income: **Timothy Paulson**, *Investment Strategist, Fixed Income*, **LORD ABBETT** Fund 6. Macro Global Bond: **Steven Bell**, *Co-Manager, F&C Marco Global Bond Fund*, **F&C ASSET MAN** Fund 7: European Small Cap: **Mark Heslop**, *Fund Manager*, **COLUMBIA THREADNEEDLE INVESTMENTS** Fund 8: Emerging Markets Debt: **Ricardo Adrogué**, Head of Emerging Markets Debt, **BABSON CAPITAL MANAGEMENT** *14.05 -14.25* **AN AUDIENCE WITH … One Of The World's Most Influential Data Scientists** Ensuring Tech For Good: **Professor Sandy Pentland**, *Professor of Social Physics*, **MASSACHUSETTS INSTITUTE OF TECHNOLOGY** *& Academic Director*, **DATA-POP**		
	Main Stage The Global Economy: Macro Insights From Front Line Business, Politics & Investment	**CEOs Boardroom**	**Smart Business Stage** **Martin Vogel, MDO MANAGEMENT COMPANY**
14.30	**FUNDFORUM INVESTMENT HEROS 2015: "NORWEGIAN OIL FUND"** Where Next For Long Term Investment: The Next Chapter Of Global Challenges & Opportunities **Knut Norheim Kjær**, *Founding Partner*, **TRIENT ASSET MANAGEMENT** *& Former CEO*, **NORGES BANK INVESTMENT MANAGEMENT**	**EFAMA CEO FORUM** **Regulatory Update** *With* **Tom Brown**, **KPMG** *&* **Peter De Proft**, **EFAMA** *& Leading CEOS Including* **Alexander Schindler**, **UNION INVESTMENT** **Christian Dargnat**, **BNP PARIBAS INVESTMENT PARTNERS** **Laurent Ramsey**, **PICTET ASSET MANAGEMENT** **Roderick Munsters**, **ROBECO** **Massimo Tosato** **SCHRODERS** **Guillaume Prache**, **BETTER FINANCE** **Jean-Marc Goy**, **CSSF**	**CROSS-BORDER OPS FORUM** **Pricing & Passporting** *14.30 - 14.45* **NEW RESEARCH BRIEFING** Comparative View Of Fund Costs Across Jurisdictions: Pros & Cons Of Different Fund Platforms **Benjamin Collette**, **DELOITTE** *14.45 – 15.15* *Followed By Expert Discussion* **Pierre Cimino**, **CACEIS** **Bernard Tancré**, **CLEARSTREAM** **Olivier Portenseigne** **FUNDSQUARE**
14.50	**GEO-POLITICS & GLOBAL INVESTMENT STRATEGY** **Marko Papic**, *Chief Strategist - Geopolitics*, **BCA RESEARCH**		
15.10	**WHAT IF… FUTURE INVESTMENT SCENARIOS IN THE GLOBAL ECONOMY** Russia, China, Bitcoin…Comparing Entrepreneurs, Strategists & Asset Management's Views On How To Manage Risk & Opportunity In the New Geo-Political Landscape *Moderated By* **Thierry Malleret**, **THE MONTHLY BAROMETER** • *Entrepreneur:* **Rafal Brzoska**, *Polish Entrepreneur and Business Visionary*, **INPOST** • *Entrepreneur:* **Mark O'Byrne**, *Founder & Research Director at Global Gold Broker*, **GOLDCORE** • *Industry Leader:* **Andreas Koester**, *MD, Head of Asset Allocation & Currency*, **UBS GLOBAL ASSET MANAGEMENT** • *Industry Leader:* **Margaret Harwood-Jones**, *MD, Head, Investors & Intermediaries* **STANDARD CHARTERED** • **Marko Papic**, *Chief Strategist - Geopolitics*, **BCA RESEARCH**		
15.50	Break		
	SPECIAL FOCUSSED COMMUNITIES		**Smart Business Stage**
	GLOBAL CROSS BORDER OPS FORUM | **MANAGING RISK WORKSHOPS** | **THE EXPERT SELECTORS' INVESTMENT COUNCIL**		**FESTIVAL OF FINTECH IN ASSET MANAGEMENT – D2C Challenges**

16.10	**Asia Distribution Review: Greater China** 16.10 -16.15 Introduced and Moderated by **Michael Tsang,** **BROWN BROTHERS HARRIMAN** 16.15 -16.25 NEW RESEARCH BRIEFING Exploring Distribution Opportunities In Greater China & The Surrounding Region: How And Where To Access New Mutual Fund Markets **Florence Lee** **HSBC SECURITIES SERVICES** *16.25 - 16.55* *Expert Discussion Moderation* **Michael Tsang,** **BROWN BROTHERS HARRIMAN** With **Michael Chow,** **FULLGOAL ASSET MANAGEMENT (HONG KONG)** **Shelley Yang,** **CHINA UNIVERSAL ASSET MANAGEMENT (HONG KONG)** **Florence Lee** **HSBC SECURITIES SERVICES** **Richard Harris,** **PORT SHELTER INVESTMENT MANAGEMENT**	**Risk Parity & Smart Beta In The Portfolio** *16.10 - 16.20* NEW RESEARCH BRIEFING Measuring Different Ways To Effect Behavioural Smoothing To Protect Against Geo-Political Uncertainty: Comparing Smart Beta And Other Risk Based Solutions **Thierry Malleret** **THE MONTHLY BAROMETER** *16.20 - 16.55* **Followed By Expert Discussion** *With Special Guest* **Knut Norheim Kjær,** *Founding Partner,* **TRIENT ASSET MANAGEMENT** *& Other Panellists* **Isabelle Bourcier,** **OSSIAM** **Ruben Feldman,** **STOXX** **Arne Staal,** **iSHARES** **Dimitris Melas,** **MSCI**	**Family Offices** *16.10 -16.20* NEW RESEARCH BRIEFING What Family Offices Want From Boutique Funds **Markus Hill** *16.20 - 16.55* *Expert Discussion With Leading Family Offices* **Marcel Müller,** **HQ TRUST** **Paolo Crozzoli,** **FUCHS & ASSOCIÉS FINANCE S.A.** **Magnus Schlieffen,** **BREIDENBACH VON SCHLIEFFEN & CO** **Thorsten Querg,** **FOCAM**	**TED TALK - Customer WebPsych! Don't Do That – Do This! Top 5 Errors In Pull Vs Push Marketing With Behavioural Neurologist** **Prof Olivier Oullier phD @EMORATIONALITY** In Conversation With **Rob Hudson,** **ABERDEEN ASSET MANAGEMENT** *16. 30* **Attracting & Keeping D2C Customers In Retail & Wealth Management.** A Tangible Assessment Of Whether The Expert Data Matches Customer Experience Facilitated By V. **Mary Abraham, ABOVE & BEYOND KM** 16.30-35 Introduction By **Furio Pietrobiasi, MEDIOLANUM** 16.35-45 **Part 1 Three Short Video Insights** What The Expert Data Says **Seb Dovey,** **SCORPIO PARTNERSHIP** **Clare Flynn Levy** **ESSENTIA ANALYTICS** *Customer Data Aggregator:* **Ian Webster,** **MONEYDASHBOARD** 16.45-17.05 **Part 2 What Are Key Customer Challenges & What Does The Customer Experience Say?** A Discussion Moderated by **Furio Pietribiasi,** **MEDIOLANUM** *With Direct Channel Expert:* **Rob Hudson,** **ABERDEEN ASSET MANAGEMENT** *Platform*: **Chris Zadeh,** **OHPEN** *Customer Data Aggregator:* **Ian Webster,** **MONEYDASHBOARD** 17.05-17.30 **Part 3: Roundtables By Customer Challenge,** Hosted by Expert Panelists 17.30-17.50 **Part 4. Round-Up Take-Away:** A Snap Shot Of The Readyness of The Industry: Where Are We Equipped And Where Should We Focus Our Attention? What Lessons Can We Learn To Increase Levels Of Customer Engagement ? **V.Mary Abraham, ABOVE & BEYOND KM**
17.00	**LatAm Distribution & UCITs Including NRA Offshore** *17.00 - 17.10* **LATAM DISTRIBUTION RESEARCH BRIEFING** Assessing The Emerging Opportunities For European Fund Sales In Latam And US NRA Offshore Wealth Management Moderated by **Fernand Schoppig,** **FS Associates** *17.10 - 17.50* **Expert Discussion** **Richard Garland,** **INVESTEC ASSET MANAGEMENT** **Ricardo Kaufmann,** **BTG PACTUAL** **José Manuel Silva** **LARRAIN-VIAL ASSET MANAGEMENT**	**Managing The Culture of Risk** *Speaker TBC*	**Switzerland Distribution** *17.00 - 17.05* *Introduction By* **Franco Citterio** **TICINO FOR FINANCE** *17.05 - 17.15* NEW RESEARCH BRIEFING Reconfiguring The Swiss Funds Business: New Opportunities In Response New Regulation, Increased M&A, & Fund Flow Changes As Secrecy Laws Disappear **Philip Kalus,** **ACCELERANDO ASSOCIATES** *17.15 - 17.45* **Expert Discussion** How Does That Impact Product Development, Distribution & Fund Selection? **Michele Malingamba,** **BSI PRIVATE BANK** *Speaker to be confirmed* **CROSSINVEST WEALTH MANAGEMENT** **Neil Carnegie,** **CARNEGIE FUND SERVICES** **Lilian Klose-La Scalea,** **FUNDBASE**	
17.50	FundForum Returns Tomorrow For **A Leaders' Summit: Compete Or Collaborate: Strategies To Challenge Customer-Centric Disintermediation**			

21.00- 23.00	**25th Anniversary Gala Party at the Monaco Yacht Club** Founded in 1953 by Prince Rainier, the Yacht Club de Monaco brings together more than 1200 members from 60 nationalities. The new Norman Foster designed Club House is as slender as the liners which used to cruise between England and America in the early 20th FundForum is proud to host its annual Gala Event in this prestigious and exclusive new setting in 2015, and look forward to welcoming you to what promises to be a spectacular night of hospitality and entertainment. *Hosted by* **CACEIS & KPMG**

	FUNDFORUM INTERNATIONAL 2015 *Main Conference Day 3 - Thursday 2nd July 2015* **Transform Or Be Transformed** **By Customer–Centric Disintermediation** If We See This Coming How Do Manage The Change For The Best Outcome Industry And Customers? A Leaders' Diagnostics & Solutions Lab **THE MISSION** All Parts Of the Asset Management Value Chain Are Under Increasing Pressure From Customer-Centric Disintermediation. To Survive You Have Two Options. Transform Or Be Transformed ✓ Freely Explore Strategic Options And The Best Long-Term Route For Your Business ✓ Compare Latest Innovation Best Practice From Inside & Outside The Industry ✓ Join Small Group Facilitated Discussions Group Designed To Help You Reach Your Conclusions *Professionally Facilitated By* **V. Mary Abraham,** *President & CEO,* **ABOVE & BEYOND KM** *With Leading Innovation Experts Straight from The Boardroom* *Of Leading Distributors, Advisors, & Asset Managers* **Fiona Frick,** *Chief Executive Officer*, **UNIGESTION** **Furio Pietribiasi,** *Managing Director,* **MEDIOLANUM ASSET MANAGEMENT** **Andrew Fenton,** *Head of Team – Asset Management, Corporate Banking,* **BARCLAYS** **Dr Subhas Sen***, Senior Vice President and COO,* **BMO ASSET MANAGEMENT** **Pascal Duval,** *CEO*, **RUSSELL INVESTMENTS, EMEA** **Gina Miller,** *Founding Partner*, **SCM GROUP** **Viki Lazaris***, Chief Administrative Officer*, **BMO WEALTH MANAGEMENT**
08.30 - 09.00	Welcome Coffee
	Part 1: THOUGHTLEADERSHIP IN ASSET MANAGEMENT TRANSFORMATION
09.00	**IT'S NOT THE TECH GIANTS YOU HAVE TO WATCH…** *09.00 - 09.15* **NEW RESEARCH ON CRITICAL INNOVATION ISSUES THAT ASSET MANAGERS NEED TO CONFRONT THIS DECADE** Exploring The Viability Of Different Competitive Business Strategies To Challenge Customer Centric Disintermediation: Who Will The Winners Be And Why? **Professor Amin Rajan,** *Founder,* **CREATE-RESEARCH** **&** **Dr Subhas Sen***, Senior Vice President and COO,* **BMO ASSET MANAGEMENT** *09.15 – 10.15* Six Leading Innovation Experts Straight from The Boardroom Discuss Responses And Lessons To Be Learnt **Fiona Frick,** *Chief Executive Officer*, **UNIGESTION** **Furio Pietribiasi,** *Managing Director*, **MEDIOLANUM** **Bill Wrest,** *Head Business Innovation, Financial Institutions*, **BARCLAYS CORPORATE BANKING** **Pascal Duvall,** *CIO*, **RUSSELL INVESTMENTS** **Gina Miller,** *Founding Partner*, **SCM GROUP**

	Viki Lazaris, *Chief Administrative Officer*, **BMO WEALTH MANAGEMENT** *10.15 – 10.30 Distillation Of Top 3 Themes For The Small Group Discussions At 11.50*
10.30	**Morning Break**
11.10	**HOW HAVE OTHER LEADERS FROM OTHER HIGHLY REGULATED SECTORS APPROACHED THE CHALLENGE OF DISINTERMEDIATION?** *11.00 – 11.30* **TRANSFORMATION STORIES FROM OTHER NON-FINANCIAL INDUSTRIES** Transform Or Be Transformed: Innovation Lessons From Leaders From Other Highly Regulated Industries Challenged By Disintermediation **Guillaume Dufour,** *VP Financial Services,* **DASSAULT SYSTÈMES** *With Two Leading CEOs From Life Science & Automotive Industries To Be Announced* *11.30 -11.50* **Feedback Discussion From The Leading Innovation Experts Straight from The Boardroom** *Distillation Of Top 3 Themes For The Small Group Discussions At 11.50 As Above*
	Part 2 DISCUSS DETAIL IN SMALL GROUP FACILITATED INNOVATION STRATEGY ROUNDTABLES
11.50	**HOW THE SMALL GROUP INNOVATION STRATEGY ROUNDTABLES WILL WORK** *Facilitated By* **V. Mary Abraham,** *President & CEO,* **ABOVE & BEYOND KM** • Delegates and Speakers Agree Innovation Roundtable Themes In Earlier Sessions • Roundtables Tables Hosted By Speakers & Leading Innovation Experts Delegates • Choose One Table For Round one And Another For Round Two • Conclusions Are Rounded Up at The End *11.50-12.20* **ROUND 1: TBC** *12.20 – 12.40* **ROUND 2:** *Roundtables Repeated* **:** *Choose A Second Theme In Which To Participate* *12.40 - 13.00* **Small Group Innovation Table Round-Up & Key Content Take-Away**
13.00	Lunch & End of **FUNDFORUM INTERNATIONAL 2015** **THANK YOU FOR COMING AND SEE YOU IN BERLIN IN 2016!**

EXHIBIT E

loan market week

Roger Crandall, Babson Capital Management, On Loans, Acquisitions & Europe

Roger Crandall

October 15, 2004

***Roger Crandall** runs **Babson Capital Management's** corporate securities group, which includes a wide range of structured funds and traditional fixed-income strategies. He has spent his entire 17-year career at Babson and its parent company **Massachusetts Mutual Life Insurance Co.,** starting out in the commercial real estate area of the MassMutual investment division. Crandall led Babson Capital's growth into the leveraged loan area in the early 90's and has been a high yield and leveraged loan portfolio manager. Crandall discusses Babson Capital's acquisitions, whether the market is rational and why leveraged loans are still attractive.*

Q. How is Babson set up and what distinguishes the firm from its major competitors?

A. We are very much fundamental credit guys. One of the major reasons we acquired Duke Street in Europe was that the people really see the world very much the same way we see the world. They are bottom up-analyze companies first and look at broad macro trends second. We cover a lot of credits and we build very diversified portfolios, but in markets where we can, such as U.S. leveraged loans, we are also willing and able to trade. If we see something deteriorating we will get out of it, but then if it gets cheap enough we'll get back into it. So we're an interesting mix of very fundamental credit with a big enough staff to be able to follow a lot of credits that build a diversified portfolio, but then we're also as tied into the market from a trading perspective as anybody is in these asset classes.

We have over 60 credit analysts across the firm and different teams concentrating on different asset classes. Our U.S. bank loan team has the biggest group of assets run in CLOs, but they also run in separate accounts and those fall into two separate areas. Relative return management-e.g. really charged with beating the leveraged loan index benchmark. The other piece is custom mandates, which is a specialty of ours, where a client has some specific objectives other than just beating an index. Babson also runs structured credit and absolute return vehicles-which in its most aggressive form would be a hedge fund that can go both long and short and use leverage.

Q. How does Babson manage the public/private split?

A. We are organized so that the bank loan and private placement group has access to private information. Our public side works together and talks to our equity analysts when it makes sense. But those two sides cannot cross. We need dedicated teams because if a client hires us for leveraged loans, they want you to get access to all the information the market has to offer. It's very difficult to not get access to information that other market participants have. We do have some management on the public side, where the high yield managers buy bank loans on a relative value basis but this is small and they do it with public information. That's one of the huge things that has happened in the bank loan market in the last five years, it's become a much deeper more liquid market. It's still tough to trade as there are a lot of operational issues, which is one of the reasons I like it as an asset class and as a manager as there ultimately are going to be barriers to entry. There will never be a thousand people buying loans.

Q. Why did Babson move into European leveraged loans?

A. We are really interested in European loans for a couple of reasons. First the whole credit market in Europe is relatively young. It's the third inning of a nine inning game. There has been lots of buyout activity and it has moved from being a sterling-based U.K. market to being a very pan-European market and euro based and we saw that trend continuing. But we also thought it was great value. The deals are well structured, the pricing is attractive, and it's still a market that's predominantly a principals market-75% of leveraged loans actually sit on bank balance sheets.

Q. Is the firm still considering acquisitions and in what areas?

A. One of the beauties of having a parent like MassMutual is that they see every deal out there and then we see virtually everything that's going on in the loan and CDO space. I don't have a strategy of I'm going to make an acquisition in this or that area, but if tomorrow I saw something that if the people were good, they fit our culture well and the price is right, absolutely I will make another acquisition. But I could easily not make another acquisition for another five years and our business could grow very nicely organically.

We acquired IDM from Wachovia in 2002. At the time we managed $2.7 billion in leveraged loans and they managed $3.5 billion. We had known their firm because we'd invested in several of their funds and we knew Tom Finke, who ran the firm, and several of their senior analysts. We looked at it and said, the leveraged loan business is getting increasingly difficult to get up in the top five status because there is such a problem of finding assets given the amount of runoffs that occurs regularly and we had a lot of new entrants coming into the market because it was attractively priced. There is also an operational component that actually gives some benefits to scale and that acquisition made a ton of sense.

Q. Where is the main organic growth coming?

A. Since 1991 when we got into the business managing high-yield bonds, basically every asset class has been securitized. It comes down to whether the arbitrage makes sense and whether investors think that there is enough fundamental value in the underlying asset that they want to own it in a cash-flow CDO format. So, for example, investment-grade cash CDOs just do not work. There is not enough arbitrage, and there are too many premium bonds in the market. So people have moved to synthetics deals, which will continue to grow, because it takes some of the problems of premiums out of the market. I think we will continue to see ABS/MBS/CDO of CDOs grow-- which is another area we run. Europe has great potential and the question really is how quickly the market develops. Loans will continue to be very active as the arbitrage works. Although asset spreads have fallen, liability spreads have fallen too, keeping the arb alive.

Looking across all this, there is no reason we cannot comfortably grow assets in the mid teens to low 20s for several years. That's a nice rate of growth. It's enough to keep you busy and give you money to invest in people and systems, but not so much that you get overwhelmed with a tidal wave. We're very aware that one way asset managers blow up is they grow too quickly.

Q. What have been the big improvements in the loan market over the last few years from the perspective of an institutional investor?

A. The market has become more efficient, but there are pluses and minuses to an asset class becoming more efficient. A plus is you start to see more liquidity, bid-ask spreads start to come down, more dealers are involved and it allows you to express trading views on credit quality more easily. Right now, if you have any concerns about a loan, it's very easy to sell, whereas when we first got into the business 10 or 12 years ago, you really had to go back to the arranging bank and there might have been a small syndicate and it would be kind of tough to get out.

The market has come a long way as we have gotten minimum assignment size and trading down easier and that has made it much better. Settlement is down about as easy as it can be. Our trading volume is up 500-600% from a few years ago. We are much more active traders and we are cutting loans into much smaller pieces.

The downside is that it's gotten more efficient, so the excess return across the market--the beta return--has come down, and you see that through repricings and through the market being very aggressive at working through things, so you have to add more value through active management.

Q. Have banks been irresponsible in aggressive repricings this year?

A. Banks aren't irresponsible, but the market can at times get irrational. It can get irrational on the downside, it can get irrational on the upside and this market is no different than any other. If you have lots of people trying to buy in at one time, a lot of buyers, not a lot of sellers, spreads are going to come down. I'm much, much more concerned about deal structuring and credit quality than I am about pricing. All over the world, spreads and risk premium are way down. Volatility in equity markets is remarkably low given some of the fundamental geopolitical issues that are going on. Whether its B, BB, BBB single-A, CMBS spreads, they are all certainly closer to their tights than to their wides.

I am much more concerned from our portfolios perspective about credit because it's important to remember whether a deal prices at LIBOR plus 200 or LIBOR plus 400, it doesn't really matter if the deal gets in trouble and you take a 30 cent or 50 cent loss. Leveraged loans are an asset class that is all about not losing money. No one gets rich buying loans at par at any spread. Right now, the average loan is trading in the secondary market at 100 1/2 to 101, so you have to really be right on credit. A lot of times you are buying at 100 1/2 assuming it does not get refinanced for six-nine months and hoping you are not going to earn less than your coupon.

I am much more concerned about structure and the market doing a reasonably good job of that. Three years ago you could not do a cash-out dividend deal and now the market is awash in them. The thought of doing a triple-C zero-coupon holding company bond in 2002 is unbelievable. But this is very similar to 1991 and right after the LTCM crisis and Russian crisis of 1998. Stepping back and taking this longer view, credit cycles come and go. They create a lot more price volatility today than they did in the past, because markets hold more assets as opposed to principals. In the early 90's, banks held most leveraged loans. If a company got into trouble they all sat down and figured out how to work it out. Today some of them are selling. Some will sell at 90 some will sell at 70. There is a whole wave of investors that are in the market to look for those opportunities. It's the way markets work and you set yourself up to take advantage of them. Is the market riskier today than it was in hindsight two years ago-of course it is, but leveraged loans are still a pretty attractive asset class, especially compared to all the alternatives. Every other market is tighter today than it was two years ago.

Bank Loan Report

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Babson's Upbeat About 2005 Euro Market

The loan team at **Babson Capital Management** LLC has seen some major changes over the past year — changes that vice chairman, head of corporate securities, **Roger Crandall**, believes will further boost the firm's growing loan business in both the US and abroad. To support its growth, the firm acquired Europe's **Duke Street Capital Debt Management** in May 2004, which bolstered Babson's presence abroad. Also, Babson expanded into US middle market lending last fall, when Babson kicked off a joint middle market lending venture with the **Jefferies Group**, called **Jefferies Babson Finance LLC** (*BLR*, 10/11/2004).

On the global side, Babson is confident about its prospects in Europe, where Duke Street — which has since been renamed **Babson Capital Europe Limited** — is one of the largest (non-bank) loan investors in Europe, making the firm one of the only major global leveraged loan managers in the US and Europe. Babson Europe's assets are up 40% (€1.6 billion to €2.3 billion) since the acquisition closed last May, Crandall said.


Roger Crandall

That's, in part, because Babson is optimistic that its growth coupled with a positive market environment will mean a strong year for European CLOs in 2005. "We are very optimistic on loans in Europe," Crandall said. And thanks, in part, to the increased interest from money managers and hedge funds, the market there is growing in a similar way that the US market did in the early 1990s, he said. "Interest in the asset class is growing even more rapidly, so I expect to see spreads tighten in Europe," he noted. "That said, we think the risk/return is very attractive, so we expect it to be a very good year for the European loan market."

To be sure, the managers at Babson Europe run their funds a little differently than other European managers, noted a recent **Standard & Poor's** report. For one, Babson Europe's Duchess I and Duchess II, both collateralized debt obligations (CDOs), are among the largest European transactions, and the firm's assets are split between denominations in euros and pounds sterling. Also, the loan team aims to invest in the secondary market to ensure that CDO portfolios are as fully invested as possible, S&P said. The collateral management team is headed up by **Ian Hazelton**, CEO, and **David Wilmot**, managing director responsible for loan origination and credit quality. Crandall is head of the credit committee.

Years Of Experience

Babson's long tenure in the institutional loan market has allowed the firm to establish a solid name for itself in the business. Crandall, who led the firm's effort into the syndicated loan market in 1993, said having been a part of the market since its early years has shaped Babson's approach to the loan business. "There were virtually no Wall Street firms involved in the business, no trading desks at **Morgan Stanley** or **Goldman Sachs**," he recalled. "[There was] much less liquidity, much less transparency of pricing. It was very much a private market — a buy-and-hold market."

Now, under current market conditions — which Crandall believes are positive for the time being, but a downturn looms on the horizon — Babson takes a bottom-up approach to lending, rigorously reviewing all components of the loan and the company before making any decisions. "We're not a firm that says we like the oil industry so we're going to buy all loans in the oil industry," he explained. "We're very focused on every specific investment. This is the time in the market, in our opinion, [that] we need to focus on fundamentals."

And while Babson is focusing on the fundamentals of its funds' larger loan market investments, it is also expanding its middle market lending capabilities. Last year, the firm invested more than $400 million in small and middle market private mezzanine securities — an effort the firm plans to continue this year. In October 2004, Babson also formed Jefferies Babson Finance and although it hasn't led a deal yet, Crandall said he is even more optimistic about the venture's prospects now than when it kicked off four months ago. "The ongoing evolution of the loan market is getting more people comfortable with middle market loans," he said, adding that this increased interest in the sector should translate into growth in raised capital.

Assets Under Management

Overall, as of Dec. 31, 2004, Babson had a whopping $89.7 billion in assets under management in the US and abroad — $10 billion of which is in leveraged loans. It has one of the largest credit portfolio staffs in the US, Crandall said, with 34 people dedicated solely to US bank loans — including analysts, portfolio managers, traders and a team focused on managing the firm's CLOs.

Babson's loan team runs 16 CDOs (mostly CLOs), ranging from about $300 million to $1 billion in size, Crandall said. In addition, the firm manages un-leveraged bank loan portfolios and advises funds that are divided between high yield bond and bank loan investments. Babson has a sizable high yield business, which is kept separate from its bank loan business, with about $5.4 billion in assets.

The Management Team

The firm's loan team is split among offices in New York, Massachusetts and North Carolina. Crandall works out of Springfield, Mass., while **Tom Finke**, who heads the bank loan team, is based in Charlotte, N.C.

Recently, there have been some notable changes in Babson's upper management. Earlier this month, Crandall was named vice chairman, and **Bill Glavin**, chief operating officer, was appointed president of the firm. Crandall said these changes reflect, in part, the need to share responsibilities within the firm as it continues to grow. Meanwhile, **MassMutual**, Babson's parent, announced its acquisition of **Baring Asset Management** from **ING Group** late last year.

Indeed, Babson has a unique relationship with MassMutual. In 2000, MassMutual merged its investment management division with Babson, which had mostly handled equity (At the time, Babson was formally called **David L. Babson & Co.**, but its name was changed to Babson Capital Management to better reflect the diversity of the firm's services and capabilities, Crandall said (*BLR*, 7/5/2004)).

Essentially, the 2000 merger left MassMutual without an investment division. "[Babson is] the investment department of MassMutual," Crandall said. This makes it even more vital that each of Babson's investments is worthwhile, since MassMutual invests in all of Babson's deals. "We need to be pretty comfortable it's a [good] time to invest, not just a time to make money," Crandall noted. — *KK*

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Pensions&Investments

Babson sees opportunity aplenty from recent volatility

BY DOUGLAS APPELL
MAY 26, 2008

Thomas Finke

SPRINGFIELD, Mass. — Babson Capital Management LLC, MassMutual Financial Group's alternatives fixed-income focused money management subsidiary, is drawing increased investor interest, as recent volatility has widened credit market spreads.

Despite the historic volatility roiling sections of the fixed-income market, Babson executives are seeing "opportunities, more now than ever," said Thomas Finke, president, in a recent interview.

Sophisticated institutional investors, meanwhile, are becoming more interested in the types of strategies Springfield-based Babson offers, including leveraged loans, and the firm is poised to "increase our discussions" with investment consultants, he said.

That would reverse what several consultants called the low profile Babson Capital has kept since 2006, when the firm transferred $5 billion in long-only equity assets and 15 investment professionals to sister company OFI Institutional Asset Management, making a final break with the firm's growth equity past to focus on fixed income.

On March 31, at the end of a quarter that saw more money managers losing assets than gaining them, Babson was managing $108.5 billion, up from $104 billion at the end of 2007 and $95 billion at the end of 2006. (Parent company MassMutual remains Babson's biggest client, accounting for roughly two-thirds of the firm's assets.)

Babson's gain in assets under management has come despite a period of unprecedented stress for fixed-income markets, and a focus on some asset classes that have been at, or near, ground zero of that turbulence.

As of March 31, for example, Babson had $22 billion of collateralized debt or loan obligations, with billions more in other leveraged loan strategies and structured products. The firm also looks after more than $10 billion each in collateralized mortgage obligations and commercial mortgage loans, just less than $10 billion in mortgage- and asset-backed securities and another $7.5 billion in commercial mortgage-backed securities and residentials.

Amid the litany of woes fixed-income players have struggled with since last summer, "we've done well," helped by the fact that Babson isn't "overconcentrated in any one market," said Mr. Finke.

CDO and CLO in particular have become four-letter words, but the difficulties they face as well as their outlook depend on their structure and the asset class involved, Mr. Finke said. All of Babson's $16 billion of CLOs are cash flow CLOs, which rely on the cash flow generated from an underlying pool of leveraged loans. As such, performance is affected by the still-low level of defaults and losses in that pool, rather than near-term mark-to-market volatility, he said. "We feel very comfortable with the quality of the underlying assets."

More aggressive structured products, which relied on "leverage upon leverage," will go away, but "a lot of the structures that did contribute to the efficient flow of capital" will persist, Mr. Finke said.

Forced selling resulting from the past year's market turmoil has presented attractive opportunities for experienced players such as Babson, which closed on a new $500 million CLO during the first quarter, as well as taking over management of an existing $680 million CLO, he said.

As of March 31, MassMutual's general investment funds accounted for roughly two-thirds of Babson's client money. According to Babson data, the firm managed $6.7 billion for institutional clients, with another $12.3 billion of subadvised accounts and $16.8 billion in commingled vehicles.

A number of inve stment consultants say they haven't had much contact with Babson Capital in recent years, but Mr. Finke said that impression is partly the result of the decision to transfer to OFI its long-only business, where much of the firm's contact with consultants had been focused.

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CAPITAL MANAGEMENT

Babson staff celebrating the opening of a Charlotte, N.C. office.

Best places to work: BABSON CAPITAL MANAGEMENT

Boston | 911 employees | 3rd among organizations with 500 to fewer than 1,000 employees

BY **AMY B. RESNICK** | DECEMBER 9, 2013

REPRINTS PRINT

After first buying corporate art to decorate the offices Babson Capital moved into in Charlotte, N.C., in 2005, a decision was made last summer to change out the art for something that gave the office more of a sense of place and a connection to community.

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Starting this year, the company is partnering with arts organizations in Charlotte to use the two-story atrium lobby of Babson's office in the Duke Energy Center as a contemporary art showcase.

The first exhibit, "Nature: A Contemporary Look," opened in October and runs through January. The exhibit features the work of nine alumni of Charlotte's McColl Center for the Visual Arts' artist-in-residence program.

Thomas Finke, chairman and CEO of Babson Capital, described the art exhibit as "a small thing," but

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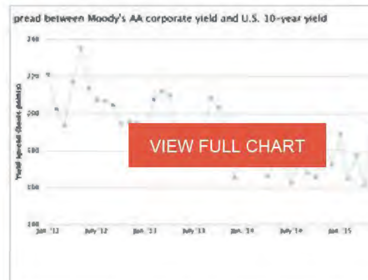

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- ATP returns 17.2% in 2015, unveils new risk factor asset allocation
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- Northern Trust: Institutional investor returns rebound in quarter, but flat for 2015

noted, "small things add up."

"You come to work every day and know you are going to be entering a place with highly skilled professionals who really care about getting the job done the right way," Mr. Finke said about the team-driven environment that typifies the culture he strives to grow at Babson. "The fundamental philosophy is you are never finished trying to improve on the things you do."

Employees who responded to *Pensions & Investments'* Best Places to Work in Money Management survey cited the "corporate culture of integrity and respect," and the opportunity to work with "smart people," among the best things about working at Babson.

One said "the overall environment of the company has a sense of pride in doing a job well done."

Chief Administrative Officer Susan Moore, who has been with Babson since it was formed in 2000 and has spent more than 20 years with Babson and its parent company, Mass Mutual Financial Group, said the culture is important for attracting both the team and clients. "We are not only investing, but invested," Ms. Moore said. People at Babson have "true passions for everything we do."

The art showcase is just one example of the community involvement Mr. Finke and Ms. Moore cite as important to developing the Babson culture.

In 2007, Mr. Finke said, the company decided to look at all of its charitable giving and ultimately adopted a strategy to tie the giving to the cities in which the company's offices are located.

An employee-staffed charitable committee now sets a budget for each of the investment offices — five in the U.S. and two overseas — and works on events from building a Habitat for Humanity house in Springfield, Mass., to sponsoring the Hopebuilders 5K benefit run for Levine Children's Hospital in Charlotte.

Other affiliations have included working with the group Autism Speaks to raise money, supporting the Boston Medical Center and Boston Youth Symphony, and participating in the Pan-Mass Challenge, a bike-a-thon that raises money for the Dana-Farber Cancer Institute through its Jimmy Fund.

Mr. Finke said fostering culture across multiple offices is reinforced by offsite meetings once or twice a year, as well as team meetings at least once a year, Mr. Finke said. "It takes an investment of time away from the job, of teams getting together, to focus on improving teamwork," he said. "Our business strategy is to develop a platform of global products, and that has really taken teamwork to another level."

— Contact Amy B. Resnick at aresnick@pionline.com | @Resnick_PI

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Filed under: Special Report: Best Places to Work, Money management

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Strategically Speaking Babson Capital

Experience, leveraged

JOSEPH MARIATHASAN

Babson Capital may not immediately spring to mind for institutional investors around the world seeking global fixed-income managers, but that is a key goal for CEO Tom Finke. Having raised $5bn (€3.9bn) from European investors alone in 2013 it certainly looks well-positioned to one day be ranked among the market leaders.

The firm, with its subsidiaries, real estate manager Cornerstone Real Estate Advisers and specialist real asset manager Wood Creek Capital Management, currently manages just over $200bn, split around half-and-half between MassMutual Life Insurance and third-party investors – one-third of which originates from Europe.

That Finke's ambition is realistic is a testament to the success of a business strategy that has morphed what was originally a Boston-based US equity value manager into a fixed-income manager based in Charlotte, North Carolina.

Finke himself exudes a gentle conviviality that epitomises the team-based philosophy of a firm that eschews a star culture. Can he and his colleagues develop their capabilities and brand to compete on an equal footing with the already well-established global fixed-income players in Europe and elsewhere outside the US?

Babson's transformation arose through three key developments. Firstly, there was the acquisition of Boston based US equity manager David L Babson & Co in 1995 by MassMutual, with a transfer of investment staff from MassMutual in 2000 to form Babson Capital.

Secondly, came the 2002 purchase from Charlotte-based Wachovia Bank (now part of Wells Fargo) of US bank loan specialist First Union Institutional Debt Management – which Finke had co-founded.

And lastly, was the acquisition in 2002 of the CLO activities of London's Duke Street Capital, which gave Babson an immediate European presence in leveraged loans.

Integration

The stable source of revenue from the management of MassMutual funds means that Babson has the luxury of being confident it can weather downturns.

"Most of our money is very sticky and has to be invested through the cycle," says Finke. "Insurance companies can't go into cash just because they don't like the spreads. We are very good at fundamental team-driven investing and we tend to perform the best through a down cycle."

Even more powerfully, the integration of these businesses resulted in capabilities in liquid and illiquid investment and high-yield credit across a spectrum of opportunities globally. For Finke, business strategy has been driven by the increasingly global nature of investment, which has meant that the firm has had to have capabilities in Europe and the Asia Pacific region alongside the US.

"Our US and European loan desks have been working together for years," Finke explains. "We launched our first global loan strategy in 2006 and we believe we have a first-mover advantage in being able to offer such global structured products. Our objective in Europe, as it is in the US, is to invest across the spectrum of high-yield bonds, leveraged loans and direct middle market lending. Clients want managers who can move fluidly between markets."

That has meant that the firm had to be able to deliver global investment strategies but remain focused on its core expertise in fixed-income, and in real estate through Cornerstone.

The key gap that had existed was the lack of an emerging market debt capability. Babson tackled that by making two key hires in 2013 – of emerging markets specialists Ricardo Adrogue in Boston and Brigitte Posch in London. By mid-2014 Babson had built a 13-strong team with Adrogue overseeing portfolio management activities for sovereign and local currency strategies and Posch leading portfolio management activities for all emerging market corporate debt strategies.

Babson's growth of capabilities does bring new challenges. The firm's reputation had been in structured debt – and it remains one of the biggest CLO investors in the world. As a result, its main competitors so far have not been the major traditional fixed-income players, such as the insurance company-owned fund management firms but, rather, alternative investors such as Carlyle and Apollo.

"Apollo has focused on private equity, credit and real estate very successfully for 20 years," says Finke. "We see ourselves as having a similar focused approach on fixed-income, credit and real estate."

Developing a multi-asset global debt capability pits Babson head-to-head with a much bigger set of competitors. But in this competition, the fact that the global fixed-income markets are themselves undergoing such rapid changes, and opening up to newer entrants with niche skills, potentially works to Babson's advantage.

"One of our core strengths is investing in illiquid markets – we do direct lending and mezzanine not only in the US but also Europe and the Asia-Pacific region," says Finke. "Similarly, we see ourselves as developing the capacity to invest in less liquid, more direct markets in emerging countries, but it will take time."

"We need to develop our expertise in China on a step-by-step basis, even if it takes us 10 years before we are a major lender to SMEs there"

Direct lending to small and medium-sized enterprises (SMEs) is an area of growth for Babson but it also raises new challenges.

"The nature of credit, especially lending to SMEs, is that you need to be in the market near the borrower, to be able to undertake due diligence and understand the nature of potential losses," Finke reasons. "You can't sit in an office in New York or Charlotte and understand SME lending in China. You need to create partnerships and boots on the ground to get things done."

He is realistic about the timescales. "We are ready to look at new opportunities in China and elsewhere, but the question is, are we ready to invest in them?" he says. "We need to develop our expertise on a step-by-step basis, even if it takes us 10 years before we are a major lender to SMEs there."

But judging by his progress so far in developing emerging markets capabilities, it may be far sooner than that.

TOM FINKE
- 2008: Chairman and CEO, Babson Capital Management
- 2008-2011: Executive vice-president and CIO, MassMutual Life Insurance Co
- 2007-2008: President, Babson Capital Management
- 2002-2008: Managing director, Babson Capital Management
- 1998-2002: President, First Union Institutional Debt Management
- 1994-1997: Vice-president, high yield sales and trading, Bear Stearns
- 1991-1994: Assistant vice-president, loan syndication desk, Mellon Bank
- 1988-1989: International banking officer, Westpac
- 1986-1988: Associate, First Union National Bank

BABSON CAPITAL MANAGEMENT
- AUM: $205bn (30 June 2014)
- Global high yield: 41%
- Investment grade: 34%
- Real estate: 12%
- Structured credit: 8%
- Equity: 2%
- Real assets: 2%
- Mid-market finance: 1%
- Emerging markets: <1%

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BABSON CAPITAL MANAGEMENT

Opportunity knocks

Terry Harris, head of portfolio management for Babson's Global Private Finance Group, explains how the global firm is finding value in directly originated private loans

As active investors across the global private debt spectrum, our team at Babson is currently finding attractive value in corporate private placements, infrastructure debt and, the subject of this article, the direct lending market.

The direct lending market is global in nature, but regional differences are critical to understand as they present opportunities for skilled managers. At a high level, the factors that impact the relative attractiveness of private loans across the US, Europe and the developed jurisdictions of Asia-Pacific are effectively the same. M&A activity is widely seen as the most significant driver as it directly impacts demand for financing solutions. Regulation also plays a key role; increased capital constraints on banks have restricted credit supply, creating opportunities for non-bank institutional lenders like Babson.

As these dynamics ebb and flow in each region, they impact the pricing and structural terms for private loan transactions. This in turn drives the relative attractiveness of investments in each region. Over time, the changing dynamics create opportunities for managers with a local presence in each market to 'pivot' to the region where the most attractive relative value opportunities lie.

When considering a global strategy, it's important to note the key differences between each region.

UNITED STATES

The US is the most developed market in the world and offers the largest opportunity set from which to accumulate a diversified private credit portfolio. The Dodd-Frank Act, requiring more robust capital standards – consistent with Basel III – has spurred regulators to issue tighter lending guidelines. These new regulatory standards are impacting supply/demand dynamics and creating an increasingly attractive opportunity for investors. For instance, General Electric, which became subject to big bank-like regulation in the wake of the financial crisis, divested its private equity lending business that for decades was a dominant provider of credit to US middle-market businesses. At the same time that the supply of capital is being restricted, the demand for it is increasing: US mid-market M&A activity is still well below pre-financial crisis levels but has been rising, a trend we expect to continue.

EUROPE

The European market, though much smaller, is growing rapidly as capital requirements increasingly limit banks' lending activity, Basel III specifically. The number of new private lenders into the market has increased in an attempt to capitalize on the opportunity. But given that the direct lending model is built upon long-standing relationships between lenders and sponsors, those lenders

WHAT IS DIRECT LENDING?

At Babson, we define private or direct lending as providing directly originated loans to companies that cannot access the public capital markets. In markets like the US and Europe, private loan issuers are typically middle-market companies that are not large enough to issue broadly syndicated loans and bonds. In Australia / New Zealand and developed Asia, where markets are still primarily bank-driven and lack significant depth, private loan issuers include middle-market companies as well as larger corporates.

key characteristics of direct LENDING markets

NORTH AMERICA

- Large opportunity set
- Consistent volume

EUROPE

- Rising demand for private finance
- Senior and unitranche issuance growing

ASIA PACIFIC

- Lower leverage, larger companies
- Limited institutional competition

with established relationships, long track records and local knowledge are likely to be better positioned to fill the financing void.

ASIA-PACIFIC

The private credit markets in Australia / New Zealand and developed Asia are more difficult to dimension but can offer compelling opportunities for experienced lenders with local knowledge and relationships. Most medium and even large issuers in the region do not have access to the more developed US and European credit markets, and regional banking options are limited. Supply/demand dynamics, particularly in Australia and New Zealand have created opportunities to lend to strong companies on attractive terms.

FINDING VALUE TODAY

The relative attractiveness of direct lending investment opportunities shifts, reflecting regional supply and demand dynamics. For example, US private credit spreads remained relatively tight through mid-2014, while the pricing of risk was much more attractive in Europe. Spreads in the US then widened in the latter part of 2014 and have remained at attractive levels throughout 2015. Based on Babson's market observations, US 'all-in' effective spreads are now on par with Europe at approximately 600 basis points (bps) for senior debt and 750bps to 900bps for unitranche debt.

While pricing in these markets is comparable today, there are structural differences. For instance, while LIBOR floors are normal features in both US and European transactions, they are commonly set at 100bps in the US, whereas in Europe, LIBOR floors range between zero and 75bps. European issuers tend to be larger on average than those in the US and total leverage levels are typically more conservative. These regional differences present relative value opportunities for skilled managers.

WHAT TO LOOK FOR IN A MANAGER

- Global perspective, local presence
- Long track record investing in the asset class
- Deep, long-standing sponsor relationships
- Middle-market underwriting experience
- Robust risk management processes

Although spreads in the Australia / New Zealand and developed Asia markets are currently tighter compared to the US and Europe, issuers typically are larger and have more conservative credit structures. We are seeing opportunities to source attractive loans in these markets, where there is a diverse base of financially stable companies across a wide variety of sectors.

DIFFERENTIATING MANAGERS

Global managers with a local presence in the markets where they invest are well-positioned to access a broad opportunity set of deals. Private equity sponsors typically transact with lenders with whom they have experience and that have a proven track record in the market. Developing a strong track record requires many years of experience, and lenders without strong relationships may miss out on the most attractive investment opportunities.

It is also important that managers possess specialized experience in underwriting loans to mid-market companies. For private credit investors, understanding risk is the result of rigorous due diligence similar to – and usually alongside – a private equity sponsor. As part of the due diligence process, lenders like Babson directly participate in facility tours and on-site meetings with management to enhance their understanding of business operations and evaluate a management team's strategy and ability to execute. Once a company's credit risks are fully understood, private credit managers must also possess the knowledge to understand and negotiate structural protections, like maintenance financial covenants, that can help mitigate risk.

Finally, it is key to partner with managers who have systems in place to closely monitor their investments and experience investing through multiple economic cycles. Private loans are not liquid; there are no secondary prices to monitor, and there is limited to no ability to trade out of a position. This makes monitoring a particularly important component to mitigating the risk of loss.

As investors look to the direct lending market as a way to enhance returns and diversify their portfolios, we believe a global approach is critical. As market dynamics shift from region to region, a global perspective – combined with a local presence – can help managers source the most attractive value on behalf of investors. ■

TERRY HARRIS

Head of portfolio management Terry Harris is responsible for supervising investment and portfolio management in Babson's Global Private Finance Group. He has 24 years of experience investing in senior and mezzanine debt as well as equity in commercial, industrial and specialized middle-market companies.

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United States Patent and Trademark Office Registered May 27, 2008

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AGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

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Principal

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Publication Date: Mar. 11, 2008

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- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely,

asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000200

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	68691
Feb. 07, 2008	ASSIGNED TO LIE	68691
Jan. 03, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 16, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 16, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Nov. 16, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
May 17, 2007	NON-FINAL ACTION E-MAILED	
May 17, 2007	AMENDMENT OF ALLEGED USE DISAPPROVED	
May 17, 2007	FINAL REFUSAL WRITTEN	78449
Apr. 24, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Apr. 23, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
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Mar. 27, 2007	ATTORNEY REVOKED AND/OR APPOINTED	
Mar. 27, 2007	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,683

United States Patent and Trademark Office **Registered May 27, 2008**

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTA-

TION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,145, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL

Babson Capital

US Serial Number: 76660145 **Application Filing Date:** May 17, 2006

US Registration Number: 3433683 **Registration Date:** May 27, 2008

Register: Principal

Mark Type: Service Mark

Status: A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date: Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements: BABSON CAPITAL

Standard Character Claim: No

Mark Drawing Type: 5 - AN ILLUSTRATION DRAWING WITH WORD(S) /LETTER(S)/ NUMBER(S) INSTYLIZED FORM

Color(s) Claimed: Color is not claimed as a feature of the mark.

Disclaimer: "CAPITAL"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real

estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address: 1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000300

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address: Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	

Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
Jan. 02, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 17, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 16, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Nov. 16, 2007	TEAS REQUEST FOR RECONSIDERATION RECEIVED	
May 17, 2007	FINAL REFUSAL E-MAILED	
May 17, 2007	FINAL REFUSAL WRITTEN	78449
Apr. 24, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Apr. 23, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Apr. 23, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 27, 2007	ATTORNEY REVOKED AND/OR APPOINTED	
Mar. 27, 2007	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,684

United States Patent and Trademark Office

Registered May 27, 2008

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital Management LLC

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS;

VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,146, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

Babson Capital Management LLC

US Serial Number: 76660146 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433684 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim:

No

Mark Drawing Type:

5 - AN ILLUSTRATION DRAWING WITH WORD(S) /LETTER(S)/ NUMBER(S) INSTYLIZED FORM

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL MANAGEMENT LLC"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000400

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
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Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address: 1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000400

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address: Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
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Mar. 11, 2008	PUBLISHED FOR OPPOSITION	

Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
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Nov. 17, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
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Mar. 27, 2007	ATTORNEY REVOKED AND/OR APPOINTED	
Mar. 27, 2007	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
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Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,685

United States Patent and Trademark Office Registered May 27, 2008

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital

MANAGEMENT LLC

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING;

MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,147, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

US Serial Number: 76660147 **Application Filing Date:** May 17, 2006

US Registration Number: 3433685 **Registration Date:** May 27, 2008

Register: Principal

Mark Type: Service Mark

Status: A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date: Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements: BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed: Color is not claimed as a feature of the mark.

Disclaimer: "CAPITAL MANAGEMENT LLC"

Design Search Code(s):
26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting;

investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
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Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

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Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000500

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
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Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,685

United States Patent and Trademark Office **Registered May 27, 2008**

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital
MANAGEMENT LLC

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING;

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SER. NO. 76-660,147, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

US Serial Number: 76660147

Application Filing Date:

May 17, 2006

US Registration Number: 3433685

Registration Date:

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim:

No

Mark Drawing Type:

3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL MANAGEMENT LLC"

Design Search Code(s):

26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

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investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

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100, 101, 102

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 01, 2004 **Use in Commerce:**

Jul. 01, 2004

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Current Owner(s) Information

Owner Name:

Babson Capital Management LLC

Owner Address:

1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:**

DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:**

38265-000500

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:**

Yes

Correspondent

Correspondent Name/Address:

Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:**

(212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

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Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN THE MATTERS OF:

Applicant:	Babson Capital Management LLC
Atty. Docket No.:	38265-0007/0008/0009001
Trademark	BABSON
App. Ser. No.	86420394
File Date	October 10, 2014
Trademark	BABSON CAPITAL MANAGEMENT
App. Ser. No.	86420416
File Date	October 10, 2014
Trademark	BABSON CAPITAL MANAGEMENT and Design
App. Ser. No.	86420447
File Date	October 10, 2014
Examining Attorney	Susan K. Lawrence
Law Office	116

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451

DECLARATION OF CHRISTOPHER A. DEFRANCIS

I, CHRISTOPHER A. DEFRANCIS, declare the following:

1. I am the Co-General Counsel and Chief Compliance Officer of the Applicant, Babson Management Capital LLC ("Babson"). I make this declaration in support of Babson's United States applications to register its trademarks BABSON in block letters (Application Ser. No. 86420394), BABSON CAPITAL MANAGEMENT in block letters (Application Ser. No. 86420416), and BABSON CAPITAL MANAGEMENT and Design (Application Ser. No. 86420447). The trademarks BABSON, BABSON CAPITAL MANAGEMENT, and BABSON CAPITAL

MANAGEMENT and Design are hereafter collectively referred to as, "the BABSON Marks;" Application Ser. Nos. 86420394; 86420416; and 86420447 are hereafter collectively referred to as the "BABSON Applications." The following facts are true and of my own personal knowledge or based on the business records of Babson and, if called upon as a witness, I could and would testify truthfully and competently to them.

2. Babson is one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world.

3. Babson seeks to register the BABSON Marks for the following services in Class 36 for the financial services listed in the BABSON Applications, including without limitation, investment services, financial advice, financial risk management, brokerage, cash management, commercial lending, credit risk management, equity capital investment, financial analysis and consultation, financial due diligence, loans, loan portfolio management, real estate, mortgage backed securities, collateralized debt obligations, investment funds, hedge funds, securitizations, financial portfolio management, money lending, financial valuation, financing services, guarantee assurance underwriting, leveraged buy outs and investments, maintaining escrow accounts, mutual fund investment, private equity investment, and venture capital funding to emerging and start-up companies.

4. Babson has been using the BABSON name and mark to identify its business and its financial services for over the past 75 years.

5. Babson was founded in 1940 under the name "David L. Babson & Co." Over the years, the company and its financial services became to be known by and

identified simply as BABSON. Based on that recognition and understanding, on July 1, 2004, Babson was rebranded as "Babson Capital Management LLC."

6. Over the past seven and a half decades, Babson grew its business under the BABSON name and mark from a local Massachusetts financial investment firm to one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world. I am attaching as Exhibit A to this Declaration a page from our company website that discusses the history of the company, as well as a report from Standard & Poor's dated October 2006 that also discusses the history of the company and the services offered under the BABSON name and mark.

7. Babson focuses on creating innovative investment strategies and solutions for sophisticated investors under the BABSON name and mark. Among other things, Babson offers a unique and broad array of innovative investment alternatives under the BABSON name and mark for its clients, including structured products, corporate finance, real estate finance and quantitative risk and derivatives management. Babson also offers retail investment opportunities to a broader base of customers, including mutual fund investments.

8. Over the years, Babson has used and continues to use BABSON as the primary element of its various marks for its financial services, including the marks DAVID L. BABSON & COMPANY, BABSON CAPITAL MANAGEMENT, BABSON CAPITAL and BABSON. In addition to the foregoing, Babson markets and promotes its business and services under such other marks as THE BABSON STAFF LETTER and BABSON FACTS AT A GLANCE for newsletters and promotional materials. Babson's longstanding and highly respected THE BABSON STAFF LETTER financial newsletter

has been distributed since at least as early as 1981. Representative copies of THE BABSON STAFF LETTER newsletter and BABSON FACTS AT A GLANCE promotional brochure are attached and made a part of this Declaration as Exhibit B.

9. Babson advertises and promotes its BABSON marks extensively for its financial services. Babson has expended well over $1,000,000 per year in each of the past four years on the advertising, marketing and promotion of its services to prospective clients under the BABSON name and mark. Babson places BABSON advertisements and promotional sponsorships in such industry magazines as *Institutional Investor; InvestmentNews; Private Debt Investor;* and *Buyouts; Pensions & Investments.* Representative copies of BABSON advertisements are attached and made a part of this Declaration as Exhibit C.

10. Applicant has also appeared at numerous financial industry conferences and other speaking engagements to market and promote its innovative investment strategies and solutions under the BABSON name and mark. For example, in the past few years, Babson has participated in the following industry conferences, among others: Asian Investor; CIE Cash and Dividends Income Conference; FPA Massachusetts (multiple small regional events); Fund Forum International; IJ Global Infrastructure and Energy Finance Forum; IMN ABS Vegas; IMN CLO Conference; ISI Summits (East and West); LSTA Conference (Tokyo and Seoul); MassMutual Retirement Services Conferences (multiple throughout year); NCII Forum and Roundtable; SuperReturn International; TD Ameritrade National LINC Conference; and TEXPERS Annual Conference. Copies of representative programs from recent and upcoming industry conferences in featuring a BABSON sponsorship or presenter are attached and made a part of this Declaration as Exhibit D.

11. Babson's unique financial services and effective counsel of clients have been featured in numerous financial publications, such as *Barron's; Bloomberg; Buyouts; Financial Times; The Institutional Investor; InvestmentNews; Leveraged Finance News; Loan Market Week; Bank Loan Report; Pensions and Investments; Private Debt Investor; The New York Times; Thomson Reuters;* and *The Wall Street Journal,* as well as on such television programs as *Bloomberg TV; CNBC,* and *Asset TV.* These features further promote the BABSON name and mark throughout the United States. Representative copies of industry articles featuring Babson are attached and made a part of this Declaration as Exhibit E.

12. Babson is also very active in philanthropic efforts in various communities throughout the United States. The Boston Youth Symphony Orchestra, the YMCA of Greater Charlotte, The Mint Museum, The American Heart Association, U.S. Fund for UNICEF, Habitat for Humanity and The Boys & Girls Club are examples of the organizations that benefit from Babson's generosity and commitment to the public. Babson supports over 40 charitable organizations in the United States, and its philanthropic efforts further distinguish Babson and promote the BABSON name and mark throughout the United States.

13. As a result of its long use of the BABSON name and mark for three quarters of a century, the quality of its financial services, and the company's extensive promotional, advertising and philanthropic efforts, Babson's customers and the public have come to know and understand that BABSON, as used for financial services, means and refers to Babson and its financial services. Accordingly, BABSON constitutes a valuable mark associated by the financial industry and the public with quality financial advice, strategy and success.

14. In addition to the BABSON Applications, Babson also owns the following registrations of marks that contain BABSON as the primary element of the marks (the "BABSON Registrations"):

Mark	Reg. No.	Reg. Date
BABSON CAPITAL and Design	3433682	May 27, 2008
BABSON CAPITAL	3433683	May 27, 2008
BABSON CAPITAL MANAGEMENT LLC	3433684	May 27, 2008
BABSON CAPITAL MANAGEMENT LLC and Design	3433685	May 27, 2008

Each of the above BABSON Registrations is subsisting and incontestable, and Babson owns the entire right, title and interest in and to them. Copies of the certificates and the respective TSDR printouts of each of the BABSON Registrations are attached hereto and made a part of this Declaration as Exhibit F.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Christopher A. DeFrancis

EXHIBIT A

About Babson

More than investing. Invested.

Babson Capital Management (Babson) is one of the world's leading asset management firms with investment teams on four continents managing more than $200 billion in assets for clients in more than 20 countries around the world.

Our experience and expertise in a wide variety of traditional and alternative asset classes, including global high yield loans, structured credit, private debt and real estate, provide visibility and access to investment opportunities for both our institutional and wealth advisory clients.

At Babson, we build strong and enduring partnerships by listening to our clients and leveraging our proven capabilities to meet their unique needs. More than investing, we are invested – invested in creating customized solutions; invested in developing strategies based on a rigorous research process and consistent risk controls; and invested in expanding the investment landscape to help our clients meet their objectives.

History

Babson's roots trace back 75 years, with the creation of David L. Babson & Co. in Massachusetts. The firm grew steadily into a highly regarded investment manager, and was acquired by Massachusetts Mutual Life Insurance Company (MassMutual) in 1995.

Our modern era began in 2000 when David L. Babson & Co. was integrated with MassMutual's Investment Division, uniting two firms under a shared dedication to unwavering client service and long-term, fundamental investing.

In the years that followed, we refined our expertise across both public and private asset classes by managing investment portfolios on behalf of our parent company, MassMutual, as well as a growing base of institutional investors. Our active management approach, coupled with a focus on fundamentals and risk management, established the foundation for a common investment process employed across asset classes ranging from global high yield and investment grade corporate credit to structured products and private finance.

Over time, our firm continued to grow both organically and through a series of strategic acquisitions, with two in particular that significantly added to our investment management platform. In 2002, Babson acquired First Union Institutional Debt Management, an experienced leveraged loan and CLO manager in the U.S. Two years later we purchased Duke Street Capital Debt Management, one of the largest bank loan managers in Europe. With these acquisitions, we solidified Babson's presence in the world's two largest high yield markets, and our firm was rebranded as Babson Capital Management in 2004.

Driven by client demand for a skilled investment partner with proficiency across the fixed income spectrum, we have continued to expand our investment capabilities over the last decade. To serve the needs of our increasingly global client base, we further extended our offerings in private finance, private equity and emerging markets.

Today, we offer a wide range of investment solutions to a client base that spans more than 20 countries and includes pensions, endowments, foundations, sovereign wealth funds and private wealth advisory clients. But we haven't forgotten our roots: We remain committed to helping our clients achieve their long-term investment goals regardless of short-term market movements. We do this by maintaining a strict adherence to the bottom-up, fundamental analysis that has long been the hallmark of Babson's investment process and by fostering a corporate culture that thrives on teamwork and collaboration. It is by staying true to the founding principles of our firm and continuing to evolve with the needs of our client base that we have become one of the world's leading global asset managers today.

STANDARD
&POOR'S

October 2006

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Outstanding CDOs
Connecticut Valley Structured Credit CDO III Ltd. (2006), Pioneer Valley Structured Credit CDO I Ltd. (2005), Connecticut Valley Structured Credit CDO II Ltd. (2003), and Connecticut Valley Structured Credit CDO I Ltd. (2001)

Other CDOs And Fixed-Income Products
One CDO of ABS, six investment grade CDOs and CDS, ten U.S. bank loan CDOs, six European bank loan CDOs, twelve U.S. high yield bond CDOs, two market value CDOs, five subadvised CDOs, and four MBS funds.

Fund manager:
Matthew P Natcharian, CFA

Babson Capital Management LLC—CDO of CDO

Summary

Babson Capital Management LLC (Babson), formerly known as David L. Babson & Co. Inc., was founded in 1940 and is among the oldest U.S. investment firms serving institutional and individual investors of equity and fixed-income products. Babson is owned by Massachusetts Mutual Life Insurance Co. (MassMutual), which was founded in 1851 and is one of the oldest U.S. life insurance companies. MassMutual has been managing CDOs since 1991, and has a Standard & Poor's Rating Services financial strength rating of 'AAA'. In a recent study, "CDO Spotlight: Midyear 2006 Update To Sizing Collateral Manager Participation In The U.S. Cash Flow CDO Market", published Oct. 2, 2006, Standard & Poor's identified Babson as the second-largest CDO manager in terms of outstanding rated liabilities as of June 30, 2006.

Babson has primary offices in Boston and Springfield, Mass., and additional offices in Charlotte, N.C., and New York; and employs more than 578 employees. Babson Capital Europe LLC, a subsidiary, is located in London. In addition to providing investment advisory services to institutional and individual investors, Babson is MassMutual's general investment account investment adviser. Stuart Reese, formerly chairman and CEO of Babson, is now the chairman of MassMutual. Roger Crandall, chairman, president, and CEO of Babson, is also the chief investment officer of MassMutual. In October 2005, MassMutual sold Antares Capital Corp., a lender to midsized firms, to GE Global Sponsor Finance. However, Antares Funding L.P., a $600 million CDO, which consists primarily of middle market loans that closed in December 1999, has a high-yield bond component that Babson continues to manage.

Continued on page 3

Standard & Poor's is neither associated nor affiliated with the fund manager discussed in this report. This report has been prepared based on information obtained from the fund manager regarding its organization, personnel, investment philosophy, management style, operations, and fund performance. Standard & Poor's does not perform an audit or verify the information. The information in this report has been obtained by Standard & Poor's from sources believed by it to be reliable at the time the report is published. The information in this report, however, may be inaccurate or incomplete due to the possibility of human, mechanical, or other error by Standard & Poor's, its sources or others, or the information in this report may become inaccurate or incomplete due to the passage of time. Standard & Poor's has no obligation to keep or to make the information in this report current, and it does not guarantee the accuracy, adequacy, or completeness of any information in this report. Standard & Poor's is not responsible for any errors or omissions or any result obtained by the use of the information in this report. This report is a statement of opinion, not a statement of fact or a recommendation to buy, hold, or sell any securities or interests mentioned in the report. This report does not constitute a recommendation of the fund manager or its personnel, nor does it constitute an offering of any securities or interests in investment vehicles sponsored or managed by the fund manager or its personnel.

Table 1

Summary Deal Statistics*

	Connecticut Valley Structured Credit CDO I Ltd.		Connecticut Valley Structured Credit CDO II Ltd.		Pioneer Valley Structured Credit CDO I Ltd.	
Closing date		September 2001		May 2003		July 2005
Effective date¶ (Curr.)		January 2002		October 2003		November 2005
Current date of portfolio (Curr.)		June 2006		June 2006		June 2006
No. of CDO asset types		2		3		6
Largest CDO asset type exposure (%)		33.04		53.74		38.87
Largest CDO manager exposure (%)		6.7		5.1		10.6
Defaults (%)		0.0		0.0		0.0
Asset breakdown (% of collateral assets)						
Cash		6.91		3.16		0.0
CDO of ABS		2.43		3.78		9.28
CDO of CLO		33.04		53.74		38.87
CDO of EM		0.0		0.0		2.22
CDO of HY		30.76		15.27		4.67
CDO of IG		11.68		8.99		5.11
Market value CDO		3.45		1.49		5.14
RMBS		0.0		0.0		14.76
Synthetic		11.72		13.58		19.96
Rating breakdown (% of collateral assets)§	**Eff.**	**Curr.**	**Eff.**	**Curr.**	**Eff.**	**Curr.**
AAA to A	28.3	29.7	67.5	44.5	100.0	100.0
BBB	55.0	46.8	29.1	45.1	0.0	0.0
BB	14.3	13.3	3.4	8.4	0.0	0.0
B	2.4	8.0	0.0	2.0	0.0	0.0
CCC to D	0.0	2.1	0.0	0.0	0.0	0.0
NR	0.0	0.0	0.0	0.0	0.0	0.0
Overcollateralization spread	**Eff.**	**Curr.**	**Eff.**	**Curr.**	**Eff.**	**Curr**
Senior tranche	N.A.**	5.45	7.50	8.11	0.72	0.87
Junior tranche	N.A.**	3.30	6.02	6.70	0.23	0.38
12-month average price (from effective date if less than 12 months, %)						
Total purchases		99.8		99.8		99.9
Total sales		None		100.3		100.1
Defaulted sales¶¶		None		None		None
Credit risk sales		None		None		None
Credit-improved sales		None		None		100.1
Discretionary sales		None		100.3		None

*For more detail, please see deal-specific reports. Please note that totals may not equal 100% due to rounding. Defaults (%) may include assets that are defined by the collateral manager as defaulted, such assets may not necessarily be rated 'D'. ¶Nearest measurement date to effective date. §If no public Standard & Poor's rating is available, we are using ratings from other sources on the underlying collateral. These ratings have been provided to us by sources we consider reliable, but we have not undertaken any verification of the actual ratings. We have translated the available ratings into a common symbology that is generally used in the market. No conclusion should be drawn about actual Standard & Poor's ratings from the tables. **Standard & Poor's cohorts index and/or test data are unavailable as of report date. ¶¶Dispositions or recovery levels. EM—Emerging market. HY—High yield. IG—Investment grade. NR—Not rated.

As of June 30, 2006, Babson and its subsidiaries had more than $92.1 billion in assets under management, approximately $89.9 billion of which was fixed income. Cliff Noreen heads Babson's corporate securities and equity group, which is located in Springfield, Mass. Matthew Natcharian heads the structured credit group, which is part of the corporate securities and equity group, where he is responsible for issuing and managing Babson's CDOs of CDOs. Mr. Natcharian is portfolio manager for the CDOs of CDOs and a co-portfolio manager for Babson's CDOs of ABS. He became head of the group in August 2005 following Andrew Dickey's promotion to president of MassMutual's financial products division.

The structured credit team began investing in CDOs in 1999 with a team of three professionals, including Mr. Crandall, Mr.Dickey, and Mr. Natcharian. Babson's structured credit team consists of 18 professionals, including Mr. Natcharian, and two investment professionals hired in the summer of 2006. Within the group, Brett Gearing is responsible for CDO WorldSM, a proprietary database and analysis system. A team of five professionals in Springfield, Mass., and two outsource professionals in India support Mr. Gearing in managing CDO World. The credit analysis, portfolio management, and trading functions within the structured credit group consist of 11 investment professionals, not including Mr. Natcharian. The investment professionals average 10.5 years of related experience. Babson's portfolio administration group supports the management, administration, and monitoring of Babson's CDOs of CDOs. The portfolio administration group consists of two managers and 10 analysts who provide portfolio reporting and compliance, trade support, and administration and monitoring of the structured vehicles.

Babson began managing CDOs in 1991, beginning with MassMutual/ Carlson CBO Ltd., a cash flow high-yield bond CBO that closed in 1991 and was redeemed in full in 1997. As of Sept. 30, 2006, Babson managed 41 CDOs, including four cash flow CDOs of CDOs managed by the structured credit group. The structured credit group also manages a CDO equity fund and other separate accounts. Babson also manages four MBS funds and is the subadviser for five structured funds (including three CDOs). In addition, as of June 30, 2006, Standard & Poor's identified Babson as the second-largest CDO manager in terms of outstanding rated liabilities, as published in the aforementioned CDO manager participation study.

For the 12 months ended June 2006, each of Connecticut Valley Structured Credit CDO I Ltd., Connecticut Valley Structured Credit CDO II Ltd., and Pioneer Valley Structured Credit CDO I Ltd. were in compliance with the minimum overcollateralization and interest coverage tests required by their respective indentures. As of June 2006, the majority of assets in each of the three portfolios consisted of CDOs collateralized by leveraged loans. In addition, as of June 2006, Connecticut Valley Structured Credit CDO III Ltd. had not yet reached its effective date as it closed in March 2006.

Management Group Background

MassMutual was founded in 1851 and is one of the oldest life insurance companies in the U.S., providing a variety of financial products and services to its clients. It has a Standard & Poor's financial strength rating of 'AAA'. In addition to Babson, which was acquired in June 1995, MassMutual's asset management businesses include Oppenheimer Funds (acquired in 1990), Cornerstone Real Estate Advisers (established 1994), and Baring Asset Management's global investment business (acquired in 2005).

In January 2000, employees in MassMutual's Investment Management Division were transferred to Babson. In June 2002, Babson acquired First Union Institutional Debt Management Inc. from Wachovia Corp.; and in May 2004, Babson acquired Duke Street Capital Debt Management from Duke Street Capital. In July 2004, Babson formally changed its name from David L. Babson & Co. Inc. to Babson Capital Management LLC. In October 2005, MassMutual sold its subsidiary, Antares Capital Corp., a middle market lender and CDO manager, to GE Global Sponsor Finance. Babson continues to manage the high-yield bond portion of Antares Funding L.P., a CDO collateralized primarily by middle market loans.

Funds Under Management

As of June 30, 2006, Babson's assets under management totaled more than $92.1 billion, approximately $89.9 billion of which were fixed income. Investment-grade corporate securities represented the largest single category at 41% of total assets under management, bank loans represented 14%, and high-yield corporate securities represented 6%. The majority of Babson's assets under management (66%) were managed for MassMutual's general account. As of Sept. 30, 2006, Babson managed 41 CDOs, including four CDOs of CDOs, the first of which closed in 2001. In addition to the CDOs of CDOs, the structured credit team also manages a $205 million private equity fund that invests in CDO transactions, a total return separate account for a U.S. corporate pension fund, and three separate accounts for a global insurer/reinsurer. The structured credit team also manages the CDO assets of Babson's CDO of ABS transaction.

Table 2

Structured Funds Under Management By Type as of Sept. 30, 2006

	% of total
4 CDOs of CDO	11.2
One CDO of ABS	1.4
Six investment-grade CDOs and CDS	10.5
Ten U.S. bank loan CDOs	29.5
Six European bank loan CDOs	21.4
Twelve U.S. high-yield bond CDOs	8.5
Two market value CDOs	1.1
Five subadvised CDOs	3.2
Four MBS funds	13.2

Organizational Structure

In June 2005, Mr. Reese became chairman of MassMutual, and Mr. Crandall became chief investment officer of MassMutual and chairman and CEO of Babson. Four principal business groups and an administrative group within Babson report to Mr. Crandall: the corporate securities and equity group, headed by Mr. Noreen, the chief credit officer who replaced Mr. Crandall in this role in June 2005; the real estate finance group, headed by Kenneth Hargreaves; the quantitative management group, headed by Efrem Marder; and the operations and administration group, headed by Jim Masur, CFO.

Babson is divided into five functional groups: corporate securities, quantitative management, Babson Capital Europe, U.S. Bank Loans, and real estate finance. Mr. Natcharian heads Babson's structured credit group, which is part of the corporate securities group. Babson's structured credit team consists of 18 professionals, including Mr. Natcharian. Mr. Gearing and five analysts are part of the structured credit team and are responsible for managing CDO World, a proprietary database and analysis system that the structured credit team began building in 2001. Babson's portfolio administration group supports the management, administration, and monitoring of Babson's CDOs of CDOs. The portfolio administration group is staffed with two managers and 10 analysts who provide portfolio reporting and compliance, trade support, and administration and monitoring of the structured vehicles.

Organizational Investment Philosophy

As described by the structured credit team, investment in CDO securities is based on three key factors: a review of the collateral manager, a cash flow/waterfall analysis, and an analysis of the relative value of each tranche within the CDO capital structure. According to Babson, the cash flow/waterfall analysis determines the strength of the capital structure, while an analysis of the underlying collateral pool assesses the risk characteristics of the assets and the manager's investment style. Babson stated that it also leverages the resources of the relative investment teams within the firm for asset class knowledge, such as the ABS team and the U.S. bank loan team, and it believes that it has a competitive advantage because it has been an investor and manager in such assets since the 1990s.

CDO Team

The structured credit team consists of 18 professionals, including two investment professionals who joined the team in August 2006. The team includes Mr. Natcharian and 10 credit analysis and portfolio management investment professionals, a dedicated trader, and a team of six professionals responsible for implementing and maintaining CDO World. Four of the investment professionals support Mr. Natcharian as portfolio managers for the CDOs of CDOs under management. Two of the investment professionals have synthetic CDO background. On average, the investment professionals have 10.5 years of related investment experience.

The portfolio managers responsible for the management of Babson's CDOs of CDOs are:

- **Matthew P. Natcharian, CFA** (B.S. Bentley College). Mr. Natcharian is a managing director and head of the structured credit products and investments team since August 2005. He is responsible for Babson's CDOs of CDOs business and investment strategy and for the analysis of Babson's structured credit products. Before his current role, Mr. Natcharian was a portfolio manager at Babson supporting the former structured credit products group head. Before joining Babson in 1995, Mr. Natcharian was a financial information analyst at Allmerica Financial Corp. for two years. Mr. Natcharian has more than 11 years of related experience.
- **J. Stephen Staggs,** CFA (M.B.A., Babson College). Mr. Staggs is a managing director and portfolio manager for Babson's structured credit teams and is responsible for the analysis and structuring of CDOs. Mr. Staggs is the portfolio manager for the CDO equity fund managed by the structured credit team. Before joining Babson in 2001, Mr. Staggs worked for five and a half years at Lincoln National Corp., where he was responsible for analyzing and managing public fixed income, private placements, structured finance, and hedge fund investments. Mr. Staggs also served in the same capacity at Provident Companies for three and a half years and MassMutual for five years. Mr. Staggs has 19 years of related experience.
- **Melissa Ricco** (M.B.A. American International College). Ms. Ricco is a director in the structured credit team responsible for portoflio management, modeling, structural analysis, collateral manager evaluation, and monitoring CDO investments. Ms. Ricco is also the portfolio manager for Pioneer Valley Structured Credit CDO I Ltd. and for the team's separate accounts managed for a global reinsurer, supporting the structured credit group head. Before joining the structured credit team in 2000, Ms. Ricco was a portfolio administrator at Babson for two years. Ms. Ricco has seven years of related industry experience.
- **Kathleen L. Kraez** (M.B.A., Regis University). Ms. Kraez is a director in the structured credit team responsible for portfolio management, modeling, structural analysis, collateral manager evaluation, and monitoring CDO investments. Ms. Kraez is also the portfolio manager for Connecticut Valley Structured Credit I Ltd., Connecticut Valley Structured Credit II Ltd., and Connecticut Valley Structured Credit III Ltd., supporting the structured credit group head. Before joining Babson in 1996, Ms. Kraez was a portfolio accountant with State Street Bank and Trust for three years. Ms. Kraez has 12 years of related investment experience.

- **Jeffrey T. Prince, CFA** (M.S. University of Michigan). Mr. Prince is a managing director in the structured credit team, and is responsible for CDO security analysis and selection and CDO portfolio strategy and management. Before joining Babson in 2006, Mr. Prince was a senior CDO strategist at Citigroup for approximately four years. Before Citigroup, Mr. Prince was a CDO research analyst and CDO banker at Wachovia Securities for two years. Mr. Prince has more than six years of CDO industry experience.

Management Style

Babson's structured credit team stated that investment recommendations are based on the analysis of the collateral manager, focusing on the quality of the management team; the soundness of the capital structure and waterfall details; and the relative value of the security based on the underlying collateral. The team aims to diversify by manager, cohort, tranche, asset class, and management style. The team stated that it limits itself to the asset classes with which it is familiar and have independent knowledge. The team stated that it also monitors the underlying risks in its portfolio and focuses on maintaining industry and issuer diversification.

As described by the structured credit team, its management style and investment process are:

- Team members visit managers and focus on understanding their investment style and experience, as managers are considered to be the most important factor assessed with a potential investment. According to the structured credit team, it assesses the collateral manager's risk appetite, ability to access assets, and the returns the manager expects on its CDOs. Other characteristics of managers that they review include staffing/depth of the team, continuity, turnover, compensation, organization of the team, and consistency in management style. The team tries to visit managers annually, and also assesses their alignment of interest in deals under management. The manager's administrative and systems capabilities are also evaluated. The structured credit team stated that it maintains open dialogue with managers and is selective when investing with first-time managers.
- If the team approves of a manager, Babson conducts a portfolio review of the proposed CDO investment. This includes a cash flow analysis to identify weaknesses in the capital structure; the team looks at subordination and prefers to see interest diversion triggers. The team stated that it also compares the underlying assets to its own holdings and decline lists. The team reviews the average portfolio purchase price, and compares the proposed portfolio to other CDO portfolios managed by the manager to determine consistency in investment style. The portfolio analysis also includes reviewing the past performance of the manager's outstanding CDOs and its trading activity to assess portfolio risk.
- According to Babson, the proposed investment is modeled and priced independently using Intex Dealmaker software to determine the return profile under stressful scenarios. The team runs customized stresses, including payment-in-kind and prepayment scenarios and ties out to investment banking models. The team also assesses total losses that the structure can withstand at the assigned rating category. In addition, the team analyzes the priority of payments and the deferred interest timing, and where marginal risk and/or yield has been added. The team reviews the structure and focuses on the impact of the structure, including how overcollateralization works, overcollateralization versus excess spread trade-off, and how each tranche amortizes; the structural analysis also includes a review of legal documents with regard to events of default, replacement manager provisions, and trading rules.
- After the structural review, the structured credit team stated that it completes a relative value analysis to select the most attractive tranche in the capital structure for investment based on the risk-reward profile, as it tends to invest across the ratings spectrum. A relative value analysis is also completed against other proposed CDO investment opportunities in both the primary and secondary markets. The team's trader also monitors pricing to aid in the relative value assessment. Based on portfolio constraints, and whether or not the proposed investment contributes to diversifying Babson's portfolios, the portfolio managers will suggest allocations, with a total requested allocation amount given to the dedicated trader. If the team does not receive the total allocation requested, it has a process in place that defines how the allocations will be spread across portfolios.

According to the structured credit team, CDO World is critical to managing and analyzing CDO transactions. CDO World stores information and an analysis on each deal, including analyst notes, the results of cash flow models, and structural details of the team's CDO investments. The database includes new transactions that the team is reviewing for potential investment and secondary offerings as posted by the team's trader. A deal list of CDO investments reviewed but not owned by Babson is also maintained in CDO World. The database receives feeds from various sources, including rating agency feeds, Babson pricing feeds, credit default swap data, and dealer research. The underlying portfolio of each investment owned is updated in CDO World monthly by the structured credit data team, and it contains a centralized location for trustee reports, legal documentation, marketing materials, and Wall Street research. Babson stated that CDO World also contains a single-asset database where ratings and pricing information are available for its CDO investments. According to Babson, CDO World enables analysts to quickly monitor their credits through a series of proprietary performance and analysis reports, and look-through reporting to identify specific underlying assets. CDO World is integrated with a proprietary CDO Administration System used by portfolio administration and Intex. The team also has access to overall portfolio issuer and industry concentrations through exposure reports generated by CDO World.

The structured credit team meets daily to set the agenda for the day, review the new issue calendar, and set priorities for analysis. Analysts recommend securities for purchase to the team, and Mr. Natcharian has ultimate veto power over a buy recommendation. However, if an analyst recommends not investing in a transaction, the decision is not disputed.

Operations

Trades are executed by a dedicated structured credit trader through Bloomberg. They are processed through an accounting system, PAM, which results in a daily end-of-day report of trade activity through a middleware program. There are no required signatures for trade tickets; however, Babson's asset accounting unit confirms trades with respective counterparties. The asset accounting unit also reconciles positions held by custodians to the PAM accounting system and is responsible for maintaining a record of security holdings in the PAM accounting systems.

Babson stated that differential backups of the critical data are performed daily, with tapes sent for storage to a vault at MassMutual's facility in Hartford, Conn. Babson's disaster recovery plan has been established by the MassMutual Enterprise Continuity Program group. The plan identifies the sequence of events if a disaster were to occur (that is, how a disaster is declared, notification to employees, and appropriate responses), and it details the recovery of critical business functions and necessary operations based on priority. Babson's business units are responsible for testing and adjusting the disaster recovery plan. Babson has also contracted SunGard to provide offsite recovery facilities, which are currently located in Westborough, Mass., and Philadelphia. ■

Connecticut Valley Structured Credit CDO I Ltd.

Summary

Classes:
Class A notes, $296.0 mil.; class B-1 notes, $17.0 mil.; class B-2 notes, $3.0 mil.; class C-1 notes, $13.0 mil.; class C-2 notes, $39.0 mil.; preferred shares, $32.0 mil.

Current rating: Class A notes, 'AAA'; class B-1 and B-2 notes, 'A-'; class C-1 and C-2 notes, 'BBB'

Rating changes (date of change): No changes

Closing date: September 2001

Reinvestment completion date: September 2006

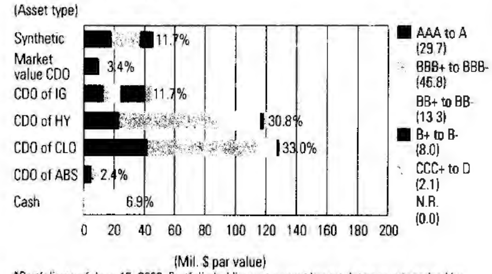
Stated maturity: September 2016

Principal at effective date: $386.0 mil. plus $0.6 mil. cash plus $0.0 mil. defaults (January 2002)

Principal at current date: $359.5 mil. plus $27.1 mil. cash plus $0.0 mil. defaults (June 2006)

Paydown to date: None

Portfolio Breakdown*



*Portfolio as of June 15, 2006. Portfolio holdings at current/report date are categorized by Standard & Poor's rating and asset type. Within each asset type, exposure to each rating band as a percentage of total par value is calculated. Percentage by asset type and by rating breakdown may not total 100% due to rounding. IG—Investment grade. HY—High yield. NR—Not rated

Portfolio Exposure

Granularity	Effective date			Current date 6/15/2006		
No. of obligors	49			70		
No. of industries/sectors	7			2		
Avg. obligor size (%)	2.0			1.4		
Top three obligors	**Obligor (effective)**	**%**	**Rating (effective)**	**Obligor (current)**	**%**	**Rating (current)**
1	CVC Capital Funding LLC	3.9	BB+	Dryden High Yield CDO 2001-I class B-1	3.9	BBB
2	Dryden HY CDO 2001-I, cls A3	3.9	BBB	Oak Hill Credit Partners I Ltd.	3.9	BBB
3	Grayston CLO 2001-I Ltd., cls A3	3.9	A-	Robeco CDO Li Ltd. class B-1I	3.9	A-
Top three industries/sectors	**Industry/ sector (effective)**	**%**	**Weighted avg. rating (effective)**	**Industry/ sector (current)**	**%**	**Weighted avg. rating (current)**
1	CDO	94.2	BBB/BBB-	CDO	91.5	BBB-/BB+
2	Brokers/secur dealers/ investment houses	1.7	A	Financial intermediaries	1.5	BBB-
3	Farming/agriculture	1.6	A			

*Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset

Industry/Geographic Breakdown*

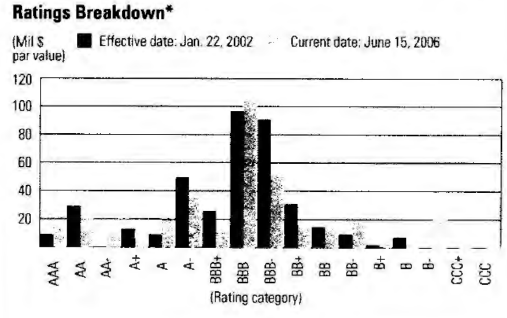
Industry/sector breakdown	% of par	Geographic breakdown¶	% of par
CDO	91.5	U.S.	87.1
Financial intermediaries	1.5	Bermuda	3.1
Cash	7.0	U.K.	1.5
		Ireland	0.6
		Cayman Islands	0.6
		Cash	7.0

*Data as of June 15, 2006. Total may not equal 100% due to rounding. Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. ¶Geographic breakdown may not total 100% due to cash balance.

Defaulted Securities

	Par (mil. $)	% of portfolio as of 6/15/2006
Total defaults	0.0	0.0

Ratings Breakdown*



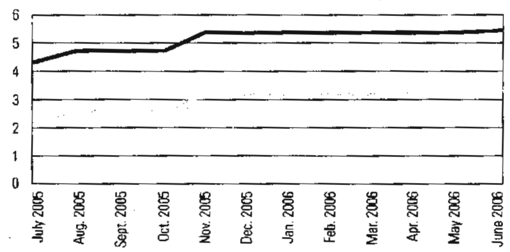
	Effective date	Current date: 6/15/2006
AAA¶ to A	28.3	29.7
BBB+ to BBB-	55.0	46.8
BB+ to BB-	14.3	13.3
B+ to B-	2.4	8.0
CCC+ to D	0.0	2.1
N.R.	0.0	0.0

¶'AAA' rated securities do not include cash. N.R.—Not rated.

*Portfolio holdings at effective date and current/report date are categorized by Standard & Poor's rating. The aggregate par value amount for each rating band is calculated. Please note that the 'AAA' rating category does not include uninvested cash.

Connecticut Valley Structured Credit CDO I Ltd. (continued)

O/C Spread*

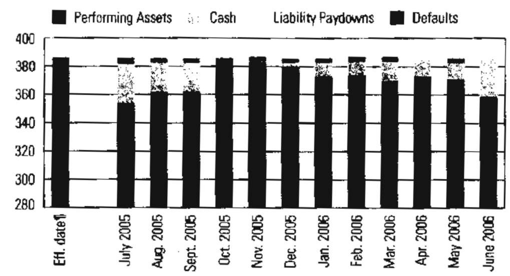


	Current portfolio	Current S&P cohort	12-month avg. portfolio	12-month avg. S&P cohort
Senior O/C spread	5.45	¶N.A.	5.13	¶N.A.
Junior O/C spread	3.30	¶N.A.	2.98	¶N.A.

¶N.A.—Not available.

*Overcollateralization (O/C) test spreads for the most senior and junior tranche are displayed. Values are calculated monthly as follows for the two tranches displayed: (O/C test result for a given month and tranche—O/C threshold for a given month and tranche)/O/C threshold. Data will be for the most recent 12 months. Appropriate Standard & Poor's CDO O/C spread composites are used for comparison where available. Note that the method of calculation of these items may vary from indenture to indenture.

Cumulative Par Erosion*



*Effective date followed by most recent 12 months par erosion data. Display includes cash on hand, par value of performing assets, liability paydowns, and par value of defaulted assets in the portfolio. Defaulted assets may include assets that are defined by the collateral manager as defaulted, and such assets may not necessarily be rated 'D'. ¶Effective date is Jan. 22, 2002.

CDO Snapshot

Deal compliance	Trigger (%)	Current date (%)	Pass/fail
Senior O/C test	123.00	129.70	Pass
Junior O/C test	101.00	104.33	Pass
Senior I/C test	139.50	170.75	Pass
Junior I/C test	112.00	129.77	Pass

O/C—Overcollateralization. I/C—Interest coverage.

Average Trading Activity (12 Months to Current Date)

	% of total par sales	Avg. price (% of par)
Credit-improved sales	0.0	0.0
Discretionary sales	0.0	0.0
Credit risk sales	0.0	0.0
Defaulted sales	0.0	0.0
Total sales	0.0	0.0
Purchases	N/A	99.8

N/A—Not applicable.

Connecticut Valley Structured Credit CDO II Ltd

Summary

Classes:
Class A-1 notes, $248.0 mil.; class A-2 notes, $25.0 mil.; class B-1 notes, $6.0 mil.; class B-2 notes, $15.0 mil.; class C-1 notes, $18.3 mil.; class C-2 notes, $13.3 mil.; composite securities, $5.0 mil., preferred shares, $24.5 mil.

Current rating: Class A-1 and A-2 notes, 'AAA'; class B-1 and B-2 notes, 'AA+', class C-1 and C-2 notes, 'A-'

Rating changes (date of change): No changes

Closing date: May 2003

Reinvestment completion date: May 2008

Stated maturity: May 2018

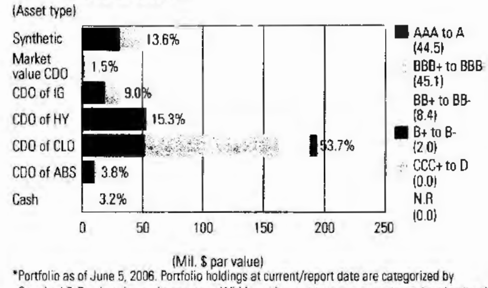
Principal at effective date: $353.8 mil. plus $1.8 mil. cash plus $0.0 mil. defaults (October 2003)

Principal at current date: $352.5 mil. plus $5.0 mil. cash plus $0.0 mil. defaults (June 2006)

Paydown to date: None

Portfolio Breakdown*

(Asset type)



*Portfolio as of June 5, 2006. Portfolio holdings at current/report date are categorized by Standard & Poor's rating and asset type. Within each asset type, exposure to each rating band as a percentage of total par value is calculated. Percentage by asset type and by rating breakdown may not total 100% due to rounding. IG—Investment grade. HY—High yield. NR—Not rated.

Portfolio Exposure

Granularity	Effective date			Current date 6/5/2006		
No. of obligors	65			106		
No. of industries/sectors	2			1		
Avg. obligor size (%)	1.5			0.94		
Top three obligors	**Obligor (effective)**	**%**	**Rating (effective)**	**Obligor (current)**	**%**	**Rating (current)**
1	Travelers Funding Ltd.	3.9	AA+	Travelers Funding Ltd.	3.1	AA+
2	ACA CDS 2002-1 Ltd. class B	2.8	AA	ACA CDS 2002-1 Ltd. class B	2.8	AA
3	Archimedes Funding Iii Ltd. class B-1	2.8	AA-	Archimedes Funding Iii Ltd. class B-1	2.8	AAA
Top three industries/sectors	**Industry/ sector (effective)**	**%**	**Weighted avg. rating (effective)**	**Industry/ sector (current)**	**%**	**Weighted avg. rating (current)**
1	CDO	98.9	BBB+/BBB	CDO	98.6	BBB/BBB-
2	Conglomerates	0.6	AA+			

*Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset.

Industry/Geographic Breakdown*

Industry/sector breakdown	% of par
CDO	98.6
Cash	1.4

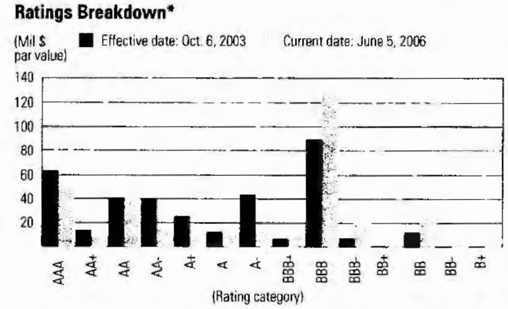
Geographic breakdown¶	% of par
U.S.	92.5
Cayman Islands	3.5
Ireland	1.4
U.K.	0.8
Bermuda	0.4
Cash	1.4

*Data as of June 5, 2006. Total may not equal 100% due to rounding. Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. ¶Geographic breakdown may not total 100% due to cash balance.

Defaulted Securities

	Par (mil. $)	% of portfolio as of 6/5/2006
Total defaults	0.0	0.0

Ratings Breakdown*



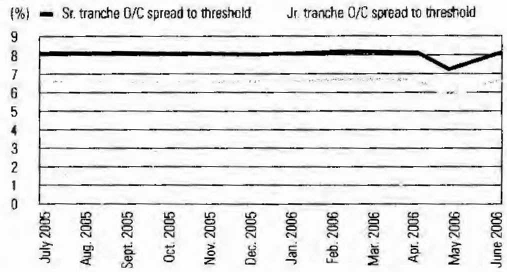
	Effective date	Current date: 6/5/2006
AAA¶ to A	67.5	44.5
BBB+ to BBB-	29.1	45.1
BB+ to BB-	3.4	8.4
B+ to B-	0.0	2.0
CCC+ to D	0.0	0.0
N.R.	0.0	0.0

¶'AAA' rated securities do not include cash. N.R.—Not rated.

*Portfolio holdings at effective date and current/report date are categorized by Standard & Poor's rating. The aggregate par value amount for each rating band is calculated. Please note that the 'AAA' rating category does not include uninvested cash.

Connecticut Valley Structured Credit CDO II Ltd. (continued)

O/C Spread*

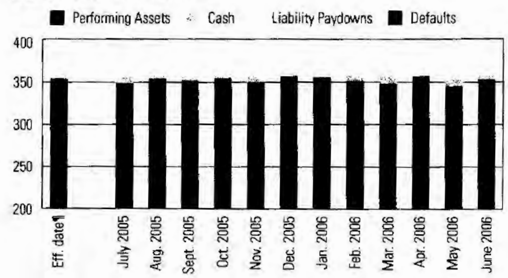


	Current portfolio	Current S&P cohort	12-month avg. portfolio	12-month avg. S&P cohort
Senior O/C spread	8.11	¶N.A.	8.03	¶N.A.
Junior O/C spread	6.70	¶N.A.	6.57	¶N.A.

¶N.A.—Not available.

*Overcollateralization (O/C) test spreads for the most senior and junior tranche are displayed. Values are calculated monthly as follows for the two tranches displayed: (O/C test result for a given month and tranche—O/C threshold for a given month and tranche)/O/C threshold. Data will be for the most recent 12 months. Appropriate Standard & Poor's CDO O/C spread composites are used for comparison where available. Note that the method of calculation of these items may vary from indenture to indenture.

Cumulative Par Erosion*



*Effective date followed by most recent 12 months par erosion data. Display includes cash on hand, par value of performing assets, liability paydowns, and par value of defaulted assets in the portfolio. Defaulted assets may include assets that are defined by the collateral manager as defaulted, and such assets may not necessarily be rated 'D'. ¶Effective date is Oct. 6, 2003.

CDO Snapshot

Deal compliance	Trigger (%)	Current date (%)	Pass/fail
Senior O/C test	112.50	121.62	Pass
Junior O/C test	103.00	109.90	Pass
Senior I/C test	120.00	140.50	Pass
Junior I/C test	109.00	125.40	Pass

O/C—Overcollateralization. I/C—Interest coverage.

Average Trading Activity (12 Months to Current Date)

	% of total par sales	Avg. price (% of par)
Credit-improved sales	0.0	0.0
Discretionary sales	100.0	100.3
Credit risk sales	0.0	0.0
Defaulted sales	0.0	0.0
Total sales	100.0	100.3
Purchases	N/A	99.8

N/A—Not applicable

Pioneer Valley Structured Credit CDO I Ltd.

Summary

Classes:
Class A-1A notes, $870.0 mil.; class A-1B notes, $0.0 mil.; class A-2 notes, $46.5 mil.; class B notes, $29.0 mil.; CP notes, $0.0 mil.; class C notes, $29.5 mil.; class D notes, $6.0 mil.; class X notes, $4.3 mil.; subordinated income notes, $19.0 mil.

Current rating: Class A-1A, A-1B, A-2, and X notes, 'AAA'; class B notes, 'AA'; class C notes, 'A-'; class D notes, 'BBB'; CP notes, 'A-1+'

Rating changes (date of change): No changes

Closing date: July 2005

Reinvestment completion date: August 2010

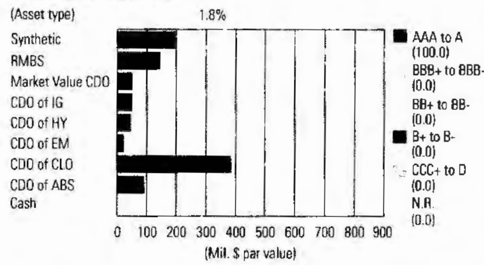
Stated maturity: August 2045

Principal at effective date: $990.1 mil. plus $10.1 mil. cash plus $0.0 mil. defaults (November 2005)

Principal at current date: $991.7 mil. plus $0.0 mil. cash plus $0.0 mil. defaults (June 2006)

Paydown to date: None

Portfolio Breakdown*



*Portfolio as of June 1, 2006. Portfolio holdings at current/report date are categorized by Standard & Poor's rating and asset type. Within each asset type, exposure to each rating band as a percentage of total par value is calculated. Percentage by asset type and by rating breakdown may not total 100% due to rounding. IG—Investment grade. HY—High yield. EM—Emerging market. NR—Not rated.

Portfolio Exposure

Granularity	Effective date			Current date 6/1/2006		
No. of obligors	133			135		
No. of industries/sectors	3			3		
Avg. obligor size (%)	0.8			0.7		
Top three obligors	**Obligor (effective)**	**%**	**Rating (effective)**	**Obligor (current)**	**%**	**Rating (current)**
1	Belle Haven ABS CDO Ltd., cls A1	1.8	AA	Belle Haven ABS CDO Ltd., cls A1	1.8	AA
2	Skytop CLO Ltd.	1.8	AAA	Skytop CLO Ltd.	1.8	AAA
3	Babson CLO Ltd. 2005-I, cls A2	1.5	AA	Babson CLO Ltd. 2005-I class A2	1.5	AA
Top three industries/sectors	**Industry/ sector (effective)**	**%**	**Weighted avg. rating (effective)**	**Industry /sector (current)**	**%**	**Weighted avg. rating (current)**
1	CDO	85.6	AA+/AA	CDO	85.2	AA+/AA
2	RMBS B&C, HELs, HELOCs, and tax lien	9.9	AAA/AA+	RMBS B&C, HELs, HELOCs, and tax lien	10.2	AAA/AA+
3	RMBS A	4.5	AA+/AA	RMBS A	4.6	AA+/AA

*Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. HELs—Home equity loans. HELOCs—Home equity lines of credit.

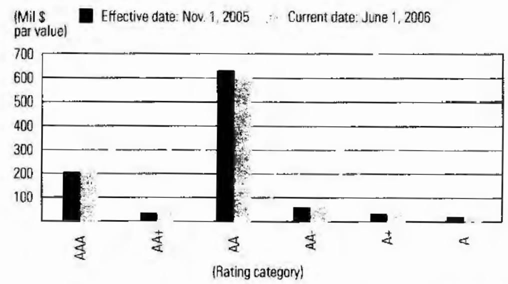
Industry/Geographic Breakdown*

Industry/sector breakdown	% of par	Geographic breakdown¶	% of par
CDO	85.2	Ireland	3.3
RMBS B&C, HELs, HELOCs, and tax lien	10.2	U.K.	1.0
RMBS A	4.6	Bermuda	0.9
Cash	0.0	Jersey	0.1
		Cash	0.0

Geographic breakdown¶	% of par
U.S.	90.4
Cayman Islands	4.3

*Data as of June 1, 2006. Total may not equal 100% due to rounding. Standard & Poor's industry and country codes are normalized based on Standard & Poor's analytical rules and may differ from the information present in the trustee reports for any given asset. ¶Geographic breakdown may not total 100% due to cash balance. HELs—Home equity loans. HELOCs—Home equity lines of credit.

Ratings Breakdown*



	Effective date	Current date: 6/1/2006
AAA¶ to A	100.0	100.0
BBB+ to BBB-	0.0	0.0
BB+ to BB-	0.0	0.0
B+ to B-	0.0	0.0
CCC+ to D	0.0	0.0
N.R.	0.0	0.0

¶'AAA' rated securities do not include cash. N.R.—Not rated.

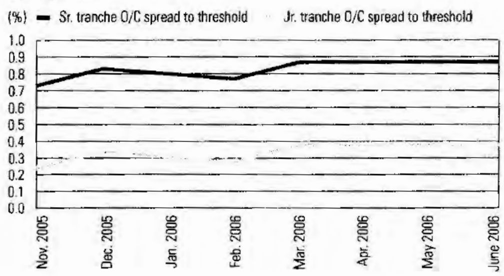
*Portfolio holdings at effective date and current/report date are categorized by Standard & Poor's rating. The aggregate par value amount for each rating band is calculated. Please note that the 'AAA' rating category does not include uninvested cash.

Defaulted Securities

	Par (mil. $)	% of portfolio as of 6/1/2006
Total defaults	0.0	0.0

Pioneer Valley Structured Credit CDO I Ltd. (continued)

O/C Spread*

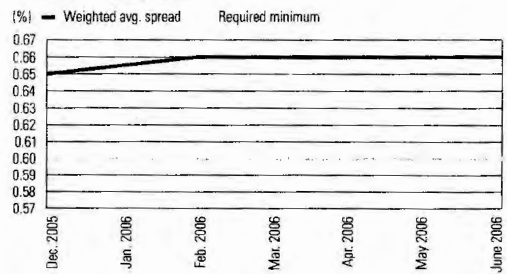


	Current portfolio	Current S&P cohort	12-month avg. portfolio	12-month avg. S&P cohort
Senior O/C spread	0.87	¶N.A.	0.83	¶N.A.
Junior O/C spread	0.38	¶N.A.	0.34	¶N.A.

¶N.A.—Not available.

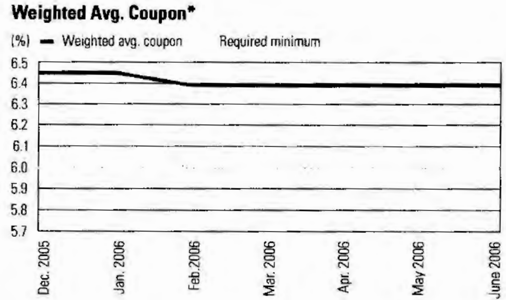
*Overcollateralization (O/C) test spreads for the most senior and junior tranche are displayed. Values are calculated monthly as follows for the two tranches displayed. (O/C test result for a given month and tranche—O/C threshold for a given month and tranche)/O/C threshold. Data will be for the most recent 12 months. Appropriate Standard & Poor's CDO O/C spread composites are used for comparison where available. Note that the method of calculation of these items may vary from indenture to indenture.

Weighted Avg. Spread*



*Data will be for the most recent 12 months. Note the method of calculation of these items may vary from indenture to indenture.

Weighted Avg. Coupon*



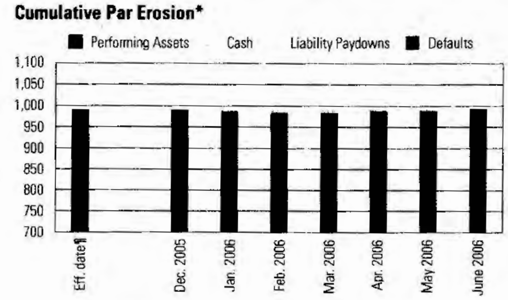
*Data will be for the most recent 12 months. Note the method of calculation of these items may vary from indenture to indenture.

CDO Snapshot

Deal compliance	Trigger (%)	Current date (%)	Pass/fail
Senior O/C test	100.83	101.71	Pass
Junior O/C test	100.71	101.09	Pass
Senior I/C test	104.00	111.23	Pass
Junior I/C test	103.00	109.49	Pass

O/C—Overcollateralization. I/C—Interest coverage

Cumulative Par Erosion*



*Effective date followed by most recent 12 months par erosion data. Display includes cash on hand, par value of performing assets, liability paydowns, and par value of defaulted assets in the portfolio. Defaulted assets may include assets that are defined by the collateral manager as defaulted, and such assets may not necessarily be rated 'D'. ¶Effective date is Nov. 1, 2005.

Average Trading Activity (12 Months to Current Date)

	% of total par sales	Avg. price (% of par)
Credit-improved sales	100.0	100.1
Discretionary sales	0.0	0.0
Credit risk sales	0.0	0.0
Defaulted sales	0.0	0.0
Total sales	100.0	100.1
Purchases	N/A	99.9

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EXHIBIT B

The Babson Staff Letter

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Editor
Mary J. Wilson

Thursday, May 7, 1981

Investing is not a Zero-Sum Game

Mary J. Wilson

Last year, we reprinted an article which debated the wisdom of buying tangible objects like gold, art and land, instead of stocks and bonds. In "Trimming Your Hedges", economist Alan Reynolds pointed out that such a strategy is "based on the unlovely idea of profiting at someone else's expense. . . ." (He also suggested, less high-mindedly, that inflation was at last being fully anticipated by the investing public, and therefore tangible assets could not be expected to outperform the still-underpriced stock market.)

One of our readers sent a copy of "Trimming Your Hedges" to Howard Ruff, publisher of *The Ruff Times* and a long-time advocate of investing in tangible assets, particularly gold. In his reply (which we quote with permission) Mr. Ruff said, "I can't argue with the basic philosophy that usually in order for someone to win, someone else must lose. Our economy is very simply based on that fact."

Mr. Ruff has put his finger on the most important issue in economics – and also in investing – today. The situation he describes is known to mathematicians as a zero-sum game. The presumption that it is a good description of our economy, or of parts of it, underlies a good deal of economic and investment reasoning, including the widespread interest in tangible assets.

The issue is not academic. To win a game, you have to know the rules. Investors who misunderstand the principles behind the behavior of corporations and markets will infallibly get creamed. Those who understand them and keep them in mind with each investment decision, will occasionally get creamed, like everyone else. But over a reasonable period, their portfolios will garner whatever rewards the system has to offer.

Games and the Economy

The intricacies of mathematical game theory are best left to the experts. But the definition of a zero-sum game and its relation to the economy can be followed by anyone old enough to invest money:

According to *The Theory of Games*, the basic work in this field, a game is zero-sum if "the sum of all payments received by the players (at the end of the game) is always zero. If it is zero, then one can say that the players pay only to each other, and that no production or destruction of goods is involved."

But, as the authors point out, this is exactly what an economy is *not*.

"Economic activity" means transactions that produce goods and services of greater value than the inputs consumed in producing them. It might be termed a positive-sum game.

One can find zero-sum games within the economy, particularly if the "game" is defined narrowly. For instance, each transaction of a commodities dealer shows a clear win or loss, with the other participant in the transaction experiencing an offsetting loss or gain. But the larger "game" is the transfer of price risk from commodity producers and consumers to the participants in the futures markets in exchange for a profit, which leaves each group, in the aggregate, better off.

The Babson Staff Letter

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Tuesday, December 31, 1991

The New Productivity Challenge: Part II

Peter F. Drucker

This is the second installment of Peter F. Drucker's article which was published in the November–December 1991 issue of the Harvard Business Review. In the first installment Mr. Drucker explained how strong productivity gains in manufacturing, agriculture and transportation ("making and moving things") had been primarily responsible for raising the overall standard of living during the last 120 years. Noting that there has been no corresponding improvement in the productivity of knowledge and service workers during that long period, he then demonstrated how important it is to start enhancing their productivity immediately because they now account for the great majority of workers in all developed countries. Currently the Clarke Professor of Social Science and Management at the Claremont Graduate School in California, Mr. Drucker has been one of the most knowledgeable and influential analysts of broad economic trends and business management practices in the past four decades.

Concentrating Work On The Task

When people make or move things, they do one task at a time. Taylor's laborer shoveled sand; he did not also stoke the furnace. Mayo's wiring-room women soldered; they did not test finished telephones on the side. The Iowa farmer planting corn does not get off his tractor between rows to attend a meeting. Knowledge and service work, too, require concentration. The surgeon does not take telephone calls in the operating room, nor does the lawyer in consultation with a client.

But in organizations, where most knowledge and service work takes place, splintered attention is more and more the norm. The people at the very top can sometimes concentrate themselves (though far too few even try). But the great majority of engineers, teachers, salespeople, nurses, middle managers, and the like must carry a steadily growing load of busywork, activities that contribute little if any value and that have little if anything to do with what these professionals are qualified and paid for.

The worst case may be that of nurses in U. S. hospitals. We hear a great deal about the shortage of nurses. But how could it possibly be true? The number of graduates entering the profession has gone up steadily for a good many years. At the same time, the number of bed patients has been dropping sharply. The explanation of the paradox: nurses now spend only half their time doing what they have learned and are paid to do — nursing. The other half is eaten up by activities that do not require their skill and knowledge, add neither health-care nor economic value, and have little or nothing to do with patient care and patient well-being. Nurses are preoccupied, of course, with the avalanche of paperwork for Medicare, Medicaid, insurers, the billing office, and the prevention of malpractice suits.

The situation in higher education is not too different. Faculty in colleges and universities spend more and more hours in committee meetings instead of teaching in the classroom, advising students, or doing research. But few of these committees would ever be missed. And they would do a better job in less time if they had three instead of seven members.

Salespeople are just as splintered. In department stores, they now spend so much time serving computers that they have little time for serving customers — the main reason, perhaps, for the steady decline in their productivity as producers of sales and revenues. Field-sales representatives spend up to one-third of their time filling out reports rather than calling on customers. And engineers sit through meeting after meeting when they should be busy at their workstations.

This is not job enrichment; it is job impoverishment. It destroys productivity. It saps motivation and morale. Nurses, every attitude survey shows, bitterly resent not being able to spend more time caring for patients. They also believe, understandably, that they are grossly underpaid for what they are capable of doing, while the hospital administrator, equally understandably, believes that they are grossly overpaid for the unskilled clerical work they are actually doing.

The cure is fairly easy, as a rule. It is to concentrate the work — in this case, nursing — on the task — caring for patients. This is the second step toward working smarter. A few hospitals, for example, have taken the paperwork out of the nurse's job and given it to a floor clerk who also answers telephone calls from relatives and friends and arranges the flowers they send in. The level of patient care and the hours nurses devote to it have risen sharply. Yet the hospitals have also been able to reduce their nursing staffs by one-quarter or one-third and so raise salaries without incurring a higher nursing payroll.

To make these kinds of improvements, we must ask a second set of questions about every knowledge and service job: "What do we pay for? What value is this job supposed to add?" The answer is not always obvious or noncontroversial. One department store looked at its sales force and answered "sales," while another in the same metropolitan area and with much the same clientele answered "customer service." Each answer led to a different restructuring of the jobs on the sales floor. But each store achieved, and fairly fast, substantial growth in the revenues each salesperson and each department generated, that is gains in both productivity and profitability.

The Illusion Of Industrial Skills

For all its tremendous impact, Taylor's scientific management has had a bad press, especially in academia. Perhaps the main reason is the unrelenting campaign U. S. labor unions waged against it — and against Taylor himself — in the early years of this century. The unions did not oppose Taylor because they thought him antilabor or promanagement. He was neither. His unforgivable sin was his assertion that there is no such thing as "skill" in making and moving things. All such work was the same, Taylor asserted. And all could be analyzed step by step, as a series of unskilled operations that could then be combined into any kind of job. Anyone willing to learn these operations would be a "first-class man," deserving "first-class pay." He could do the most advanced work and do it to perfection.

To the skill-based unions of 1900, this assertion represented a direct attack. And this was especially true for the highly respected, extremely powerful unions that dominated what were then some of the country's most sophisticated manufacturing sites — the army arsenals and navy shipyards where nearly all peacetime production for the military took place until well after World War I. For these unions, each craft was a mystery whose secrets no member could divulge. Their power base was control of an apprenticeship that lasted five or seven years and admitted, as a rule, only relatives of members. And their workers were paid extremely well — more than most physicians of the day and triple what Taylor's first-class man could expect to get. No wonder that Taylor's assertions infuriated these aristocrats of labor.

Belief in the mystery of craft and skill persisted, as did the assumption that long years of apprenticeship were needed to acquire both. Indeed, Hitler went to war with the United States on the strength of that assumption. Convinced that it took five years or more to train optical craftsmen (whose skills are essential to modern warfare), he thought it would be at least that long before America could field an effective army and air force in Europe — and so declared war after the Japanese attack on Pearl Harbor.

We know now Taylor was right. The United States had almost no optical craftsmen in 1941. And modern warfare indeed requires precision optics in large quantities. But by applying Taylor's methods of scientific management, within a few months the United States trained semiskilled workers to turn out more highly advanced optics than even the Germans were producing, and on an assembly line to boot. And by that time, Taylor's first-class men with their increased productivity were also making a great deal more money than any craftsman of 1911 had ever dreamed of.

Defining Performance

Eventually, knowledge work and service work may turn out to be like the work of making and moving things — that is, "just work," to use an old scientific management slogan. (At least this is what Taylor's true heirs, the more radical proponents of artificial intelligence, maintain.) But for the time being, we must not treat knowledge and service jobs as "just work." Nor can we assume they are homogeneous. Rather, these jobs can be divided into *three distinct categories* by looking at what productive performance in a given job actually represents. This process — defining performance — is the third step toward working smarter.

For some knowledge and service jobs, performance means quality. Take scientists in a research lab where quantity — the number of results — is quite secondary to their quality. One new drug that can generate annual sales of $500 million and dominate the market for a decade is infinitely more valuable than 20 "me too" drugs with annual sales of $20 million or $30 million each. The same principle applies to basic policy or strategic decisions, as well as to much less grandiose work, the physician's diagnosis, for example, or packaging design, or editing a magazine. In each of these instances, we do not yet know how to analyze the process that produces quality results. To raise productivity, therefore, we can only ask, "What works?"

The second category includes the majority of knowledge and service work: jobs in which quality and quantity together constitute performance. Department store sales are one example. Producing a "satisfied customer" is just as important as the dollar amount on the sales slip, but it is not so easy to define. Likewise, the quality of an architectural draftswoman's work is an integral part of her performance. But so is the number of drawings she can produce. The same holds true for engineers, sales reps in brokerage offices, medical technologists, branch bank managers, reporters, nurses, claims adjusters, and so on. Raising productivity in these jobs requires asking, "What works?" but also analyzing the process step by step and operation by operation.

Finally, there are a good many service jobs (filing, handling death claims, making hospital beds) in which performance is defined much as it is in making and moving things: that is, largely by quantity (for example, the number of minutes it takes to make up a hospital bed properly). In these "production" jobs, quality is primarily a matter of external criteria rather than an attribute of performance itself. Defining standards and building them into the work process is essential. But once this has been done, real productivity improvements will come through conventional industrial engineering, that is, through analyzing the task and combining the individual simple operations into a complete job.

Keys To Improving Productivity

Defining the task, concentrating work on the task, defining performance: by themselves, these three steps will produce substantial growth in productivity — perhaps most of what can be attained at any one time. They will need to be worked through again and again, maybe as often as every three or five years and certainly whenever work or its organization changes. But then, according to all the experience we have, the resulting productivity increases will equal, if not exceed, whatever industrial engineering, scientific management, or human relations ever achieved in manufacturing. In other words, they should give us the productivity revolution we need in knowledge and service work.

But on one condition only: that we apply what we have learned since World War II about increasing productivity in making and moving things. The fourth step toward working smarter, then, is for management to form a partnership with the people who hold the jobs, the people who are to become more productive. The goal has to be to build responsibility for productivity and performance into every knowledge and service job regardless of level, difficulty, or skill.

Frederick Taylor has often been criticized for never once asking the workers he studied how they thought their jobs could be improved. He told them. Nor did Elton Mayo ever ask; he also told. But Taylor's (and Mayo's, 40 years later) methodology was simply a product of the times, when the wisdom of the expert prevailed. (Freud, after all, never asked his patients what they thought their problems might be. Nor do we have any record that either Marx or Lenin ever thought of asking the masses.) Taylor considered both workers and managers "dumb oxen." And while Mayo had great respect for managers, he thought workers were "immature" and "maladjusted," deeply in need of the psychologist's expert guidance.

When World War II came, however, we had to ask the workers. We had no choice. U. S. factories had no engineers, psychologists, or foremen. They were all in uniform. To our immense surprise, as I still recollect, we discovered that the workers were neither dumb oxen nor immature nor maladjusted. They knew a great deal about the work they were doing — about its logic and rhythm, its quality, and its tools. Asking them what they thought was the way to address both productivity and quality.

At first, only a few businesses accepted this novel proposition. (IBM was a pioneer and for a long time one of the few large companies to act on this idea.) But in the late 1950s and early 1960s, it was picked up by Japanese industrialists whose earlier attempts to return to prewar autocracy had collapsed in bloody strikes and near-civil war. Now, while still far from being widely practiced, it is at least generally accepted in theory that the workers' knowledge of their job is the starting point for improving productivity, quality, and performance.

In making and moving things, however, partnership with the responsible worker is merely the *best* way to increase productivity. After all, Taylor's telling worked too, and quite well. In knowledge and service work, partnership with the responsible worker is the *only* way.

The last component of working smarter is a two-part lesson that neither Taylor nor Mayo knew. First, continuous learning must accompany productivity gains. Redesigning a job and then teaching the worker the new way to do it, which is what Taylor did and taught, cannot by itself sustain ongoing learning. Training is only the beginning of learning. Indeed, as the Japanese can teach us (thanks to their ancient tradition of Zen), the greatest benefit of training comes not from learning something new but from doing better what we already do well.

Equally important is a related insight of the last few years: knowledge workers and service workers learn most when they teach. The best way to improve a star salesperson's productivity is to ask her to present "the secret of my success" at the company sales convention. The best way for the surgeon to improve his performance is to give a talk about it at the county medical society. We often hear it said that in the information age, every enterprise has to become a learning institution. It must become a teaching institution as well.

Economic And Social Benefits

One hundred years ago, the signs of class conflict were unmistakable. What defused that conflict — and averted class war — was growth in the productivity of the industrial work force, something so unprecedented that even its prime mover, Frederick Taylor, had no term to describe it.

Today we know that productivity is the true source of competitive advantage. But what we must also realize is that it is the key to social stability as well. For that reason, achieving gains in service productivity comparable with those we have already achieved in manufacturing productivity must be a priority for managers throughout the developed world.

It is an economic truth that real incomes cannot be higher than productivity for any extended length of time. Unless the productivity of service workers rapidly improves, both the social and economic position of that large group of people — whose numbers rival those of manufacturing workers at their peak — must steadily go down. At a minimum, this raises the prospect of economic stagnation; more ominously, it raises the prospect of social tensions unmatched since the early decades of the Industrial Revolution.

Conceivably, service workers could use their numerical strength to get higher wages than their economic contribution justifies. But this would only impoverish all of society, dragging everyone's real income down and sending unemployment up. Alternatively, the income of unskilled and semiskilled service workers could continue to fall in relation to the steadily rising wages of affluent knowledge workers. But this woul lead to an even wider gulf between the two groups as well as to increasing polarization. In either case, service workers can only become increasingly bitte alienated, and ready to see themselves as a class apart.

Fortunately, we are in a much better position than our ancestors were a century ago. We know what Marx and his contemporaries did not know: produc tivity can be raised. We also know how to raise it. And we know this best for the work where the socia need is most urgent: unskilled and semiskilled service work — maintenance jobs in factories, schools hospitals, and offices; counter jobs in restaurants anc supermarkets; clerical jobs in insurance companies, banks, and businesses of all kinds. In essence, this i production work. And what we have learned durin the past 100 years about increasing productivity applies to such work with a minimum of adaptation.

Further, a model of sorts exists in the steps some multinational maintenance companies have alread taken to improve their employees' productivity. These U. S. and European employers have systematically applied the approach this article discusses to low-skilled service jobs. They have defined the task, concentrated work on it, defined performance, made the employee a partner in productivity improvement and the first source of ideas for it, and built continuous learning and continuing teaching into the job of every employee and work team. As a result, they have raised productivity substantially — in some cases even doubled it — which has allowed them to raise wages. As important, this process has also greatly raised the workers' self-respect and pride.

It is no coincidence that outside contractors achieved these improvements. Obtaining major productivity gains in production-type service work usually requires contracting it out to a company that has no other business, understands this work, respects it, and offers opportunities for low-skilled workers to advance (for example, to become local or regional managers). The organizations in which this work is being done, the hospitals that own the beds, for instance, or the colleges whose students need to be fed, neither understand it nor respect it enough to devote the time and hard work that are required to make it more productive.

The task is known and doable. But the urgency is great. To raise the productivity of service work, we cannot rely on government or on politics altogether. It is the task of managers and executives in businesses and nonprofit organizations. It is, in fact, the first social responsibility of management in the knowledge society.

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The Babson Staff Letter

Babson Capital MANAGEMENT LLC

Friday, January 28, 2005

A Look Ahead At 2005: Specific Sector Views

Edwin D. Everett, Anthony M. Maramarco, et. al.

Introduction

In the January 14 Staff Letter, we reviewed the goings-on in 2004 and offered some thoughts on 2005. In this Letter, we are following up that preview with some specific comments from our analysts on prospects for the year ahead. These detailed observations are broken down into the more important sectors within the S&P 500.

Consumer Discretionary

Despite interest rate hikes and higher energy costs, consumers continued to spend in 2004. Tax cuts, rising incomes, and greater household wealth from higher stocks and home prices provided the ammunition. This year higher mortgage rates and an expected slowing in housing markets could reduce consumer spending.

Higher energy prices should also be more of a drag on spending, especially at the lower end of the income spectrum. For retailers specifically, a key event will be the removal of quotas on apparel from China and its potentially deflationary impact on apparel pricing. Retailers otherwise face higher costs for imported goods due to the falling dollar.

Consumer electronics retailers should continue to benefit from the general trend of digitization of entertainment media. The industry is in the midst of a strong product cycle as buyers take the plunge on digital TVs, and digital cameras and MP3 audio player devices become even more mainstream.

Media and entertainment stocks disappointed in 2004 as the Olympics and an election year failed to lift advertising spending as expected. Competitive conditions and oversupply hurt radio markets while the Internet drew an increasing share of ad dollars, hurting traditional media outlets overall. More favorable valuations and organic growth from an improving economy, especially with a potential pickup in local ad spending, suggest a better outlook for media stocks this year.

Consumer Staples

In the consumer staples area, companies are finding higher input costs a double-edged sword. Rising costs for commodity components such as food ingredients, packaging, and energy have pressured margins but also given manufacturers some leverage to lift end-product prices.

Just how much pricing power they can achieve is limited by Wal-Mart's outsized influence and the growing importance of private label substitutes. Cost cutting programs and productivity gains should augment what pricing power companies can achieve while the lower U.S. dollar helps earnings as foreign profits are repatriated into more U.S. currency.

Stock Market Performance

Index/Sector	Total Return 2004	2003
S&P 500	10.7%	28.4%
Dow Jones Industrials	4.6	26.6
NASDAQ Composite	9.0	50.4
Consumer Discretionary	13.2	37.2
Consumer Staples	8.0	11.3
Energy	31.1	25.1
Financials	10.7	30.6
Health Care	1.7	14.9
Industrials	17.8	31.8
Information Technology	2.8	46.8
Materials	12.9	37.4
Telecommunications	19.5	6.5
Utilities	23.6	25.5

Source: Baseline

Packaged food companies should see commodity price pressures ease (as firms raise prices themselves) and benefit from favorable currency conversion rates. However, manufacturers remain vulnerable to private label substitution as food retailers use lower-cost "house brands" to help compete with Wal-Mart. Blunting this competitive challenge requires sustained levels of ad and promotional spending.

Household and personal care product manufacturers enjoy pricing power but are being pressed by higher raw material and packaging prices, and face a generally more competitive environment. Stepped-up marketing spending is raising costs across the board as competition extends to formerly secure, emerging markets overseas. Healthy and stable demand, cost controls, and new restructuring programs should provide an offset, supporting margins.

Retail drug stores should benefit from greater industry pricing discipline and market share gains with one fewer marginal competitor in the market, following last year's sale of the Eckerd chain. A surge in new blockbuster drugs last year should help lift pharmacy sales this year as well.

Energy

Following a spectacular 2004 and 31% total return, the energy sector may find deteriorating commodity fundamentals keep a damper on relative group performance this year. Both oil and gas prices dropped 20-25% from late October highs before their recent rebound. Prices are still well above both the target band for the official OPEC market basket ($22-$28) and seasonal norms for gas, despite the fact that inventories are at much more comfortable levels than a year ago.

More importantly, over the next year or two, energy prices look unlikely to return to the low levels of the '90s. The spike in crude and refined products prices during 2004 was a function of several factors which are not apt to abate soon.

First, geopolitical events have added a terrorism premium of $10+ per barrel to the price of oil and an unknown amount to demand due to hoarding. Also, in the face of limited spare production capacity, demand has been strong in the U.S. and Asia (especially in rapidly expanding China). Higher tanker rates to ship oil itself ranged $3-$5 per barrel above normal last year, adding to oil's cost. High refinery operating rates, due partly to tighter fuel specifications for gasoline and underinvestment in recent years, have also pressured prices.

And one new factor looms for 2005: inflation. Steel prices have doubled and labor and energy also cost more than a year ago. Service providers appear to be passing these on and expanding margins. Drilling rig day rates, dormant in 2003 and early 2004, also started moving up dramatically last summer. Margins have expanded almost everywhere along the energy chain and most of these factors will likely continue this year in some form.

Financial Services

This will be a challenging year for the commercial banking industry. Last year marked the end of a twenty-year general downtrend in interest rates. The Federal Reserve raised key short-term rates five times and signaled that the trend will continue at least through 2005.

In such an environment, deposit growth is likely to slow as corporations begin to spend some of their record cash hordes and consumers move money into higher-yielding money market funds or other investment alternatives such as bonds and equities. Loan growth will remain tepid because corporations have less incentive or need to borrow. Finally, a continued rise in interest rates would be a negative for mortgage originators, and a continued flattening of the yield curve would compress margins for those firms that lend money.

An improving economy and a rising interest rate environment is a mixed blessing for investment banking firms. Merger and acquisition activity (M&A) has picked up as companies put their improved finances and higher stock valuations to work tapping external growth opportunities. However, this is offset by a decrease in debt issuances, which are needed less as cash flows otherwise mount.

Within the insurance sector, property and casualty companies will be helped by increasing investment yields on their fixed income portfolios. However, a softening in the pricing cycle brought about by strong returns and the inflow of new capital during the 2001-2002 time period will dampen corporate returns.

Health Care

Hurt by high profile product recalls and safety questions about the Cox-2 family of drugs generally (*Vioxx, Celebrex, Bextra*), major pharmaceutical stocks dragged down the health care sector, which earned a total return of just 1.7% for the year.

Pharmaceutical companies' earnings have slowed as patents expired on numerous blockbusters and few new medications have been available to take their place. Withdrawal and safety questions over the best-selling Cox-2 family of drugs only made matters worse.

However, research and development productivity may be turning a corner as potential new drugs in the pipeline continue to gradually accelerate. This can be seen by the noticeable ramp-up in the number of compounds in Phase II of the Food and Drug Administration (FDA) approval process.

Patent litigation between generic drug manufacturers and "the majors" has intensified, with four significant patent decisions possible over the next 12-18 months. This litigation overhang could continue to penalize valuations. Fallout for the FDA itself about its handling of new drug approvals and safety follow-up after the Cox-2 experience, could result in the need for additional post-marketing studies by manufacturers but shouldn't materially slow down drug approvals.

The re-election of President Bush, meanwhile, has alleviated concerns over government-mandated price controls. The risk to manufacturers of drug reimportation from Canada appears to have been defused by safety issues — at least for now. Even if eventually opened to U.S. consumers, the Canadian drug supply that could be purchased by Americans is fairly limited.

Price discounts mandated as part of the Medicare Modernization Act (MMA) should have little impact on "Big Pharma's" earnings this year. The advantage of increased prescription volume from the MMA likely won't offset price discounts before 2007, as the uptake by seniors will probably be gradual. Over time, those volume gains could easily exceed official estimates because government programs typically exceed their funding "limits."

The medical equipment area continues to enjoy strong growth, evidenced by Johnson & Johnson's move to expand here through its purchase of Guidant for $25 billion. Demographics (aging boomers) and rational market conditions are propelling double-digit growth in orthopedics as demand for artificial hips and knees keeps expanding and spine products begin to take off.

Cardiology markets enjoy similarly favorable fundamentals, with high power implantable cardiac defibrillators likely to grow 20% per year through 2007. Expanded reimbursement coverage and greater market penetration should help the category overall. In the vascular intervention area, the battle for market share continues for the next generation of artery-opening stents. J&J's purchase of Guidant was prompted in no small part by the latter's superior technology here.

Industrials

Industrial sector companies had a good year in 2004 as companies began spending again. Flush with cash and overdue to make capital improvements, businesses have started to ramp up capital expenditures. With productivity growth slowing, firms are putting more cash back into the business to keep profits growing and remain competitive.

Machinery companies were the biggest beneficiaries last year, and sales, margins, and P/Es expanded. This year the advantage could shift to the late-cycle industrial conglomerates as companies invest more in plant improvements, non-residential construction, energy, and aerospace. Cost structures here are low so margins should improve as sales accelerate. Moderating commodity costs should help margins as well. And with significant overseas sales, conglomerates should benefit from the lower dollar.

In the aerospace/defense area, the mounting Federal budget deficit, along with the escalating costs of the conflicts in Afghanistan and Iraq, will likely result in cuts to major defense platforms in coming years. However, defense spending levels overall remain historically low relative to the Federal budget and GDP, and could continue to expand 4-5% per annum through the end of the decade.

Commercial aerospace markets, meanwhile, are assuming a steady recovery in aircraft demand that might prove overly optimistic. Potential impediments include the continued financial deterioration of the major U.S. airlines, a large though declining fleet of mothballed jets parked in the desert, and recent indications of slowing foreign orders. The business jet recovery should continue, buoyed by growing corporate profits and by an extension of a favorable accelerated depreciation tax break.

Technology

The technology sector went from being first in 2003 to nearly worst in 2004, earning a total return of just 2.8%. As we warned last year, 2003 would be a tough act to beat because firms' follow-through in sales and earnings would not likely be enough to justify the sector's great performance and high valuations entering 2004.

This year, the semiconductor industry will suffer indigestion brought on by an imbalance in the supply/demand equation; too much supply is chasing too little demand. The industry did show unit growth of 30% for 2004 and learned many lessons in the tech bust of a few years ago. However, overly optimistic ordering led to an excess of inventory by year-end 2004 across most semiconductor segments. It appears that this buildup will be drawn down by mid-year, but the industry is now more cyclical with a growth rate too slow to absorb the investments being made.

Long-term returns on capital continue to decline with nearly half the industry driven by slower growth personal computer demand, and another third related to small, short life-cycle product successes in the consumer electronics industry. Until the emergence of a sizeable "killer application" for the enterprise and small business markets (not unlike the personal computer), investors should be very valuation sensitive when considering semiconductor stocks.

In the computer hardware segment, sales should see strong spending from corporate enterprises, even though consumer purchases may slow, following healthy consumer technology demand in 2004. Aggressive PC pricing could accelerate as component prices fall and PC growth slows. Asian manufacturers likely will become more competitive, and portable computers will continue to gain market share with unit growth of 15-20%. Desktops will only grow 3-5%.

Meanwhile, the digital hub will continue to evolve as music and video become increasingly distributed from hard drives and dedicated computers (such as Apple Computer's new Mac Mini). Music distribution channels will continue to evolve, and MP3 players like Apple's iPod will be the fastest growers in the hardware area.

Storage and printer segments will also experience strong growth. Photo printers, in particular, are becoming increasingly popular, with 4x6 thermal dye sublimation printers from Eastman Kodak currently leading the way. New printer entrants should help provide more customer choice. Server market share battles will continue, with growth in Linux servers slowing as large hardware suppliers open their operating systems.

The software sector, which typically lags hardware sales by 6-18 months, should benefit from the past two years' hardware revenue growth. Infrastructure and applications software, in particular, offer considerable leverage in a recovering macro environment. M&A activity will intensify, culling the weaker competitors. (Technology buyers would clearly prefer to deal with fewer vendors.) New solutions focused on mobile computing will continue to gain traction.

The information technology services segment will see more business move offshore, with remote and technical tasks likely experiencing the most penetration. Here, too, competitive pressures will lead to further industry consolidation, especially as the link between software and services tightens further.

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BABSON
STAFF LETTER

January 2015

Macro Overview

- **Markets:** Equities and Treasuries outperformed in the fourth quarter while Emerging Markets and High Yield Bonds underperformed
- **Economic Review:** U.S real GDP grew at an annualized rate of 5% in the third quarter following a 4.6% pace in the second quarter
- **Economic Outlook:** We expect a continuation of the slow-growth, low-rate and accommodative monetary policy environment

BLACK GOLD, TEXAS TEA

Oil prices capped 2014 with the biggest annual drop since 2008, plummeting 46% during the year. A major highpoint regarding oil supply in 2014 was booming U.S. production, which hit its highest level in three decades. After the Organization of Petroleum Exporting Countries (OPEC) decided to maintain its output levels at its November meeting, oil prices declined further. Also in November, the Organization of Economic Co-operation and Development (OECD) reiterated a weak global growth outlook which dampened hopes for higher oil demand. As economists pondered the global supply/demand imbalance and the fundamentals that could bring oil prices down further, markets were beginning to worry about more sinister second-order effects of what a sustained drop in oil prices could mean. While the U.S. economy may benefit initially from a transitory positive effect through lower gasoline prices and higher disposable income, lower oil investment and production could eventually be a drag on real growth not to mention oil companies. Furthermore, a loss of oil tax revenues could have a destabilizing effect on both developed and emerging market countries that rely upon the commodity to fund their budgets. The quick pace of the plunge in oil prices can leave a sudden gap in revenues and create a budgetary shortfall that is unlikely to be fixed as quickly as the revenue disappeared. Perhaps more ominous than a fiscal crisis is the possibility that

Table 1: Returns

	Total Return								
	2010 (%)	2011 (%)	2012 (%)	2013 (%)	2014 (%)	3Q2014 (%)	4Q2014 (%)	OAS (BPS)	YTW (%)
U.S. Aggregate*	6.54	7.84	4.21	-2.02	5.97	0.17	1.79	48	2.25
U.S. Treasury	5.87	9.81	1.99	-2.75	5.05	0.34	1.93	N/A	1.49
U.S. TIPS	6.31	13.56	6.98	-8.61	3.64	-2.04	-0.03	N/A	1.98
U.S. Corporate Investment Grade	9.00	8.15	9.82	-1.53	7.46	-0.08	1.77	131	3.11
U.S. Corporate High Yield	15.12	4.98	15.81	7.44	2.45	-1.87	-1.00	483	6.61
U.S. Leveraged Loans**	9.97	1.82	9.43	6.15	2.06	-0.33	-0.37	558	6.21
European Currency High Yield Non-Financial	14.24	-1.51	24.25	9.04	5.25	-0.58	0.85	431	4.58
W. European Lev. Loans, Non-$ U.S. Denominated**	8.75	-1.23	10.51	9.38	2.49	0.50	0.18	521	5.43
U.S. Investment Grade CMBS	20.81	6.47	10.04	0.18	4.21	-0.21	1.49	103	2.42
U.S. ABS	5.85	5.14	3.66	-0.27	1.88	0.01	0.55	58	1.47
U.S. MBS	5.37	6.23	2.59	-1.41	6.08	0.18	1.79	27	2.60
CEMBI Broad Diversified	13.08	2.31	15.02	-0.60	4.96	-0.09	-1.21	353	5.56
EMBI Global Diversified	12.24	7.35	17.44	-5.25	7.43	-0.59	-0.55	353	5.64
GBI-EM Global Diversified	15.68	-1.75	16.76	-8.98	-5.72	-5.66	-5.71	N/A	6.50
U.S. Equity***	15.06	2.11	16.00	32.39	13.69	1.13	4.93	N/A	N/A

Source: Factset, Barclays Capital, Credit Suisse, Bank of America Merrill Lynch, JP Morgan, Standard & Poor's as of December 31, 2014.

* U.S. Aggregate includes U.S. Treasuries, U.S. Agencies, U.S. Credit (includes Sovereign issues), U.S. Agency Mortgage-Backed Securities, U.S. CMBS and U.S. ABS.

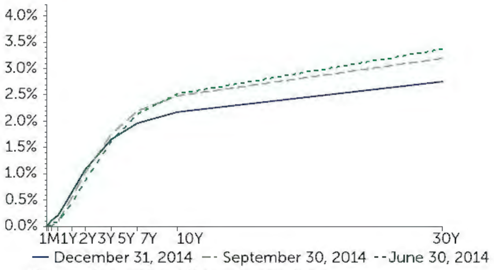
** OAS=DM3 Spread. U.S. (European) Loan YTW=DM3 Spread + U.S. (European) 3 year swap spread.

*** U.S. Equity represented by S&P 500.

TABLE OF CONTENTS

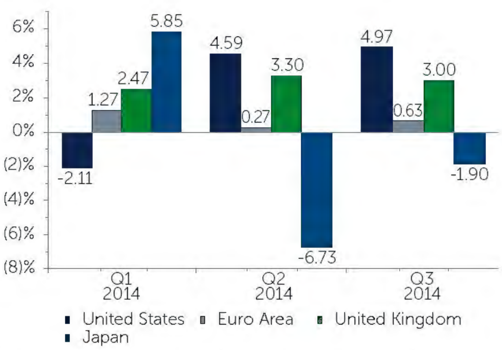
Babson
CAPITAL MANAGEMENT

Figure 1: U.S. Treasury Yield Curve



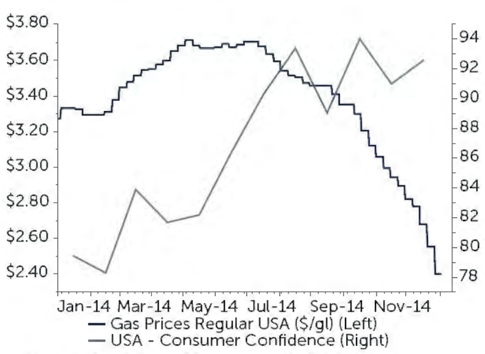
Source: Factset as of December 31, 2014.

Figure 2: Growth in Developed Market Economies Diverges in 2014



Source: FactSet and U.S. Bureau of Economic Analysis as of September 30, 2014.

Figure 3: Consumer Confidence Rises as Gasoline Prices Fall



Source: FactSet as of December 31, 2014.

geopolitical tensions are exacerbated in or among certain oil-producing countries. The bottom line is a sharp drop in oil prices can lead to global instability. Russia has been one of the hardest hit emerging markets as the stronger U.S. dollar and sinking oil prices trashed the ruble and pushed the country toward recession. However, a slowing global growth outlook and declining inflation expectations during the fourth quarter were met with the now familiar response of additional easing by global central banks. The Bank of Japan (BOJ) aggressively added stimulus during the fourth quarter and the European Central Bank (ECB) continued to signal a forthcoming quantitative easing program. As a result, longer-term U.S. Treasury yields fell and the S&P 500 reached new highs enabling equities and Treasuries to outperform during the fourth quarter while emerging markets and high yield bonds underperformed (see Table 1). (Bloomberg)

RATES

Treasury yields were mixed in the fourth quarter with the 1-year the worst performer and the 30-year the best performer. Overall, yields were +12 basis points to -45 basis points as the curve continued to flatten (Figure 1).

Rates on the long-end of the curve continued to fall despite the robust second and third quarter GDP growth rates. Inflation expectations also continued to fall with the precipitous drop in oil prices and should remain below the U.S. Federal Reserve's (Fed) 2% target level. The first Fed rate hike is still expected in the second half of 2015. Nominals notably outperformed Treasury Inflation-Protected Securities (TIPS) again in the fourth quarter.

ECONOMIC OVERVIEW

The divergence theme was very apparent in the performance of the U.S. economy during the third quarter. Third quarter GDP rose at a 5% annual rate, the fastest pace in over a decade. This followed a robust 4.6% pace in the second quarter and puts the U.S. on pace to finish 2014 around a 2.5% growth rate if the fourth quarter comes in at half the pace of the third quarter. This would be quite an achievement considering the surprisingly weak first quarter of 2014 when the economy contracted -2.1%. The increase in third quarter GDP reflected a 3.2% rise in consumer spending, higher business investment, a jump in goods exports and a strong increase in defense spending. Solely focusing on U.S. performance would indicate many sectors are improving, labor markets are getting better and the Fed would have a sound basis to normalize monetary policy and begin to raise interest rates. However, we live in a global world in which market events and monetary policy decisions are often not confined to geographic borders. It is when we look through this global lens that divergences become more apparent and the ramifications or unintended consequences of decisions made at home or elsewhere can impact a local economy. So, while the U.S. and U.K. performed reasonably well in 2014 the economies of the Euro area and Japan have struggled (Figure 2). As the reverberations of the strong rise in the U.S. dollar and precipitous drop in oil prices continue to play out, we believe concerns over global growth will increase, creating a more volatile environment and keeping central banks inclined to maintain very accommodative monetary policy. (Bloomberg)

The rise in consumer spending during the third quarter was broad-based as expenditures for both goods and services increased. Personal consumption expenditures accounted for over 40% of GDP growth with spending on health care and financial services providing the biggest boost to growth. Durable goods spending increased at a still brisk 9.2%, compared with an increase of 14.1% in the second quarter. Auto sales continued to hold up reasonably well in the fourth quarter, closing the year at a 16.8 million unit annual pace in December. Overall, the U.S. consumer continues to provide a solid foundation for the economy to grow. Consumer confidence remains upbeat, especially in the wake of rapidly declining gasoline prices (Figure 3). This can provide a near-term boost to the economy in the form of additional discretionary income for U.S. consumers. A one cent drop in the price of a gallon of gasoline should equate to $1.3 billion of savings for U.S.

consumers and businesses based on annual usage of 130 billion gallons of gasoline in the U.S. The price of a gallon of gasoline was near $3.30 at the beginning of 2014, peaked around $3.70 in the spring and declined to $2.21 as of January 9, 2015.

The knock-on effect of the rapid decline in oil prices calls into question whether the temporary benefits to the U.S. consumer will be offset by weakness in other parts of the economy. We are already seeing a declining rig count in the biggest shale states which will likely translate to lower oil investment and production (Figures 4 and 5). These states have been growing at a much faster pace than the rest of the country and have provided over 1 million new jobs since 2008, while the net job gain for the rest of the U.S. is barely positive. Ancillary businesses tend to pop up in and around areas of higher growth leading to more robust economic activity which fuels higher wages and demand for housing. A sustained drop in oil prices may not only impact oil companies and their workers, but could threaten supporting goods and services providers in those areas as well. Therefore, the concern that the rapid decline in oil prices provides too little time to adjust and becomes a drag on growth may be warranted. There is likely to be a lag effect as the initial positive impact of lower oil prices works its way through the economy before potentially giving way to more negative consequences. It remains to be seen whether or not these second-order effects materialize into something that becomes a drag on growth or if the economy is resilient enough to withstand it. If the naysayers are incorrect, then rising U.S. economic growth should bolster demand for oil at the same time that many energy firms are planning to drill fewer wells because of the big price decline. In this scenario, the outlook would be for tighter oil supplies and stronger demand, which could lead to a price rebound.

IMPLICATIONS OF A RISING U.S. DOLLAR

A few key factors appear to be pushing the U.S. dollar higher including a stronger U.S. economy and increasing energy independence (Figure 6). An improving U.S. economy increases the odds that the Fed will raise rates sooner than other major central banks. A higher rate structure in the U.S. vis-à-vis the Euro area and Japan can attract more foreign capital to the U.S. and provide support for the U.S. dollar. Increasing energy independence reduces the amount of imported oil (priced in U.S. dollars), shrinking the trade deficit and lowering the supply of U.S. dollars. The consensus outlook is for the U.S. dollar to continue to appreciate relative to other major currencies, which likely will lower U.S. export competitiveness as U.S. goods become more expensive in local currency terms. The stagnant economies of the Euro area and Japan, which together account for 17% of U.S. exports, could pressure competitiveness further.

Currency appreciation cycles can last for years as economic developments usually take a while to unfold. However, a sharply rising U.S. dollar can become worrisome if it is disorderly and driven more by weaker growth prospects outside the U.S. which can destabilize global markets and create asset bubble concerns. This is especially true in today's world where capital flows can happen quickly. Emerging markets have typically suffered with a stronger U.S. dollar as this has coincided with lower commodity prices and higher capital outflows. Additionally, weaker local currencies lowers the U.S. dollar value of emerging market earnings and can make U.S. dollar-denominated debt more expensive to service.

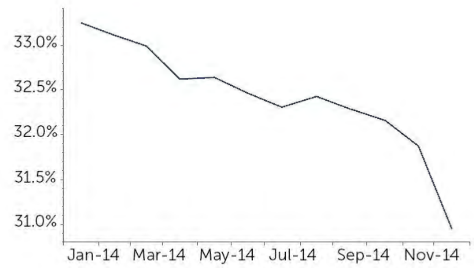
INFLATION OUTLOOK REMAINS SUBDUED

Overall commodity prices have tumbled 25% since the end of the second quarter, while the price of crude hit its lowest level since 2009 (Figure 7). The prices of metals like copper, steel, platinum, aluminum and silver have also fallen since the summer. Part of the drop can be attributed to the economic changes occurring in China, where the growth rate has slowed as has demand for raw materials. Another factor in the commodity price decline is the slowdown in Japan and the Euro area. The sharp drop in commodity prices disproportionately impacted countries dependent upon commodity exports like Russia and Brazil, both of which had substantial economic issues to deal with even before the price collapse.

Figure 4: Low Oil Prices Taking a Toll on Production Rigs

— Baker-Hughes Rotary Rig Count
(Colorado, North Dakota, Pennsylvania, Texas, West Virginia)
Source: FactSet and Baker Hughes, Inc. as of December 26, 2014

Figure 5: Low Oil Prices Taking a Toll on Energy Capital Expenditures

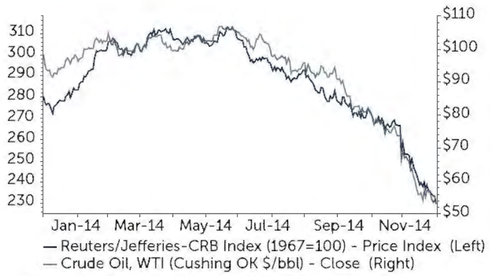


— S&P 500 - Energy CAPEX AS % OF S&P 500 CAPEX
Source: FactSet and Standard and Poors as of December 31

Figure 6: U.S. Dollar Strengthens in 2014

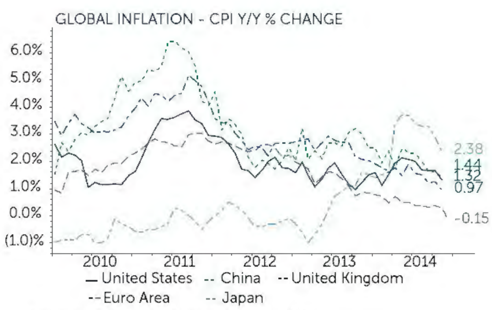
— United States Dollar Index
Source: FactSet as of December 31, 2014.

Figure 7: Broad Commodities and Oil Tumble



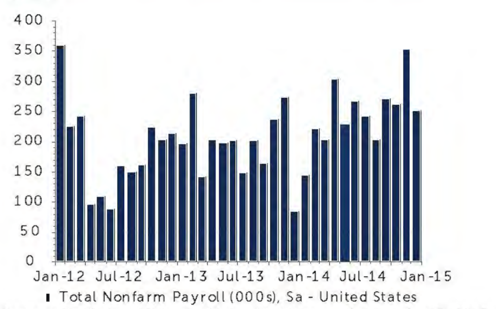
Source: FactSet as of December 31, 2014.

Figure 8: Global Inflation Rates Trend Lower



Source: FactSet as of December 31, 2014.

Figure 9: Decent Jobs Momentum Entering 2015



Source: FactSet and Bureau of Labor Statistics as of December 31, 2014.

The magnitude of the drop in oil prices is likely to keep year-over-year headline inflation figures subdued well into 2015. The big fall in crude oil and gasoline prices muted inflation during 2014. If energy prices rebound modestly in 2015, it is unlikely that they would exert much upward pressure on consumer prices. Unless prices fall further, oil and gasoline prices should not have the same deflationary impact that they had in 2014. Current inflation measures remain well below the Fed's 2% target level and, with an appreciating U.S. dollar and falling commodity prices, the current trend is still deflationary. Globally, headline inflation readings are trending lower (Figure 8). Eventually, a stronger U.S. economy should boost general inflation but that's not likely anytime soon as global growth conditions remain weak. This should allow the Fed to tread lightly when it comes to raising interest rates and exercise an abundance of caution at the risk of undermining the recovery.

EMPLOYMENT SITUATION IMPROVING

The labor market continued to provide good news throughout the fourth quarter. The December employment report beat market expectations by adding 252,000 jobs. In November, nonfarm payrolls increased by 353,000, the largest one-month gain since January 2012 (Figure 9). December gains were broad-based across most industries, led by growth in professional and business services, construction, food services and drinking places, health care, and manufacturing. Employment gains in October and November combined were 50,000 more than previously reported. The average monthly payrolls gain was 246,000 in 2014.

The unemployment rate fell by .2 percentage points to 5.6% in December. Over the course of 2014, the unemployment rate and the number of unemployed persons were lower by 1.1 percentage points and 1.7 million, respectively. The December labor force participation rate and employment-population ratio, at 62.7% and 59.2%, respectively, were again little changed during the quarter. The Fed is expecting the unemployment rate to drop further in 2015 and end the year at 5.25%.

If the employment picture continues to improve, wage growth is likely to improve in 2015. We saw some evidence of a rise in employment costs at the end of the third quarter, but wouldn't categorize the move as upward pressure yet (Figure 10). Average hourly earnings grew just 1.7% year-over-year in December. However other forces at work including the rising U.S. dollar and declining commodity prices should combine with modest wage growth to boost consumer purchasing power.

CORPORATE PROFITS AND CAPITAL SPENDING

U.S. corporate profits were up again in the third quarter, rising 3.1% from the second quarter to $2.2 trillion (Figure 11). Corporate profit margins have been bolstered in recent years by low labor costs and interest rates. However, further wage gains and a rising U.S. dollar that could hinder foreign profits are worth monitoring to see if profit margins come under pressure. Domestically, the picture should be brighter.

While the U.S. economy is expected to grow at a 3% rate in 2015, concern about global weakness abroad and the impact it will have on U.S. exports could dampen plans for capital spending. We mentioned that energy capital expenditures may continue to decline with the price of oil, but a gradual pickup in the pace of U.S. economic activity should lead to stronger capital investment. If U.S. consumer purchasing power does improve on the heels of a rising U.S. dollar and low inflation, business investment could pick up in order to meet demand. Metrics for industrial production and capacity utilization are the best they have been in years indicating that factories are close to the point where they must expand to supply increasing demand. Other indicators such as the ISM manufacturing and service indices have turned down from high levels but remain comfortably in expansion territory. (Bloomberg)

GLOBAL GROWTH WORRIES MARKETS

The IMF consistently downgraded the global GDP growth forecast throughout 2014. U.S. growth was revised higher in October, while the Euro area and Japan outlooks were lowered. Among the biggest developed market economies, the U.S. is expected to grow 2-2.5% in 2014 and the Euro area and Japan are basically stagnant with both expected to grow less than 1% in 2014 (Figure 12). As we look toward 2015, the Fed is expecting the U.S. to grow 2.8%, Bank of England expects the U.K. to grow 2.9%, the ECB recently lowered its growth forecast to 1% and the BOJ is forecasting 1.5% growth, but private market forecasts are calling for 1%. Weaker global growth is also a primary factor in the drop in global rates.

The three major global growth concerns emanate from the Euro area, Japan and China. In the Euro area, weak investment, high debt levels and high unemployment continue to dampen credit demand. Inflation prospects remain bleak. The euro could depreciate further as a result of the ECB's intention to move forward with quantitative easing; however, a weaker euro should diminish the positive impact of lower oil and commodity prices. Japan's consumption tax hike in April 2014 pushed its economy into its fourth recession in the last six years. This prompted the government to postpone the second stage of the consumption tax hike until April 2017, which should improve the near-term outlook for GDP growth. However, structural reforms and much-needed fiscal discipline should continue to weigh on the outlook. The aggressive easing by the BOJ in the fourth quarter is aimed at increasing the odds of Japan exiting its deflationary environment and could contribute to further yen depreciation. China also poses concerns for the global growth outlook. China is expected to grow just under 7.5% this year. While that is an enviable growth rate compared to developed market economies, it is a significant slowdown following 30 years of 10% growth. Economic growth is expected to moderate further in 2015 to 7%, as the government continues to push forward with economic reforms. However, the downturn in the real estate sector and declining global demand could force authorities to act more aggressively. (Bloomberg)

OUTLOOK

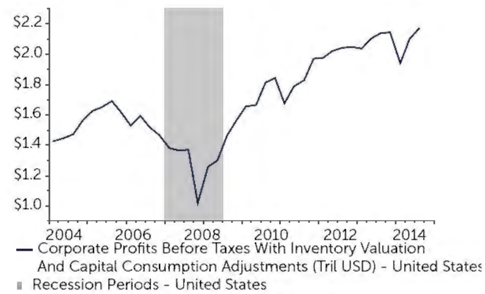
While the U.S. seems to be the best positioned economy during the current environment owing to the strengthening U.S. dollar, lower commodity prices and its economic leverage to the vigor of the consumer, the risk of economic and financial contagion from other parts of the globe appear to be rising. Global growth risks from the Euro area, Japan, China and other emerging markets are currently worrying the market. Currency risks seem to be increasing as monetary policy appears to be diverging between the Fed, which is widely expected to raise rates in 2015, and other major global central banks which are still easing. As we mentioned last quarter, the prospect of tighter monetary policy in the U.S. and looser central bank policies abroad should continue to strengthen the U.S. dollar and flatten the U.S. Treasury yield curve. Amidst an environment of declining inflation expectations and extremely low German and Japanese government yields, U.S. interest rates should stay low. Thus, we reiterate our view that the slow growth, low rates and accommodative monetary policy environment will continue.

The positives of low government yields, supportive central banks and a benign default outlook are being countered by declining sentiment, poor liquidity and some assets that appear fully-priced. We continue to believe market volatility and global decoupling will again be a major theme in 2015. While the corporate sector may face additional risks as it adjusts to the new economic reality, it does so from an overall position of financial strength. We expect a higher volatility environment to present some attractive opportunities in the credit markets, enabling active managers to continue to distinguish themselves.

Figure 10: Wage Growth Showing Early Signs of Life?

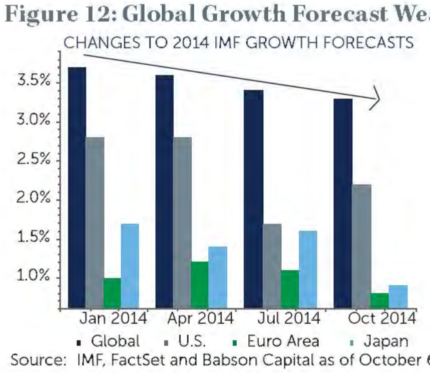
Source: FactSet and Bureau of Labor Statistics as of September 30, 2

Figure 11: Corporate Profits Reach a New High



Source: FactSet and Bureau of Economic analysis as of September 30, 2014.

Figure 12: Global Growth Forecast Weaker



Source: IMF, FactSet and Babson Capital as of October 6, 2014

Highlights

- Investment grade corporate credit spreads widened in the fourth quarter led by energy
- U.S. investment grade corporate issuance set a new record with $1.15 trillion of new supply
- Within corporate credit we retain our preference for BBB/BB-rated bonds

Figure 13: Investment Grade Corporate Spreads

Source: Factset as of December 31, 2014.

INVESTMENT GRADE CORPORATE CREDIT

MARKET REVIEW

Despite stronger U.S. economic growth in the fourth quarter, global data generally disappointed. Moreover, the winding down of quantitative easing by the Federal Reserve combined with dramatically lower oil prices set the stage for a notable rise in volatility across global markets.

Corporate spreads, as measured by the Barclays Corporate Index, widened by 19 bps during the quarter, the largest quarterly widening since the second quarter of 2012. Energy led the way, widening 64 bps, as West Texas Intermediate (WTI) Crude Oil dropped over $36 during the same period. The weakening in spreads has been indiscriminate, impacting Pipelines, Refiners and Servicers as well as higher- and lower-quality energy names alike.

This spread weakness has occurred even as profit margins, revenues, and EBITDA are close to all-time highs. However, these metrics have started to plateau. Debt on corporate balance sheets has increased to nearly $3 trillion, though this rise in leverage is not impacting all sectors and companies equally—resulting in a mixed picture overall. Corporate capital expenditure (capex) is high by historical standards but this is primarily from energy and metals & mining companies. Capex without this cohort is not significantly higher over the past decade. Dividends and share buybacks have been rising, though we would expect these to slow as more stressed energy and metals & mining companies reduce dividends. Overall leverage is increasing among investment grade corporates, but this is mainly concentrated in companies with healthy balance sheets as opposed to those with already high levels of debt.[1]

U.S. investment grade corporate issuance set a new record-high in 2014 with $1.15 trillion of gross supply and $596 billion of net supply.[2] We expect issuance to remain robust into 2015 driven by M&A and low yields. As investors have shown a preference for new issuance, supply has been easily absorbed.

OUTLOOK

We expect 2015 to bring more volatility in global markets than has been the case in recent years. The significant changes in oil and other commodity prices, combined with what we see as a potential inflection point in global monetary policy, should be contributing factors. Corporate credit still compares well from a relative value perspective to other U.S. fixed income sectors as spreads have widened over the last three months. Additionally, with U.S. interest rates higher than in many other parts of the globe, there is strong demand for USD corporate credit which should be beneficial in 2015 as supply projections are close to 2014 issuance levels.

Within corporate credit, we retain our preference for cross-over BBB/BB-rated bonds given the spread-widening that occurred in the fourth quarter. We have a preference for shorter duration securities given our expectations for increased volatility in 2015, but will look to add longer duration exposure as opportunities arise. Finally, we continue to look for opportunities to add select emerging markets (EM) exposure as market movements result in attractive risk/return profiles in specific EM Corporate names.

1. Source: J.P. Morgan
2. Source: Barclays, U.S. Investment Grade Corporate Update: January 5, 2015.

GLOBAL HIGH YIELD BONDS AND LOANS

MARKET REVIEW

The negative trend in high yield from September continued into mid-October, and then things turned positive for the rest of October into November. However, in late-November, post OPEC's announcement that it was not reducing production, the tone turned more negative as oil prices declined and high yield market volatility increased. Absent the energy sector, the U.S high yield markets were generally positive until late in the quarter, when most sectors turned negative. Overall, the U.S. high yield bond market has the largest exposure to energy (14-18%), followed by the U.S. loan market (less than 5%). The European bond and loan markets have minimal energy exposure. High yield bonds were down 1.00% in the U.S. but up 0.85% in Europe for the quarter, and up 2.45% (excluding energy would have been up 4.35%) in the U.S. and up 5.25% for the full year 2014. Loans were down 0.37% in the U.S and up 0.18% in Europe for the quarter, and up 2.06% in the U.S. and up 2.49% in Europe for the full year 2014. (Barclays U.S. Corporate High Yield Index, BofA/ML European High Yield Constrained Non-Financial Index, Credit Suisse Leveraged Loan Index and Credit Suisse Western European Leveraged Loan Index, as of December 31, 2014).

After record global high yield new issuance in 2013, issuance declined in 2014, although it was still the second largest year on record with $1 trillion of new issuance. The European high yield bond market had its largest new issuance year ever. Despite strong issuance in 2014, the fourth quarter was the lightest new issuance quarter of the year.

Loan retail mutual funds continued the trend of recent quarters and had outflows of $13.8 billion, ending the year with nine straight months of outflows after 21 months of inflows. For the full year, loan mutual funds experienced $22.9 billion of outflows after record inflows in 2013 of over $62 billion. After $5.6 billion of inflows into U.S. bond mutual funds in October and November, the quarter ended with $8.2 billion of outflows in December, resulting in U.S. high yield mutual fund outflows of $19.7 billion for the full year. European high yield mutual funds had outflows of €2.0 billion during the quarter and inflows of €5.0 billion for the full year. U.S. CLO issuance had another strong quarter with $30.7 billon of issuance and has set a new annual record with $131.4 billion priced, surpassing 2007's $94.1 billion. European CLO issuance remained strong and 2014 issuance of $19.2 billion is the fourth largest year on record. (J.P. Morgan; fund flow estimates may not include all December monthly reporters).

Spreads and yields across both bonds and loans in the U.S. and Europe widened during the quarter and except for European loans, spreads and yields are wider since the start of the year. During the quarter, bond spreads in the U.S. widened 59 bps to 483 bps, while Europe widened 20 bps to 431 bps. The yield to worst increased 48 bps in the U.S. to 6.61% and 3 bps to 4.58% in Europe (Barclays U.S. Corporate High Yield Index and BofA/ML European High Yield Constrained Non-Financial Index, as of December 31, 2014). In loans, the three-year discount margin increased 48 bps in the U.S. to 558 bps and by 11 bps in Europe to 521 bps. (Credit Suisse Leveraged Loan Index and Credit Suisse Western European Leveraged Loan Index, as of December 31, 2014).

OUTLOOK

We expect volatility to continue, especially in energy-related names. Despite this volatility, corporate fundamentals remain stable, and as a result, we believe defaults will remain below historical averages. Overall we remain favorable towards secured credit.

Highlights

- Volatility increased in the fourth quarter, especially in energy-related names
- Corporate fundamentals remain stable
- We expect defaults to remain below historical averages

Figure 14: U.S. Loan and Bond Spreads

Source: Factset, Credit Suisse and Babson Capital as of December 31, 2014

Figure 15: European Loan and Bond Spreads

Source: Factset, Credit Suisse and Babson Capital as of December 31, 2014

STRUCTURED CREDIT

Highlights

- CLO 2.0 spreads widened across the capital stack in the fourth quarter
- Global issuance set a record-high at $150 billion
- We see value opportunities throughout the capital stack

MARKET REVIEW

The oil-driven volatility in the corporate bond and loan markets fed through to the CLO market in the fourth quarter as spreads widened across vintages and throughout most of the capital structure. Issuance slowed in the fourth quarter but remained strong by historical standards to cap off what was a record year for new supply. With the market adjusting to new risk-retention rules, issuance may slow in 2015. Given the widening of spreads, we see opportunities across the capital stack as opposed to previous quarters when compelling value was mainly concentrated in senior CLO tranches.

Secondary trading volumes of USD CLOs, as measured by published bid list activity rose in the fourth quarter to $9 billion (up from $7 billion in the third quarter).[1] AAA paper constituted the majority of trades as usual, but in a change from recent quarters, equity tranches were particularly well-offered, driven by unexpected selling from Business Development Companies (BDCs) and concerns about oil & gas credits. Trading in Euro-denominated paper also rose in the quarter to €2.6 billion versus €1.5 billion in the third quarter.[2] Looking forward to 2015, we anticipate healthy secondary volumes as we expect volatility in the credit markets to continue.

CLO spreads widened nearly across the board in the fourth quarter, a change from previous quarters which saw 1.0 paper tighten and 2.0 paper widen. Recent vintage AAA and AA spreads widened 10 bps and 15 bps, respectively, and finished the quarter at or near the widest levels of the year. Mezzanine 2.0 CLO spreads also widened for the quarter despite a brief rally mid-quarter. Even CLO equity, which has been range-bound for nearly two years, finally widened under heavy supply and growing credit concerns. Vintage (1.0) CLO paper, which is in relatively short supply, also widened in a sign that recent CLO price weakness in not entirely a supply-driven phenomenon (Figure 16).

Figure 16: Trading Levels (Discount Margins in bps) for Typical CLOs

CLO 1.0*

	CURRENT	Q/Q CHANGE
AAA	98	2
AA	144	8
A	190	4
BBB	305	3
BB	485	-3
EQUITY	12.0%	1%

CLO 2.0*

	CURRENT	Q/Q CHANGE
AAA	165	10
AA	256	15
A	355	16
BBB	461	21
BB	688	37
EQUITY	12.0%	1%

Source: J.P. Morgan as of December 31, 2014.
*Post-financial crisis issuance is commonly referred to as CLO 2.0; the primary difference with pre-crisis era CLOs (CLO 1.0) is that CLO 2.0 structures have lower leverage.

Global CLO issuance slowed slightly in the fourth quarter but with a still robust $36.2 billion in new paper, annual global issuance reached an all-time high of $150 billion. Despite the record issuance, market participants did not end the year in a celebratory mood as global issuance for December ($8.7 billion) was the lowest since January 2014. Estimates for 2015 CLO issuance vary widely, mainly driven by a lack of consensus on how risk-retention rules will impact the market—with a rush to issue ahead of new rule implementation potentially being offset by less participation from smaller and/or less capitalized managers. The silver lining is that lower supply may have a positive effect on secondary pricing levels. Issuance trends were not uniform across geographies as European new supply ($19.2 billion) was well below former peak issuance, though up notably from 2013 ($10.3 billion). Spreads in Europe have been uncharacteristically tighter than those in the U.S. but the gap between the two began to close in the fourth quarter as the new issue pipeline started to fill up in Europe. Finally, CLO re-financing has slowed materially as CLO liabilities have widened beyond the coupons currently available in 2-3 year-old transactions; this will likely reduce near-term supply but create a source of "shadow" supply should spreads tighten significantly. (J.P. Morgan)

OUTLOOK

We believe that excellent opportunities exist for investors throughout the CLO capital structure. In our opinion, senior CLO tranches offer notable value relative to similarly rated assets. Additionally, given the volatility in the markets in the fourth quarter, value opportunities have arisen further down the capital stack in mezzanine and equity tranches. Finally, slowing new issuance in the asset class should persist in early-2015, which we believe will support prices overall.

1. Source: CitiVelocity (research website)
2. Source: Ibid

EMERGING MARKETS

MARKET REVIEW

Emerging Markets (EM) experienced a fair amount of volatility during the fourth quarter as spreads widened, long-dated U.S. Treasury yields fell, oil slid 50% from its recent peak and geopolitical tensions continued to cast a shadow over some regions. EM hard currency bond indices demonstrated resilience until December, with EM Sovereigns holding on to gains and finishing 2014 with a total return of 7.43%. EM Corporates were also in positive territory, returning 4.96%, while EM Local Currency Debt fell 5.72%. EM local rates remained steadfast, returning 3.15%, however currencies continued to decline over 10% on the back of slower global growth and the dramatic decline in the price of oil during the quarter. (J.P. Morgan)

EM aggregate debt funds experienced $0.4 billion in inflows during the fourth quarter, leaving net flows for the year up $13.4 billion, or roughly double the prior year's inflows. Within that, hard currency Sovereigns saw strong inflows while Local Currency Debt experienced outflows and a key trend towards blended strategies emerged. EM Corporate spreads and yields widened 40 bps and 10 bps, respectively, during the quarter as U.S. Treasury yields fell, tensions re-escalated between Russia/Ukraine and China's economy slowed. New issuance ended the year at $340 billion, surpassing 2013's $330 billion (72% investment grade), led by Asia with 51% of all new issuance. Asia led regional performance with total returns +7.14%, with India +5.04% and China +5.37%. Meanwhile, Eastern Europe continued to lag its peers with a total return of -4.0%, pulled down by the conflict between Russia -11.18% and Ukraine -29.95% in addition to slow economic activity out of Europe and the dramatic decline in the price of oil along with other commodities. (J.P. Morgan)

EM corporate defaults reached 2.7% for the year, with Latin America at 4.4%, the Middle East & Africa at 4%, EM Europe at 2.6%, and Asia at just 0.9%, per BofA Merrill Lynch. Consensus forecasts for 2014 were for defaults of approximately 3.0%. We continue to believe that fundamental research is important in potentially avoiding default candidates.

EM Local Currency Debt continues to be affected by the stronger U.S. dollar, persistently weak global trade and a strong decline in commodity prices. Currencies underperformed (-12% for the year) beginning in July, led by a depreciation in the Russian Ruble which registered total returns for the year of -46%, along with the Colombian Peso -19%, Chilean Peso -13% and the Hungarian Forint -17%. (J.P. Morgan)

EM Sovereigns, as a whole, remained strong throughout the year with Belize, Honduras and Jamaica leading the way with returns above 15%. Oil-linked sovereigns Venezuela -30%, Ecuador -11%, Russia -7.6% and Kazakhstan -5% dragged the index down on the heels of the decline in oil with investors closely watching for indications of deteriorating current accounts and other economic stresses.

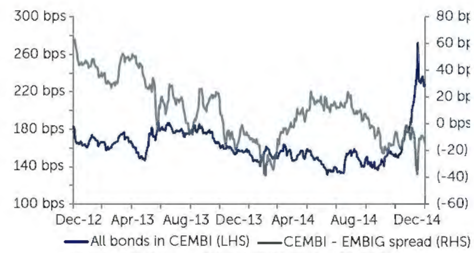
OUTLOOK

We continue to see opportunities in Emerging Markets but with volatile conditions in commodity markets and slowing global growth, we believe that selectivity and a focus on credit analysis are critical. EM Corporates are likely to be supported by a benign outlook for U.S. rates and we expect continued strong issuance to further cement this as a mainstream asset class. A further strengthening of the U.S. dollar could put additional pressure on Local Currency Debt but with EM countries using their currencies as shock absorbers to protect their creditworthiness, we believe that hard currency bonds will be more insulated. Oil-linked countries may continue to underperform while those tied to U.S. growth may benefit most.

Highlights

- Emerging Markets experienced increased volatility in the fourth quarter
- EM Corporates and hard currency Sovereigns registered positive returns for the year while Local Currency bonds poste negative returns
- Economies linked to the U.S. may outperform while oil-driven countries may continue to underperform

Figure 17: EM Corporate vs. Sovereign Spreads



Source: J.P. Morgan, data as of December 31, 2014.
CEMBI spreads are relative to sovereign bonds for all CEMBI bond for which there is a sovereign curve for compariso

Figure 18: EM Local Market Government Bond Yields vs. U.S. 5-year Swaps

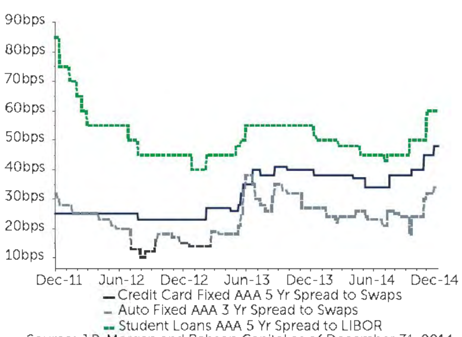
Source: J.P. Morgan and Bloomberg; data as of December 31, 20

ASSET BACKED SECURITIES

Highlights

- ABS issuance was robust in the fourth quarter
- Regulatory scrutiny increased across various sectors and bears watching in 2015
- The asset class continues to gain traction with investors and issuers

Figure 19: ABS Spreads



Source: J.P. Morgan and Babson Capital as of December 31, 2014.

MARKET REVIEW

The asset-backed security (ABS) market saw strong issuance to finish the year, albeit in an environment of gradually widening spreads late in the quarter. ABS issuance exceeded 2013 levels by approximately 20%, with esoteric ABS in particular enjoying a surge of activity late in the year. Activity was broad-based with at least 12 deals coming to market in the fourth quarter in the subprime and near-prime auto sectors, along with notable transactions in business development loans, dealer floorplan, equipment finance, container leases, cell phone tower leases, merchant cash advances, single tenant realty, auto dealer specialty CMBS, timeshare receivables, tax liens and television royalties. Additionally, issuance in aircraft lease deals, minimal for years following the financial crisis, began a nascent recovery with three transactions during the quarter.

Increased regulatory scrutiny was a theme across multiple sectors, which is a trend that bears monitoring. Specifically, the Consumer Financial Protection Bureau (CFPB) issued multiple reports on private student loan borrowers pointing to increases in the frequency of complaints relating to borrowers' inability to pay, a lack of options around loan modifications and illegal loan servicing practices. While the CFPB's approach thus far does not appear to be focusing on a single practice or behavior, the private student loan business is clearly an area of concern for them and one that we continue to monitor closely. The subprime auto sector also appears to be under heightened scrutiny as evidenced by the CFPB's $8 million fine on DriveTime, an operator of "buy here, pay here" dealerships, for what it described as unfair debt collection practices. We believe that the industry is capable of managing the regulatory focus and that investors in securitizations are well protected, but these trends bear close monitoring in 2015.

ABS issuers were active in public equity markets in the fourth quarter, with several IPOs and filings to raise equity capital. IPOs were priced in the quarter for STORE Capital (an issuer of leases on single tenant properties), On Deck Capital (an issuer of securitizations backed by loans and merchant cash advances to small businesses) and Avolon Holdings (a lessor with a mix of narrow and wide-body aircraft). Additionally, IPOs were announced for OneMain Financial (a subsidiary of Citigroup issuing securitizations backed by personal loans to subprime borrowers) and Intrepid Aviation (a wide-body aircraft lessor). We follow equity performance among ABS issuers and related sectors closely; we believe equity capital raises in issuing sectors serve as validation of the business models and provide enhanced information flow and transparency for issuers and non-public competitors alike.

OUTLOOK

Despite some widening in spreads on low volume as the market moved into year-end, the ABS market, broadly speaking, had a very successful year in 2014, expanding its bases of both issuers and investors. We expect this growth to continue in 2015, as a decline in Federal Family Education Loan Program (FFELP) student loan securitization and flat issuance in credit cards are offset by healthy growth in traditional sectors such as autos and equipment as well as esoterics.

RESIDENTIAL AND AGENCY MORTGAGE BACKED SECURITIES

MARKET REVIEW

In the legacy residential mortgage-backed security (RMBS) market, the fourth quarter was characterized by a high level of secondary market activity as spreads tightened and particular strength was seen in shorter maturities. The primary market was less active, particularly for traditional non-agency paper, where new-issue volumes finished below 2013 levels. With new supply limited, the main venue for investors in search of residential credit exposure continued to be government sponsored enterprise (GSE) "credit sharing" platforms (STACR[1] and CAS[2] securities), the REO-to-Rental[3] sector and non-performing loan transactions (NPLs). While demand has not been particularly deep for either the GSE credit sharing vehicles or the REO-to-Rental sector, with both subject to spread volatility from new supply, we expect these markets to continue developing in 2015. We anticipate incremental supply in both markets over the next twelve months which may result in the emergence of new investors, improved secondary market liquidity and greater pricing transparency.

In the agency mortgage-backed security (MBS) market, spreads tightened during the quarter which was particularly notable as the Fed's quantitative easing program came to an end in late-October. This effectively ended net new purchases of agency mortgage securities for the central bank's balance sheet. Notwithstanding the completion of the taper, the Fed is likely to continue to reinvest mortgage paydowns in 2015, and possibly into 2016. The prospect of this continued reinvestment combined with muted net issuance has undoubtedly been a source of support for the market.

Elsewhere, regulatory changes impacting the RMBS space remained in focus during the fourth quarter. Specifically, the Federal Housing Finance Agency (FHFA) announced changes to the framework under which Fannie Mae and Freddie Mac will enforce originator representations and warranties. The changes require originators to buy back loans where misrepresentations or data inaccuracies have occurred in origination. Uncertainty around the specifics of how these changes would be applied emerged as a significant source of risk for originators. This prompted further clarification from the FHFA including establishing a minimum number of loans that must be identified to trigger so-called "life of loan exclusions," and instituting a significance test to determine whether a loan would have originally been ineligible for purchase had the information been accurately reported.

Additional clarity around risk-retention requirements for securitized products (under the Dodd-Frank Act) also emerged during the quarter. The final version of the rule allows issuers to retain either a "vertical" 5% slice of all cashflows in a securitization or a "horizontal" 5% first loss or residual piece. The ruling, which was a coordinated effort from six federal agencies, also provides a number of exceptions and perhaps most significantly, standardizes the definition of a Qualifying Residential Mortgage (QRM) and effectively exempts these mortgages from risk-retention rules.

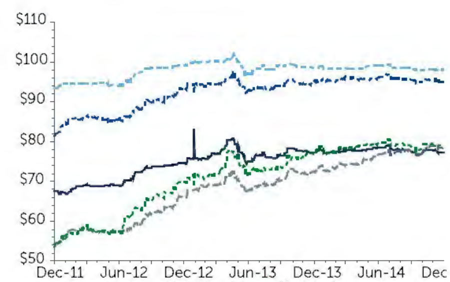
OUTLOOK

Looking forward, we expect the legacy non-agency RMBS market to continue to benefit from the strong technicals that have propelled it to current levels. Post-crisis issuance, also known as RMBS 2.0, appears to be more fully valued but could become more attractive if spreads widen on agency paper. Spreads in the agency market ended 2014 at or near their tightest levels of the year, and we think the market is likely vulnerable to some spread-widening as demand among market participants is reallocated in 2015. Finally, as discussed, we anticipate a further deepening of the GSE credit sharing and REO-to-Rental markets in 2015.

Highlights

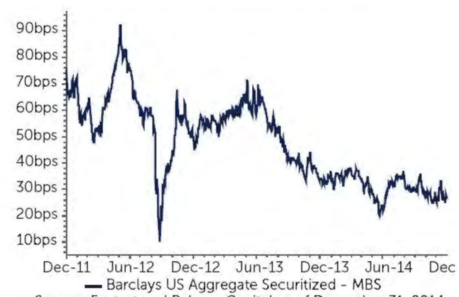
- Spreads in both the agency and non-agenc MBS markets were firm over the course of the quarter
- Regulatory changes remained a key focus
- We expect legacy non-agency RMBS to remain strong while agencies look vulnera to spread-widening

Figure 20: RMBS PRICES



Source: J.P. Morgan and Babson Capital as of December 31, 2

Figure 21: AGENCY MBS SPREADS



Source: Factset and Babson Capital as of December 31, 2014.

1. Structured Agency Credit Risk (STACR) debt notes are issu by Freddie Mac; principal payments are determined by the delinquency and principal payment experience on a STAC Reference Pool consisting of recently acquired single famil mortgages from a specified period.
2. Connecticut Avenue Securities (CAS) are issued by Fannie Mae. Payment on securities is based on the performance o loans in a "reference pool" of recently securitized Fannie M MBS.
3. Real Estate Owned-to-Rental

COMMERCIAL REAL ESTATE

Highlights

- Continued strong commercial real estate fundamentals remain supportive of the sector
- 2014 was the strongest year for new issuance since the start of the recovery
- We expect CMBS spreads to tighten in the near term given favorable market technicals

MARKET REVIEW

As in the third quarter, commercial mortgage-backed security (CMBS) pricing finished the year on a mixed note. Continued strengthening in commercial real estate fundamentals and a broadening of transaction activity combined with strong technicals and a low-yield environment provided support for the asset class. Conversely, a heavy new issue calendar and heightened broader market volatility were headwinds during quarter.

Legacy AAA super-seniors, AMs (mezzanine AAA class with 20% credit-enhancement at issuance), AJs (natural AAA class), and seasoned mezzanine classes were unchanged to slightly tighter over the quarter as investor interest remained strong for names that have less voluntary and involuntary prepayment risk and offer adequate protection from projected losses. 2.0/3.0[1] super-senior AAA spreads widened to finish at 88–90 bps spread-to-swaps, or near the widest levels of the year. Additionally, 2.0/3.0 junior AAA-rated through BBB minus-rated classes were wider by 15–20 bps.

After falling behind 2013 levels in the first half of the year, the pace of CMBS issuance strengthened in the third and fourth quarters resulting in the highest full year of issuance since the recovery began. Volumes for the year totaled $57.2 billion for conduit transactions and $28.5 billion in single-asset/single-borrower (SASB) transactions, up 7% and 13%, respectively, over 2013.[2] In terms of overall CMBS performance, delinquencies fell to 5.75% at year-end, owing in part to an increase in prepayments and defeasance activity in 2014. Delinquencies fell 168 bps on the year.[3]

Figure 22: CMBS Spreads

Source: Factset as of December 31, 2014.

OUTLOOK

In the near term, we expect CMBS spreads to tighten and the credit curve to flatten as the sector still offers relative value versus corporates, in our opinion. Positive technicals in the form of a low-yield environment and negative net supply should also support investor demand. We continue to favor seasoned double-A rated through triple-B classes from 2011 and 2012 transactions as these bonds have 20-25% embedded property price appreciation that makes their credit profile more like single-A bonds off of new issue.

With an accelerating U.S. economy driving further strengthening in real estate fundamentals and continued strong investor demand for real estate that is moving up the risk spectrum into more secondary and tertiary markets, demand for CMBS financing in 2015 should outpace 2014 levels. Increased competition among loan originators as the debt market recovery matures is leading to the (re-) emergence of more complex deals and also concerns about less stringent underwriting criteria, factors that will have to be watched carefully in 2015.

1. CMBS 2.0 refers to new transactions restarted in 2010 after a period of non-issuance. CMBS 3.0 refers to transactions issued publicly from 3Q 2011 onwards.
2. Source: Morgan Stanley, CMBS Deal Comp Database
3. Source: Trepp

GLOBAL PRIVATE DEBT

MARKET REVIEW

Much of the world's economic activity is fueled by privately financed companies, as evidenced by the exponential growth in the ratio of private debt to GDP globally.[1] Despite the significant economic representation, the role of private markets in investor portfolios remains relatively limited. Importantly, this disproportionate relationship may shrink as the significant opportunity in the private lending market further develops.

Once thought of as an opportunistic or alternative allocation, private debt as a standalone asset class is gaining in popularity amongst investors and money managers alike. Traditional banks, hamstrung by stringent regulatory frameworks and the need to deleverage, have been unable to serve an expanding market of borrowers. This has resulted in borrowers seeking alternative sources of financing, allowing institutional debt funds to fill this void globally. There are regional differences; for instance, in the U.S., leveraged lending is dominated by the institutional market whereas European and Asian economies are far more reliant on bank lending, a notable disparity creating opportunity for non-bank lenders.

As global investment firms step into the financing role formerly dominated by banks, a mutually beneficial relationship is created between lenders and investors. The latter have been drawn to private debt funds both for their potential to generate attractive yields in today's low-rate environment and as a way to further diversify their fixed income portfolios. The attractions of the asset class have also resulted in new entrants, namely traditional fixed income managers seeking to broaden their product offerings. However, in our opinion, money managers with established private lending platforms and direct origination sources have a distinct advantage in the direct lending market, namely: *access* to opportunities and the *demonstrated* ability to effectively execute transactions. Managers with broad capabilities should also be better positioned to tailor fund strategies to match an investor's risk appetite and allocation preferences. These factors will be crucial in differentiating emerging managers from established ones, in our opinion.

Fundraising in global private debt increased materially from 2009 to 2013, as the number of funds more than doubled and the total capital raised increased from $23 billion in 2009 to $77 billion in 2013. This trend continued in 2014 with an estimated $101 billion in funds raised. Capital flows were the greatest in the more mature North America market; Europe showed the most year-over-year growth while Asia Pacific remains bank-dominated with early institutional penetration.[2] Within the overall private debt fund space, institutional investors recently ranked direct lending funds as their top preference for investment (Figure 23).

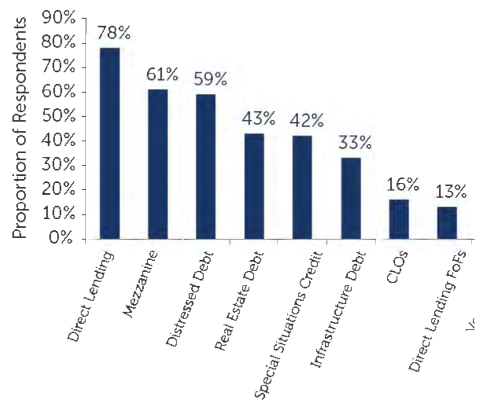
OUTLOOK

We expect to see the continued development of the private debt asset class in 2015. In a sustained low-rate environment, investors are likely to seek out asset classes that can generate attractive yields while at the same time providing diversification. The floating-rate payment structure of most private debt instruments, along with a continued strong corporate fundamental picture should also bolster demand for the asset class. We continue to see private debt investment opportunities across the globe and throughout the capital structure. In our opinion, institutional investors with the experience and relationships to source deals across geographies are positioned well to generate attractive returns in private debt in the coming years.

Highlights

- Private debt strategies are increasingly popular amongst investors in the post-crisi hunt for attractive yield
- As banks maintain higher capital reserves in a heightened regulatory framework, considerable opportunities exist for non-bank lenders

Figure 23: Institutional Investors' Preferences for Private Debt Fund Type



Source: Preqin Special Report: Private Debt: The New Alternative?, July 2014.

1. Source: World Bank
2. Source: Preqin

EQUITIES

Highlights

- U.S. equities returned 4.93% for the quarter and 13.69% for the year
- Falling commodity prices and low labor costs remain supportive of equities
- We believe the longer-term secular bull market remains in place

MARKET REVIEW

Equities, as measured by the S&P 500, returned 4.93% in the fourth quarter anc 13.69% for the year. The quarter was one of ups and downs. It ended more up than down, but to a large degree how well it went was a function of how much energy and energy-related exposure investors had in their portfolios. While difficult to pinpoint the specific drivers behind the collapse in oil prices during the fourth quarter, market participants have pointed to new supply being added in the U.S (as innovations in drilling techniques took hold) and a slowing in global demand. Many energy stocks closely tracked the relentless fall in oil over the course of the quarter, which at times weighed on the market overall.

Three themes are evident in relation to these market movements. The first is that while overall volatility has declined, event volatility has increased. A potentia explanation for this is that short-term market moves are arguably dominated by market participants who are heavily incentivized to "protect the downside". When events such as the recent drop in oil prices occur, these players push the market more than would otherwise be expected, adding to the event volatility. The second theme is the continuation of the secular bear market in commodities that began back in 2011. For equity investors, this trend may prove to be helpful as secular commodity bear markets have historically tended to coincide with secular bul markets in equities. The third theme is that valuation matters. When energy stocks hit their all-time low on relative price-to-book measures in mid-December (they were as cheap relative to the market as they have ever been when measured by their market value to book value), they turned and started to rally. While it is difficult to predict if this low will hold, we believe that valuation is a fundamental driver of performance over the long term and easier to analyze than the future direction of volatile commodity prices.

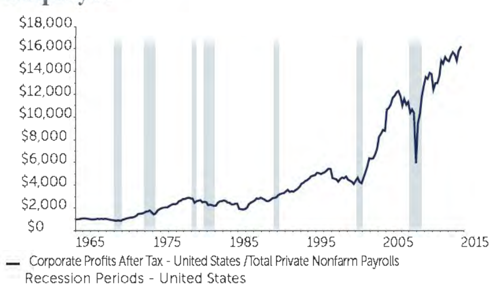
Figure 24: A Bear Market in Commodities

Source: Ned Davis Research; data period: Jan 1975 - Dec 2014.

OUTLOOK

We continue to believe that equities are in a secular bull market. Inevitably, within such a long-term trend, there will be periods of cyclical decline, but over the long term we think that equities can provide attractive annualized returns. Rather than trading in and out of the market, we believe that the way to profit from the secular bull trend is by investing in companies over a long time horizon. We expect both the positive trend in equities and the negative trend in commodities to continue.

Figure 25: U.S. Corporate Profits per Employee



Source:FactSet as of December 31, 2014.

IMPORTANT INFORMATION

Standard and Poor's Rating Definitions:

'AAA'—Extremely strong capacity to meet financial commitments. Highest Rating.

'AA'—Very strong capacity to meet financial commitments.

'A'—Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances.

'BBB'—Adequate capacity to meet financial commitments, but more subject to adverse economic conditions.

'BBB-'—Considered lowest investment grade by market participants.

'BB+'—Considered highest speculative grade by market participants.

'BB'—Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.

'B'—More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments.

'CCC'—Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments.

'CC'—Currently highly vulnerable.

'C'—Currently highly vulnerable obligations and other defined circumstances.

'D'—Payment default on financial commitments.

Note: Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Index Definitions:

Barclays Capital Gov't & Treasury Index is a broad-based benchmark that measures the government and Treasury bond market.

Barclays Capital Municipal Bond Index is a broad-based benchmark that measures the municipal bond market.

Barclays Capital Aggregate Index is a broad-based benchmark that measures the securitized, corporate, agency, government and Treasury bond markets.

Barclays Capital TIPS Index is a broad-based benchmark that measures the inflation-protected Treasury bond market.

Barclays Capital Securitized ABS Index is a broad-based benchmark that measures the asset-backed securities market.

Barclays Capital Securitized MBS Index is a broad-based benchmark that measures the mortgage-backed securities market

Barclays Capital U.S. Investment Grade Corporate Bond Index is a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market.

Barclays Capital U.S. High Yield Corporate Bond Index is a broad-based benchmark that measures the below-investment grade, fixed-rate, taxable, corporate bond market.

Credit Suisse Leveraged Loan Index is designed to mirror the investible universe of the $US-denominated leveraged loan market.

Credit Suisse Western European Leveraged Loan Index is designed to mirror the investible universe of the non-$US-denominated leveraged loan market.

Dow Jones-UBS Futures Commodity Index is a broad-based commodity futures index. It is comprised of 20 commodities ranging from petroleum-based products to soft commodities to metals

Employee Cost Index – An index compiled by the Bureau of Labor Statistics measuring percentage change in total compensation for private industry workers.

JPM Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified is an index of U.S. dollar-denominated Emerging Market corporate bond issues.

JPM Emerging Markets Bond Index (EMBI) Global Diversified is an index of U.S. dollar-denominated Brady bonds, Eurobonds, and traded loans issued by sovereign and quasi-sovereign entities.

JPM Global Bond Index is a broad-based benchmark that measures the global bond market

JPM Government Bond Index – Emerging Markets (GBI-EM) Global Diversified is an index that tracks local currency bonds issued by Emerging Market governments.

Thomson Reuters/Jefferies CRB Index is a broad-based commodity futures index. It is comprised of 19 commodities ranging from petroleum-based products to soft commodities to metals.

S&P GSCI Commodity Index – A broad-based index measuring the performance of commodity futures contracts, including energy, metals, agriculture and livestock.

S&P 500 Index is a capitalization-weighted index of 500 stocks.

BABSON
STAFF LETTER

January 2015

Babson Capital Management LLC (Babson) is a leading global asset management firm with over $212 billion in assets under management as of December 31, 2014. Through proprietary research, analysis and a focus on investment fundamentals, the firm and its global affiliates develop products and strategies that leverage its broad expertise in global fixed income, structured products, middle market finance, commercial real estate, alternatives and equities. A member of the MassMutual Financial Group, Babson maintains a strong global footprint with operations on four continents and clients in over 20 countries. Learn more at babsoncapital.com or 1-877-766-0014.

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Babson
CAPITAL MANAGEMENT

BABSON FACTS AT A GLANCE

Fourth Quarter 2014

WHO WE ARE

Babson Capital is a global investment management organization that manages $212.8 billion[1]. With offices on four continents, we offer clients access to investment opportunities around the globe and across the investment universe, providing uniquely tailored investment strategies and an open door to our talented professionals.

WHAT WE DO

FIXED INCOME

Babson Capital Management is an institutionally-focused global fixed income manager with $165.4 billion[2] in assets under management. Our capabilities include investment grade, global high yield, structured products, and middle market finance.

REAL ESTATE

Cornerstone Real Estate Advisers is one of the largest global real estate investment managers with $45.4 billion in assets under management[4]. Cornerstone is one of the most diverse real estate investment organizations providing expertise in real estate equity and debt in both public and private markets.

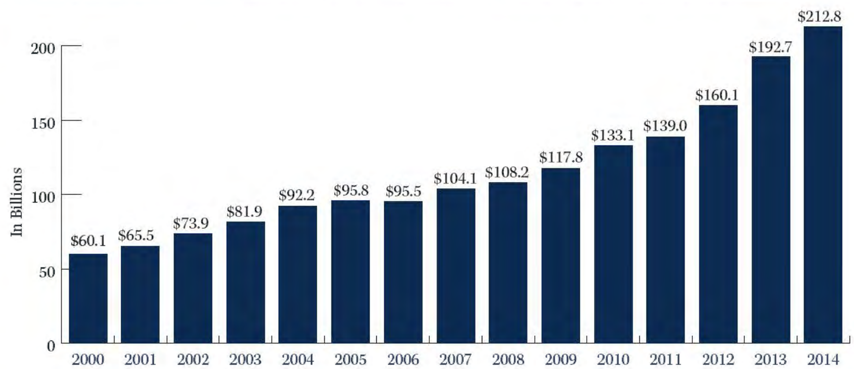
REAL ASSETS

Wood Creek Capital Management, LLC is an investment manager with $2.0 billion[3] in assets under management, at the forefront of real assets investing. Our mission is to address the challenges faced by institutional investors by offering asset-based investments within a defined investment horizon. Wood Creek constructs portfolios of tangible and intangible asset exposures for its clients, who are themselves global leaders in institutional investing.

ASSETS UNDER MANAGEMENT[1] AS OF DECEMBER 31, 2014

Total Firm AUM ($B)	$212.8
Total No. of Institutional Separate Accounts	184
Total No. of Funds	100
Tax-exempt AUM ($B)	$46.6

HISTORICAL ASSETS UNDER MANAGEMENT[1] PERIODS ENDING DECEMBER 31



BABSON CAPITAL MANAGEMENT INVESTMENT PLATFORMS[3]

Babson CAPITAL MANAGEMENT	CORNERSTONE	WOOD CREEK
Market leading Global Fixed Income investment platforms	One of the largest global real estate investment managers	A leading asset manager in next generation alternative investments
AUM $165.4 Billion	**AUM** $45.4 Billion[4]	**AUM** $2.0 Billion
Investment Professionals 253	**Investment Professionals** 171	**Investment Professionals** 15
Core Capabilities Investment Grade, High Yield, Structured Products & Middle Market Finance	**Core Capabilities** Commercial Real Estate: Public & Private Equity & Debt	**Core Capabilities** Real Assets: Tangible & Intangible

Providing customized solutions for a diverse client base:

- Financial Institutions
- Insurance Companies
- Sovereign Wealth Funds
- Foundations & Endowments
- Pensions
- Superannuation Funds
- Family Offices
- Wealth Advisory

1. Asset figures include Babson Capital Management LLC and its subsidiaries Babson Capital Management (UK) Limited, Babson Capital Australia Pty Ltd, Cornerstone Real Estate Advisers and Wood Creek Capital Management as of December 31, 2014
2. As of December 31, 2014. Includes Babson Capital Management LLC and its subsidiaries Babson Capital Management (UK) Limited and Babson Capital Australia Pty Ltd
3. As of December 31, 2014
4. Includes subsidiaries

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
Numbers may not add due to rounding.

Babson

BABSON FACTS AT A GLANCE | Fourth Quarter 2014

EMPLOYEE INFORMATION

Total No. of Staff:	1,115
Number of Investment Professionals:	439
Number of Portfolio Managers:	89
Number of Analysts:	329
Number of Traders:	21
Average Years of Experience:	19

REPRESENTATIVE CLIENTS

Family Offices
Financial Services
Foundations & Endowments
Insurance Companies
Multi-employer (Taft Hartley)
Public & Corporate Qualified Plans
Sovereign Wealth Funds
Superannuation Funds

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Hartford
London
New Haven
Springfield
Sydney

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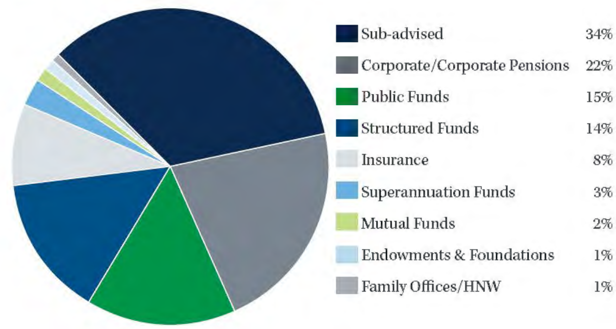
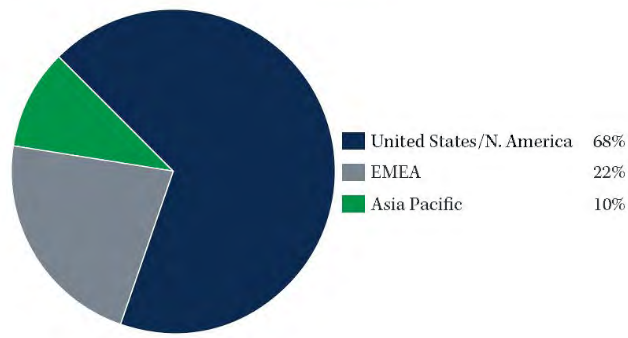
Chicago
Dallas
Glastonbury
Helsinki
Hong Kong
Los Angeles
Melbourne
New York
Newport Beach
Rotterdam
Santa Monica
Stockholm
Tokyo
Washington D.C.

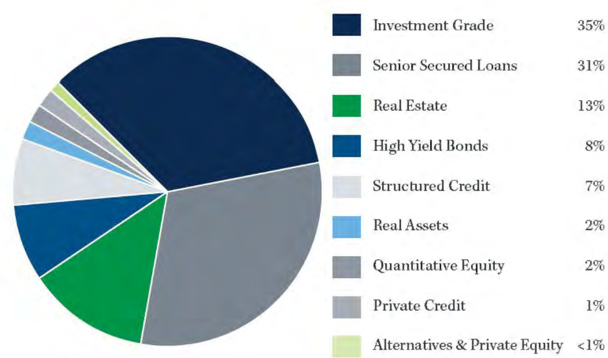
EXTERNAL AUM BY CLIENT TYPE



EXTERNAL AUM BY CLIENT REGION



EXTERNAL AUM BY ASSET CLASS



As of December 31, 2014. Asset figures include Babson Capital Management LLC and its subsidiaries, Cornerstone Real Estate Advisers and Wood Creek Capital Management. External AUM excludes the MassMutual general investment account.

1. Structured funds are distributed via intermediaries to a global investor base and may be traded in the secondary market

Learn more at babsoncapital.com or 1-877-766-0014.

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Babson

BABSON FACTS AT A GLANCE

Fourth Quarter 2015

WHO WE ARE

Babson Capital Management (Babson) is one of the world's leading global asset managers with over $222 billion in assets under management and clients in more than 20 countries.

With investment teams on four continents, our expertise across traditional and alternative asset classes provides visibility and access to a wide variety of opportunities for both our institutional and wealth advisory clients.

WHAT WE DO

At Babson, we build strong and enduring partnerships by leveraging our proven capabilities to meet the unique needs of our clients.

We draw on our deep experience in a wide range of traditional and non-traditional asset classes and employ a team-based approach that brings our best investment ideas to the forefront.

Our global teams of investment professionals—more than 400 across the U.S., Europe, Asia and Australia—work together to create innovative multi-strategy solutions for our clients.

FIRM STRUCTURE

MassMutual FINANCIAL GROUP

BARINGS
Global Equity, Fixed Income and Multi-Asset
$35.2 billion in AUM

Babson
Global Fixed Income, Private Credit and Equity, Multi-Asset
$222.9 billion in AUM[1]

OppenheimerFunds The Right Way to Invest
Global Equity and Fixed Income
$216.8 billion in AUM

CORNERSTONE
Commercial Real Estate: Public and Private Equity and Debt
$46.3 billion in AUM

WOOD CREEK
Real Assets: Tangible Intangible
$2.6 billion in AUM

EMPLOYEE INFORMATION

Total Number of Firm Employees:	1,171
Number of Investment Professionals:	526
Number of Portfolio Managers:	87
Number of Analysts:	416
Number of Traders:	23
Average Years of Experience:	18

AUM & CLIENT GROWTH ($B)[2]

[1]Includes assets managed by Cornerstone and Wood Creek.
[2]Number of clients excludes structured funds and mutual funds.
As of December 31, 2015.

ASSET SPECIFIC AND MULTI-STRATEGY SOLUTIONS

GLOBAL FIXED INCOME

INVESTMENT GRADE **$81.1B**
Short / Long Duration
Core / Core Plus
Corporate Bonds
RMBS / ABS
CMBS / Cornerstone[1]
TIPS
Stable Value

EMERGING MARKETS **$3.4B**
Corporates
Local Debt
Sovereign

HIGH YIELD **$52.0B**
Senior Secured Loans
High Yield Bonds
Structured Credit
Special Situations
Multi-Credit
Event Driven

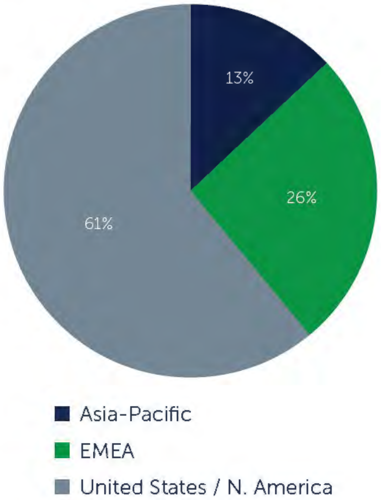
PRIVATE ASSETS

PRIVATE CREDIT **$32.8B**
Direct Loans and Mezzanine Debt
Corporate Private Placements
Infrastructure and Energy

REAL ESTATE / CORNERSTONE[1] **$46.3B**
Private Debt
Private Equity

PRIVATE EQUITY **$5.2B**
Corporate and Real Assets
- Funds
- Co-Invests
- Directs (Financial Services)
Real Assets / Wood Creek[2]

EXTERNAL AUM[3] BY CLIENT REGION



$2.1B is managed within public equity strategies.
[1]Cornerstone Real Estate Advisers, a wholly owned subsidiary, is one of the largest real estate investment managers in the world.
[2]Wood Creek Capital Management, a wholly owned subsidiary, is a leading investment manager of tangible and intangible real assets.
[3]External AUM excludes the MassMutual general investment account.
As of December 31, 2015.

LOCATIONS

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EXHIBIT C

INVESTMENT WEEK

FUND MANAGER OF THE YEAR 2014

IN ASSOCIATION WITH FundsNetwork™

WINNER

Specialist Bond

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For more information, please contact:
Neil Godfrey at +44 (0)20.3206.4576 or email to ngodfrey@BabsonCapital.com.

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Deals Close. Relationships Continue.

BABSON GLOBAL PRIVATE FINANCE TEAM

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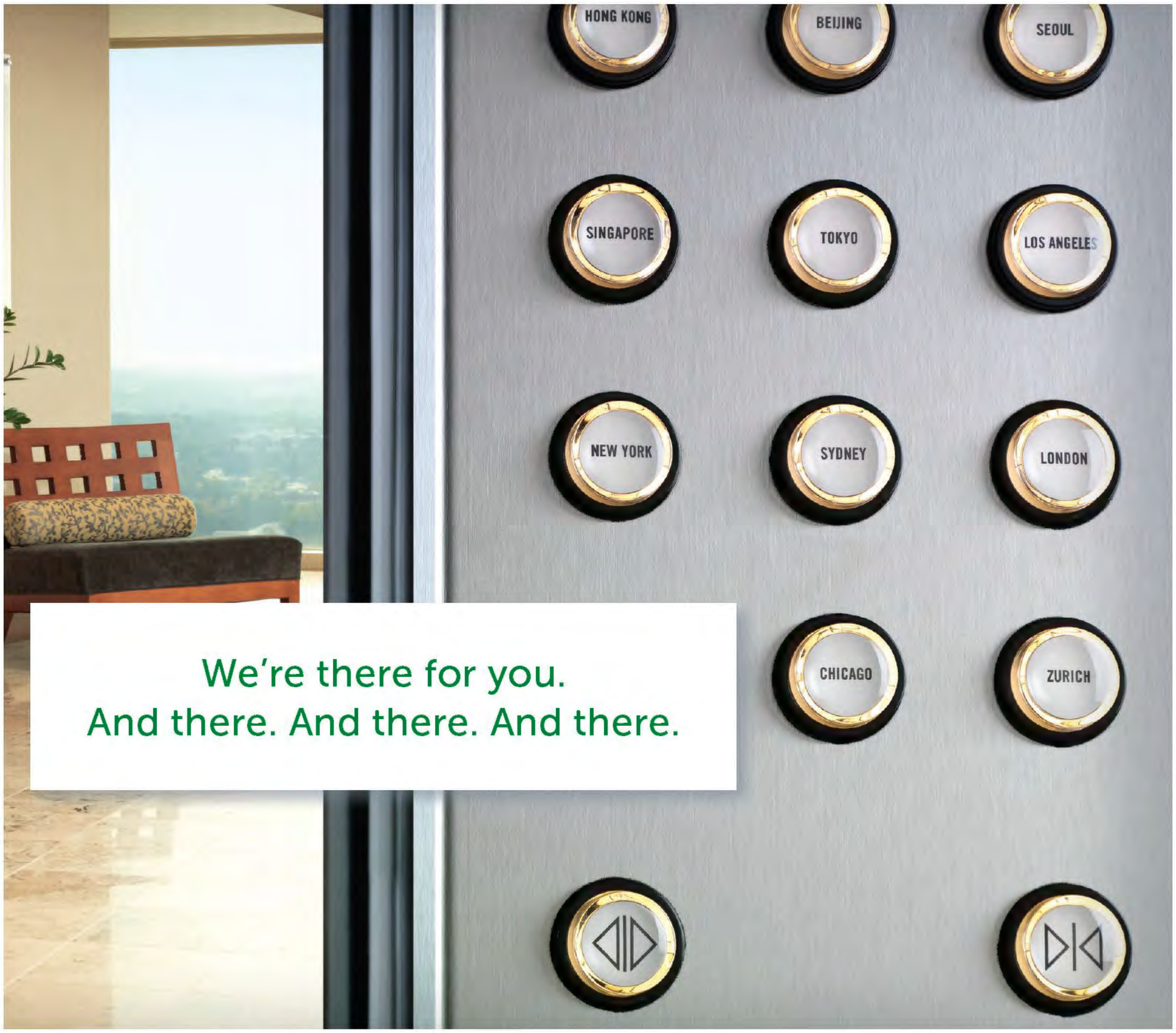
- Senior Secured
- Unitranche
- 2nd lien / Last out
- Senior Stretch
- Mezzanine
- Equity co-investments

Investments of $5 - $75 million
Lead, Co-Lead, Club

To learn more about our capabilities, visit:
www.babsoncapital.com

Babson
CAPITAL MANAGEMENT



When it comes to fixed income investing, Babson has the experience and global perspective to help insurance companies achieve their investment goals.

As part of the MassMutual family, Babson manages over $140 billion* in total insurance assets. We understand both the challenges and opportunities facing insurance companies today.

Our expertise across the fixed income spectrum—encompassing both public and private markets around the globe—helps us to identify the investments that best meet our clients' needs.
WWW.BABSONCAPITAL.COM

For more information, please contact:
Shannon Pons at 1 (413) 226-1181 / spons@babsoncapital.com
Brett Lousararian at 1 (617) 761-6119 / blousararian@BabsonCapital.com

Babson
CAPITAL MANAGEMENT

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MULTI-ASSET INVESTING

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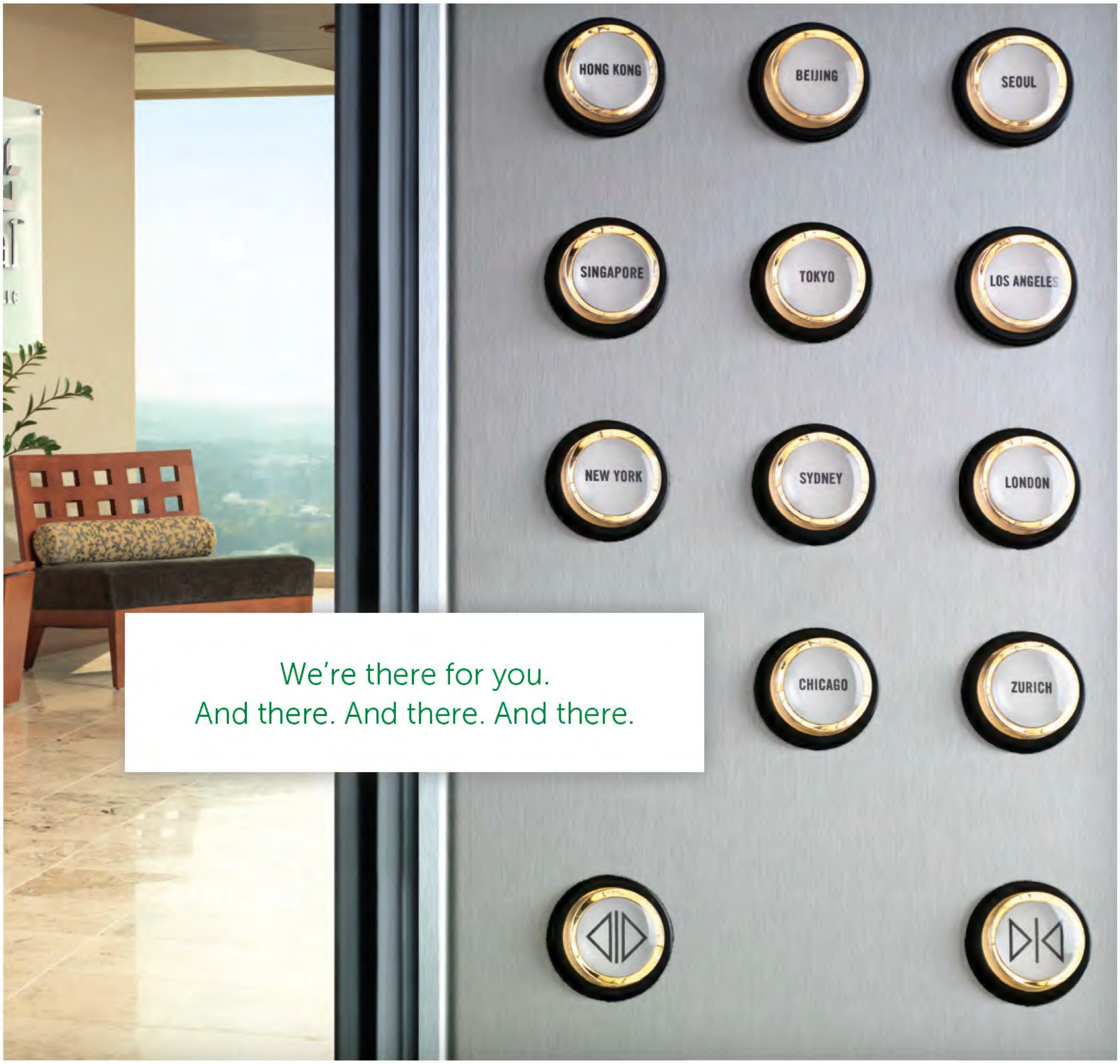

With a presence around the globe, Babson is committed to having the right people in the right place at the right time. Our local experts in the United States, Europe and Asia Pacific help to ensure that our clients will always have the highest level of service and investment talent they need, where they need it. Why? Because Babson believes that if you are invested in your clients, they will invest in you.

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Invested.

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Atlanta, GA 30309
Eric Johnson
Head of US Sales, Service and Consultant Relations
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www.invesco.com/us

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ENTERING A BRAVE NEW WORLD

The managers of multi-asset investing strategies want investors to know that these aren't just balanced funds by another name.

Investors would be forgiven, upon hearing the phrase multi-asset investing, for thinking it is nothing new. To a certain extent, those investors would be right. The investment landscape for the last half century and more has been dominated by the idea that diversification is paramount. From the capital asset pricing model onto more contemporary theories of finance, diversification remains a ruling concept. So how can multi-asset investing be anything more than just one more version of diversified investing?

The answer is somewhat straightforward. "At one level, multi-asset strategies are quite simple; they are portfolios that include more than one asset class," says Steve Brundage, Managing Director and Product Specialist for QMA. "These strategies have developed from early ideas of diversification: first combining just U.S. stocks and bonds, followed by international diversification, then came the addition of inflation protection alternatives such as real estate and commodities, and now even more strategies have been added, including various total return strategies."

But these developments reflect some ideas that are less straightforward. It now crucially includes not only more asset classes, but the ability to go long and short. This allows investors to reduce volatility and drawdown while still receiving uncorrelated return streams. The financial crisis drove home the idea that static asset allocations can prove difficult when asset classes become highly correlated to each other.

In addressing the issues raised during the financial crisis, investment managers have sought new methods and trialed new strategies to support, for instance, the ability to short effectively and safely within mainstream portfolios. "Multi-asset strategies are more mature now," says Stuart Peskin, Investment Director at Standard Life Investments. "They have track records that support the approach. There is a more developed set of market tools that allow managers to execute these strategies more efficiently. Some of these include more deep and liquid emerging markets, and more developed derivative markets."

Engine room

Broader, deeper markets, not just in developed country equities, but across the globe and across asset classes, mean that these tools are now central to this style of investing. Nevertheless, the definition of multi-asset investing is not yet set. It still means different things to different managers. "Multi-asset investing is not a product but a capability used to achieve investor outcomes," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "We view multi-asset investing as the engine room. The actual focus is on the investor requirements such as capital preservation, risk-controlled growth – equity like returns with less risk, a real return that takes account of inflation, well-diversified income and control of downside risk."

One key plank for most multi-asset managers is the need to diversify away from equity risk, which dominates long-term institutional portfolios today. "We define multi-asset as a strategy that uses various global asset exposures to hedge economic outcomes," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "From our point of view, it's the changes in the economic landscape that affect the direction, the magnitude and the correlation across asset class returns. Because most portfolios are biased toward positive economic growth through equity investments, multi-asset portfolios may help investors perform better in environments that are unfavorable to stocks, whether that is due to a recession or a period of inflation."

It's imperative to understand what a manager means by diversification. "When we say diversification, we mean economic diversification," says Invesco's Gluch. "We don't mean simply adding a lot of exposures together that may well be geared to one phase of the economic cycle, such as growth. You can have a high degree of segmentation across exposures and still behave a lot like the equity market. Economic diversification means having the hedges in place when the economy transitions from growth to recession and/or inflation."

Not unconstrained

While for most managers multi-asset investing involves investing across stocks, bonds and other asset classes, some managers see even a single asset class as roomy enough to pursue a multi-asset approach. "At Babson, we see multi-asset investing as an opportunity to provide customized solutions for clients, whether at the fund level or via separately managed accounts," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "On a broad level, a portfolio may include a wide range of assets spanning investment grade, high yield, U.S., European and emerging markets. However, while a very broad mandate may be suitable for some investors, we as a high yield group also offer multi-asset products that focus specifically on opportunities in the below investment grade market."

As many investors rethink their approach to fixed income, it's not a surprise that there's room for a fixed income multi-asset strategy. "Multi-asset means having the flexibility to invest where we see the most attractive risk-adjusted returns, whether it's in liquid or illiquid assets," says Eric Lloyd, Head of Global Private Finance at Babson. "In that context, our clients look to us to bring our knowledge of various markets and sectors to bear in one place as we seek to deliver them the most attractive risk-adjusted returns."

What it isn't is unconstrained. "The term 'unconstrained' often tends to have constraints," says Babson's Freno. "We are seeing a trend within our client base whereby our clients are looking for managers to implement multi-asset class solutions, but within a specific framework. For instance, we see clients looking for broad investment grade exposure or broad high yield exposure, which gives them an idea of what they should expect from a risk, return and volatility standpoint. The idea is that within that space the manager is free to seek the best relative-value."

Multi-asset investing offers a distinct characteristic that unconstrained portfolios (in any asset class or classes) usually do not. That's a focus on limiting downside risk or maximum drawdown. This is where hedging – and shorting or taking relative positions comes in. "Relative value positions make up a fairly sizeable part of our portfolios," says Standard Life Investments' Peskin. "These don't ever dominate the portfolio. But in the current environment, we are making a fair amount of use of relative value."

"We don't borrow stocks as part of our strategies, so we're not shorting through borrowing. But we are taking positions and using derivatives such that we have some notional short exposure."

This judicious use of shorting is common to many multi-asset managers. "Babson's approach is long-biased," says Babson's Freno. "It isn't long only and it isn't long-short. From time to time we look to buy protection on the portfolio using a variety of methods. It's more to protect against long-tail events rather than taking a short position in the market – long-biased with the ability to hedge."

continued on page 6

Because most portfolios are biased toward positive economic growth through equity investments, multi-asset portfolios may help investors perform better in environments that are unfavorable to growth in stocks, whether that is due to a recession or a period of inflation

continued from page 5

Another common theme in multi-asset portfolios is the ability to move quickly to take advantage of market dislocations and opportunities. Yet this ability is not without limits or constraints. Call it dynamic with guardrails. "Being dynamic is critical to the success of multi-asset investing," says Standard Life Investments' Peskin. "Our firm uses a philosophy called 'focus on change.' We are constantly looking at the current market drivers, what expectations are currently priced in and what the triggers are to release value."

Again, much can rest on how you define a term. "Dynamic asset allocation should not be confused with market timing because it is just not consistent or repeatable," says Schroders' Marais. "Dynamic asset allocation is a useful tool, but the emphasis must first and foremost be on portfolio construction. When the portfolio is well-designed, you might dynamically adjust it. But if you tell me that you make your money from dynamically allocating between stocks and bonds, I simply don't believe it. If you tell me that you have a well-designed portfolio that is risk-premia-based and you may gently tilt in terms of value, momentum or the environment towards the premia that is most attractive, that's a very different approach."

Frictional cost

In bonds, opportunities can be more limited. "Fixed income generally doesn't lend itself to big short-term shifts in a portfolio without some level of volatility," says Babson's Freno. "But there are periods of time when the market has offered the opportunity to move. We saw it in the fourth quarter of 2011, for example, with the downgrade of the U.S. coupled with issues in some of the peripheral European countries. We also saw an opportunity in the fourth quarter of last year, amid growing concern over energy exposure within the U.S. market. In our opinion, it is at those times that managers can best make asset allocation decisions with a certain amount of speed. At other times, you need to be fairly deliberate in how you deploy capital and not move for the sake of moving."

Multi-asset managers often offer a variety of strategies, dialing up or down on risk and return, as well as how wide the investment parameters are. "We build multi-asset portfolios in different ways," says Invesco's Gluch. "We build them in a long-only framework where we will use a risk-parity approach. That's a more strategic buy-and-hold approach that can be complemented with a small amount of tactical. The point here is that risk parity is a great way to build a longer-term strategic allocation, but we can better adapt it to the near-term through tactical."

"We can also build a multi-asset strategy that has a small amount of strategic through risk parity, but a larger amount of tactical," continues Gluch. "Here we reduce the long-only constraint, and go long and short. In that case, we take a total return risk mitigating strategy — risk parity — and turn it into an absolute return portfolio."

In general, investors can choose among a variety of multi-asset flavors. Often it is a choice along a spectrum that moves from a long-only bias to one focused more on absolute return. The choice often depends on how an investor chooses to use the strategy — as a replacement for an equity allocation, or in the alternatives bucket, or even, in some cases, for a broader fixed income mandate.

"We have two types of multi-asset strategies - absolute return and long-biased," says Standard Life Investments' Peskin. "In the absolute return strategies, return objectives are set from cash plus 3% to as high as cash plus 7½%, with the flagship product set at cash plus 5%, over rolling three-year periods. The higher-returning mandates are allowed to invest in many more asset classes, such as equity and REITs, and may have more credit than the cash plus 3% portfolio."

Some managers offer several varieties of multi-asset strategies. "Risk parity is really about building better beta exposures that account for different economic outcomes," says Invesco's Gluch. "Our absolute return approach is more of a play on alpha, with only a small beta component. It's mostly tactical. Some of our clients are combining both of these multi-asset approaches as they are complementary."

The use of more than one of these strategies by investors reflects a broader theme in the industry that analyzes entire portfolios according to risk. "What is the common language around multi-asset?" asks Schroders' Marais. "If you were investing in equities, you might use the phrase, discounted cash flow. If you're in bonds, you probably talk about duration. For us the common denominator is the use of risk premia. There's no magic here; it's simply the building blocks of asset classes. Every asset class is made up of drivers or premiums. These premia are better descriptors of risk and return than of asset classes themselves. This is a powerful message that U.S. institutional investors are increasingly receptive to."

Maximum drawdown

By limiting risk, managers hope to limit drawdown, thus quelling investor concerns. "Investors are trying to reduce volatility inside their portfolios and in particular, overall portfolio drawdowns, while also receiving uncorrelated return streams," says QMA's Brundage. "When designing and managing our portfolios, in particular our real assets strategy, we view maximum drawdown as an important risk measure. With markets becoming more correlated during periods of stress, investors have seen that drawdowns

continued on page 8

We view maximum drawdown as an important risk measure. With markets becoming more correlated during periods of stress, investors have seen that drawdowns can be larger than anticipated

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continued from page 6

can be larger than anticipated."

It is important for investors to understand exactly how some of these strategies operate. Not all managers construct their portfolios using the same methods or methodologies. "We allocate based on risk, which frees us from allocating on nominal terms by asset class or risk factor," says Standard Life Investments' Peskin.

Some strategies run across both public and private market segments, adding additional measures of risk to consider. "We run risk-based portfolios that are constructed from the bottom-up based on our assessments of individual credits," says Babson's Lloyd. "After that we look at the value of the credit from a return perspective relative to the risk in the underlying asset. If it's private debt, we also consider the relative return of a similar risk in the liquid part of the market. If we aren't picking up a true illiquidity premium then we don't believe we are investing our client's money in the most attractive risk-adjusted return solution."

It can help to walk through examples. "Our portfolios are risk-based in terms of how they are designed," says Schroders' Marais. "Risk premia means that I think about whether I am getting rewarded for the risk I am taking. So say I'm in cash. If you want me to part with cash and go into credit, there's a premium. So what is the reward for going into credit? It's risk-driven. I'm not going to give you my cash if I don't think the investment is worth the risk."

Whatever the method, investors in multi-asset strategies will want to know exactly how success is measured. It can be difficult, even as these strategies are almost by definition constructed away from a single or even a composite benchmark, to get away from sizing up performance against a benchmark. "Our below-investment-grade multi-credit strategy is not measured against a benchmark, but a live hurdle rate," says Babson's Freno. "If you have a benchmark your portfolio is going to look like the benchmark, or maybe deviate just a bit. Because our hurdle rate is defined as the risk-free rate plus an additional amount, our portfolio can and generally does look completely different from a benchmark."

Risk at a reasonable price

Multi-asset strategies focus on the longer-term and should not be judged on a quarter-to-quarter or even a year-to-year basis. "We have identified 500 basis points over the risk-free rate as the appropriate premium for investors to get paid over the course of a cycle for investing in below-investment-grade credit," says Babson's Freno. "It's not a rate that will be obtained in every market all the time–there will be some periods of time when spreads are tighter, and some when spreads are wider. But over a normal economic cycle, we believe that is a fair premium for investors to be paid."

So while multi-asset investing has some themes in common across managers, there are also differences in style and approach. "Advanced beta is a big part of our multi-asset investing initiative," says Schroders' Marais. "These are the building blocks that we use to construct portfolios. We use three types of advanced beta: thematic betas, structural betas and outcome betas. An example of a thematic beta would be 'risk at a reasonable price.' Here we saw a dislocation in the market – equities became very volatile – so we created a basket of stocks that took advantage of investor overreaction. That structure worked for six months and then we closed it. We consider these betas tactical."

"In a structural beta, we use value or momentum, but try to do it better than traditional providers who often need to compromise in design to accommodate large flows," continues Marais. "The third dimension is outcome, which is yield, creating yield baskets whereby income funds could seize baskets with different dimensions of yield."

Others take a more top-down approach. "We believe in a quantitative approach to investing," says QMA's Brundage. "You need to be able to process huge amounts of data to understand what's going on not only in the equity markets globally, but also in the various components of fixed income returns, such as inflation expectations. These expectations also have an impact on other asset classes such as real estate, commodities and global infrastructure. We believe using a quantitative approach to construct our portfolios provides investment discipline and leaves us less susceptible to behavioural biases."

Reduce losses

"A risk parity strategy is intended to reduce losses," says Invesco's Gluch. "An absolute return strategy seeks positive returns. In 2009, risk parity forced you to own the reflationary assets in stocks and commodities, whereas tactical strategies had to adjust to the reversal in the trend. So the two approaches capture returns in different directions and different levels of magnitude."

"From a broad view, we describe ourselves as top-down global macro investors," says Invesco's Gluch. "We describe it as using our fundamental views of how asset classes behave relative to the economic cycle and expressing that through a quantitative platform."

Volatility is a risk and an issue that concerns investors. For multi-asset managers, volatility can be both a risk and an opportunity. "We think it's really important to be careful about making predictions about volatility," says Standard Life Investments' Peskin. "Volatility is mean-reverting over the long run, but it can go through periods that belie what the fundamentals may be suggesting. Post taper-tantrum two years ago, the conventional view was that the stage was set for a continuation of the sort of risk-on, risk-off market environment and high volatility that arose in 2011 and 2012. But since the taper-tantrum, volatility has been historically low. It's only recently that you've seen a pickup in volatility in interest rates and currency, with equity volatility remaining subdued. So there's still a possibility of a mean reversion."

"The danger of positioning yourself in too extreme a way for mean reversion is the carry cost of that insurance," continues Peskin. "We're very careful about how we utilize volatility. In fact, we typically structure ourselves so we have zero carry costs in our relative value volatility positions. But we are also looking for investment positions that would provide the same sort of characteristics as an explicit long volatility position."

Not all multi-asset managers work in both the public and the private realm, but those that do offer a certain flexibility to their clients. "At Babson, we are a bottom-up, fundamental credit business. We apply the same committee-based decision making process across all of our global fixed income asset classes, both public and private," says Babson's Lloyd. "In the private credit space, we invest in senior debt through mezzanine tranches in Europe, North America and the Asia/Pacific region. Ultimately, it really comes down to what solution is right for the investor. Investors will typically specify the geographies they want to include in their portfolios but from there we generally choose the asset classes we think will provide the best risk / return solutions. It could be a mix of senior and mezzanine, for instance, or something else–usually it's some combination of a return dynamic, geographic diversity and the investor's risk tolerance."

"In our below investment grade multi-credit strategies, we invest in global high-yield corporate bonds as well as loans," says Babson's Freno. "We also include some exposure to structured credit products such as CLOs (collateralized loan obligations) as well as special situations opportunities."

"We are flexible, but at our core we are also thoughtful," says Babson's Lloyd. "We're deliberate in all of our credit work and underwriting."

This area of investing now offers something for everyone, it seems. "Multi-asset is no longer traditional exposures to active equity managers and active bond managers," says Schroders' Marais. "It's now a full menu of alphas and some smart betas to better get you to the outcome you desire." •

INVESTORS FLOCK TO MULTI-ASSET INVESTING

After years of bull markets in stocks and bonds, savvy investors are wondering if a more defensive stance is required. That's where multi-asset investing comes in.

In the years since the financial crisis, some tough lessons have been learned. It takes longer to make up losses than you might think. Losses hurt – more than you might think. Volatility can be friend or foe, and sometimes both together.

So even though many investors are basking in the glow of some recent double-digit returns, few are complacent. "One of the biggest challenges to multi-asset investing is a bull market in equities," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "We are, by definition, more defensive given that we combine different assets. So our risk-controlled growth strategies might lag standard equities. That said, with markets becoming more expensive and more volatile, in many ways, multi-asset investing becomes more attractive because we aim to provide a client with better diversification while focusing on the downside."

Just how unfriendly markets might become is not known. But with the unwinding of quantitative easing in the U.S. close on the horizon and equity markets that may be fully valued, the future does not look as bright as the recent past for institutional investors. "Certainly investors are looking for a smoother ride," says Steve Brundage, Managing Director and Product Specialist for QMA. "They are looking for diversification. Say the investor has a traditionally oriented 60/40 portfolio with a 10% volatility target, they may ask us to find a way of getting returns that have a low correlation to that portfolio but with similar volatility. So I believe that multi-asset strategies are being used as risk-reduction strategies as well as a way to increase total return."

Ability to go short

It's this combination that explains why multi-asset strategies are gaining fans today. "Multi-asset class strategies are attractive because investors are looking for return streams that have a low correlation to other more traditional return streams in their portfolios," says QMA's' Brundage. "It is important to add asset classes that can fulfill more than one role in a portfolio like real estate, master-limited partnerships, and global infrastructure. These asset classes not only provide diversification and exposure to real growth, but also help protect against the possibility of rising inflation. As a result, institutional investors are saying that they want a sleeve of their portfolio that incorporates such asset classes. One such strategy that includes such exposures is real assets."

Investors want to keep hold of returns already made even as the prospects for the future are a bit less rosy. "If you look back over the last five or six years, you've had a great run for stocks and bonds," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "Central banks have worked to lower yields and sought to create a wealth effect through stocks. But now investors are faced with the prospect of meager risk premiums – across both stocks and bonds – that may limit their ability to

continued on page 10

continued from page 9

achieve their return targets. Multi-asset strategies can reduce the correlation with financial assets and help with capital preservation."

Given the current and predicted returns available in traditional stocks and bonds, anything that can help reduce correlation and increase the likelihood of wealth preservation is being greeted with interest. "At this point in the economic cycle, investors are tentative about how much to have in traditional asset classes, as well as in illiquid assets, as they don't want to be caught on the downside," says Stuart Peskin, Investment Director at Standard Life Investments. "Multi-asset strategies offer some protection on the downside and a more tactical approach than buy-and-hold."

Derisking

Specifically bond investors, stuck with the low returns in the asset class, have been thinking of replacements. Multi-asset bond strategies may be an answer. "When investing in below investment-grade credit, we think a global approach across several asset classes has a number of advantages," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "In our opinion, the senior secured part of the high yield market is an attractive place to be. You have a very low duration in this part of the market and you also have better credit protection than investing only in the unsecured part of the high yield markets."

Core fixed income, long a mainstay of institutional and pension portfolios, has been a tough place to be lately. "Investors are looking for a substitute for their core fixed income allocation," says Standard Life Investments' Peskin. "Multi-asset strategies can be an effective substitute."

Of course, the dire scenario that investors remember all too well from 2008 is correlations between asset classes going to one. "We continuously look at scenarios where equities and bonds sell-off at the same time – when diversification doesn't work," says Schroders' Marais. "For example, should inflation pick up and the Fed be behind the curve on inflation, your bonds will sell-off and your equities might not rally, so diversification won't protect you. However, if the market thinks the Fed is in control, equities might continue rallying."

Scenario testing is part of the process of understanding multi-asset strategies. "Investors should have a sense of what to expect from a portfolio in terms of the expected returns and volatility under different scenarios," says QMA's Brundage. "Obviously, the most important scenario would be a severe market correction, but also what happens when rates rise or currency markets correct. Then you would want to see how each asset class reacts not only on a stand-alone basis, but also how it interacts with the other asset classes used in the portfolio."

It has also been tough within or across asset classes to take advantage of opportunities in markets that are tending to move more quickly. "Institutions often have to go through a lengthy process to enter a specific asset class," says Babson's Freno. "Because markets move much more quickly than the typical six-to-12 month period those processes require, investors are looking at ways to keep up. Investing in a broader multi-asset mandate can be one way to do this. For a high yield manager, that may mean they can shift from the U.S. to Europe because that is where they see the best opportunities – or from high yield bonds to floating rate loans because duration risk appears unattractive, without going back to committee."

It can also be hard to keep up. "The markets may move dramatically," says Babson's Freno. "Sometimes these moves are fundamental, but sometimes they are just technical. We believe having a manager that has the ability to react quickly is the best approach. It allows investors to capture return that they potentially would not be able to through their longer approval process."

Keeping within boundaries

The structure of these portfolios is transparent. "We see investors broadening their mandates, but keeping within boundaries," says Babson's Freno. "They say, 'We want an investment-grade-type return and an investment-grade-type risk profile. So whatever you see in that space, feel free to pick what you see as the best relative value.' The same goes for below-investment-grade portfolios."

"Investors in below investment grade multi-asset strategies have generally compared returns achieved by their managers to those of a high-yield index," says Babson's Freno."If it doesn't capture all those returns, then they are going to need to see that the returns were generated with a lot less volatility, which you can demonstrate through a higher than index Sharpe ratio."

Multi-asset strategies aren't yet, and may never be, a total portfolio solution. Many investors just use the strategies for a sleeve in their portfolio. And they use different versions in different circumstances, which could include larger discretion for shorting and a wider array of asset classes.

Managers agree that a range of approaches to multi-asset is in order. "We think it's important to have two approaches," says Invesco's Gluch. "Each has a different outcome in mind. One says, 'I'm going to be highly diversified across the economic cycle.' The other says, 'I'm going to be much more flexible and adaptable to both opportunities and dislocations in the markets by being able to go both long and short. And I'm going to have fewer constraints on the amount I have in any single asset.'" •

At this point in the economic cycle, investors are tentative about how much to have in traditional asset classes, as well as in illiquid assets, as they don't want to be caught on the downside

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A GENERAL APPEAL

It isn't just some institutions that are adopting multi-asset sleeves. All kinds of investors, including retail and DC plans, are hopping aboard.

Multi-asset strategies have useful attributes. They provide diversification and downside risk protection, while still offering a level of return commensurate with their risk profile. Not surprising then that all sorts of investors are using these strategies today.

For larger institutional investors — defined benefit pension funds, and endowments and foundations – multi-asset strategies probably play a particular role within a larger asset allocation strategy. There will be either an emphasis on diversification or on downside risk protection, depending on the needs of that investor. For other client groups — retail investors or defined contribution participants — multi-asset can be the cornerstone of an entire approach. It just depends on what the investor is looking to achieve.

Diversification is often most needed away from the predominance of equity risk in portfolios. "Our clients use this strategy generally for a portion of their portfolio," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "With risk parity, we are finding that investors acknowledge the concentration and dependence on equity risk premiums. So they are using risk parity to better diversify that concentration and dependency."

For defined benefit plans that are on a derisking path, multi-asset fixed income could be either part of a hedging portfolio or part of a risk-seeking one. "We believe that high yield should be a core allocation and a long-term allocation," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "The discussion among investors should then be whether to be underweight or overweight that allocation. In today's low-yield, low interest-rate environment investors generally want to reduce their exposure to interest rates as much as possible. You can't eliminate that exposure, but you can mitigate some of the duration risks that you have. There are floating rate securities such as loans that can be used, without potentially giving up much yield in what would have been a fixed rate portfolio."

Different outcomes

How multi-asset strategies are used can depend quite heavily on where the institution is based globally. "Multi-asset investing can be different in different regions because investors want different outcomes," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "What Japanese investors want can be quite different by outcome than Europeans or American investors. U.S. investors are increasingly focused on wealth preservation; they don't have an affinity for sharp prolonged losses. So there is an increased demand for very well-diversified portfolios. They want their equity portfolios to be controlled specifically for volatility so as to limit the downside. Demand for income is also strong."

Some investors are just starting to use multi-asset strategies, though others are comfortable with allocating a larger portion of their portfolio to the investment approach. "If you look at larger investors, it would be surprising if they had more than 5% or 10% allocated to multi-asset strategies," says Stuart Peskin, Investment Director at Standard Life Investments. "But we certainly work with some investors that want to build portfolios made up primarily of multi-asset strategies because it allows economies of scale and they don't have the governance structures to make timely tactical decisions."

How much an investor assigns to multi-asset investing can depend on where the allocation sits in the overall portfolio. "Where an investor puts a multi-asset portfolio in their asset allocation structure depends on the outcome they require," says Schroders' Marais. "If they are looking for wealth preservation, it might sit in the alternatives bucket. Or many investors now have a cross-asset bucket. Many are replacing the equity bucket with a more risk-adjusted equity exposure, with income as an intermediate element. They also may have an inflation or real asset investing alternatives bucket. If it's risk mitigation that they are after, then it might be in the LDI portfolio or if it involves overlays – volatility overlays – then in the equity or return-seeking bucket."

Because of its all-in-one appeal, multi-asset investing is also finding favor with retail investors and defined contribution participants. "One of the fastest-growing areas of interest in multi-asset investing is coming from the DC side," says Schroders' Marais. "Often it is actually needed more by retail investors than institutional investors because there's a more limited financial skill base. It might be in the default option or as part of an income strategy."

Looking to DB

Multi-asset strategies are also integrated into asset allocation strategies such as target-date funds. "We see interest in our strategies across a wide range of institutional investors," says Invesco's Gluch. "DC plans are certainly part of our client base. It's hard to know exactly how much is in DC plans as the strategies are sometimes used in custom target-date series. We have our own target-date offerings that are built off the risk parity framework. The glidepath is built based on targeted risk levels, balanced economically across stocks, bonds and commodities."

Although multi-asset investing can be quite complicated in execution, the outcome can be outlined in simple language, which can be appealing to the less financially savvy. "We have a powerful language to talk to individual investors because we talk about outcomes," says Schroders' Marais. "We don't need to talk about equities and bonds; that's just the engine room. These strategies could be used as an inflation-sensitive, real return standalone option, or they could be used in the target-date fund. It depends how the fund is labelled. We work with the plan sponsor to design and implement the strategy they want to offer to their participants."

Early defined contribution adopters appear to have heard about multi-asset investing from their defined benefit colleagues. "We see a lot of interest from DC plan sponsors in companies that also have DB plans," says Invesco's Gluch. "Some of these plans will use risk parity as a standalone option on their platform."

You might think that most of the assets allocated to these strategies would be transferred from the equity, but the reality is less consistent. "We find that some investors fund a risk parity allocation from equities," says Invesco's Gluch. "Some from bonds, particularly those bonds that are more equity like, such as high yield and credit. Some will take from both bonds and equities. Others see risk parity as an alternative, so they may look to reduce their exposure to illiquid alternatives, gaining lower fees and daily liquidity."

"The low nominal returns today point to investing in multi-asset portfolios as a complement to traditional assets," says Standard Life Investments' Peskin. "Mindful of the possibility of rising rates, many investors want to pare back their allocations to traditional asset classes but are constrained in their ability to add illiquid assets as a substitute. This is sparking continued growth in multi-asset allocations as a prudent alternative."

"We can provide an all-illiquid portfolio, but that would typically be for an investor with longer-term liabilities and less need for current liquidity," says Eric Lloyd, Head of Global Private Finance at Babson. "Allocation shifts into these assets don't come from just one source. They could come from private equity or liquid fixed income. It depends on the situation."

"For example, we've seen investors allocate a portion of their portfolio that was going to be core fixed income to private debt," continues Lloyd. "In other cases, the funds transitioned out of private equity."

Downside protection

"A large number of very large, sophisticated pension plans and investors use a multi-asset, risk-premia approach at the aggregate level," says Schroders' Marais. "We partner with some of these investors; it's a strategic partnership involving research, skill and experience. We help these investors with the process. With a smaller investor, we might take almost all of the portfolio and manage it for them in this way, almost an outsourcing arrangement."

"Multi-asset strategies have a role in downside protection," says Standard Life Investments' Peskin. "We also see clients using these strategies to provide complementary diversification and finally, being invested in multi-asset portfolios gives investors a real time indication of where the world is headed according to a trusted manager in their line-up. This in turn provides insight into the wider investment world that they can use in their overall portfolio execution." •

The Liquidity Conundrum

Liquidity is more important than ever to investors, particularly those stung when it dried up in the financial crisis. Yet there is less of it about than ever. So it remains a key concern of both investment managers and investors. "We are always conscious of our liquidity position and expend considerable resources to minimize trading costs," says Stuart Peskin, Investment Director at Standard Life Investments. "Our investment style is a crucial starting point. By applying a longer time horizon in our investment decisions, we construct our portfolios with the aim of not being forced to trade hastily nor having to turnover our portfolio at a high rate. Our assessment is that, at the margin, overall liquidity has been impacted by the regulatory environment, however we have taken action to adjust to the environment, including how we access certain markets and the counterparties that we choose for trade execution."

Key factor

This is a sentiment echoed by other multi-asset managers. "Liquidity is an extremely important consideration for any asset class that gets included in our portfolio," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "We will only include exposures that we think will deliver a long-term positive risk premium. It has to have a beneficial risk-adjusted return or Sharpe ratio – and sufficient liquidity for us to trade in that asset. If we believe – in any way – that the liquidity would be an impairment to our implementation, then that asset would be excluded."

Many managers see liquidity as more of a risk than a premium. "Liquidity is a risk premia," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "But it's asymmetric because most of the time it doesn't offer you an attractive premia, until after a liquidity shock when it rewards investors for a period of time. It's a key risk for us in multi-asset investing as investors in search of yield are taking on more and more (liquidity) risk."

Client focus

From an investor point of view, liquidity is in the eye of the beholder. Some investors need more liquidity than others. "Liquidity risk depends to a certain extent on the client," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "Investors and their managers need to weigh how much they are being compensated for giving up liquidity. That being said, if your investors have a long-term investment horizon and liquidity is not as much of an issue, then more of the portfolio can be allocated to performing illiquid credit, as well as stressed and distressed issues. If an investor has the luxury of not worrying about monthly liquidity, you can probably construct a more efficient portfolio than one that requires more frequent liquidity."

A WORLD OF OPPORTUNITY

To gain insight into how multi-asset managers think, ask about their best ideas.

Beyond returns, downside protection and diversification, multi-asset strategies also provide investors with an additional benefit — access to the best ideas of managers that have access to and the ability to analyze opportunities across the globe. So as managers crunch data, sift through research and weigh the relative valuations of asset classes and securities, what is speaking to them today?

One area of some consensus is the U.S. equity market. "We would definitely say that U.S. equities are overvalued," says Dave Gluch, Client Portfolio Manager with the Invesco Global Asset Allocation team. "Valuation is an input into our risk estimate across our global equity exposures. Across the broader universe of developed equity markets, the U.S. is the most extended in valuations – both large cap and small cap. In our models, those exposures have a higher risk estimate meaning that we are decreasing their exposure and redirecting toward non-U.S. equities, which we believe are more fairly valued."

But overvaluation doesn't always mean that managers stay away. "We think equity valuations in the U.S. may be the richest, but at the same time growth is on a solid track," says Stuart Peskin, Investment Director at Standard Life Investments. "We still see attractiveness in larger cap stocks and in the technology sector in large- and mid-cap relative to a broad small-cap exposure."

Saved by QE

Others concur on the relative value point. "U.S. equities look attractive vs. the other alternatives we have now," says Steve Brundage, Managing Director and Product Specialist for QMA . "Europe is struggling, but is being helped by quantitative easing, which makes equities there more attractive. U.S. equities are probably slightly rich, but they don't look all that bad when compared with the other options out there."

"When you look at risk premium research, we would say that equities are fully priced," says Nico Marais, Head of Multi-Asset Investments and Portfolio Solutions at Schroders. "But almost immediately that can be flipped to ask, 'Fully priced relative to what?' For an equity investor it might be relative to history or traditional P/Es. For me, it's relative to other opportunities other risk premia, which is very different."

"I do think equities are still a better option relative to fixed income," says Schroders' Marais. "But we're very sensitive to credit and high yield because of liquidity, and how expensive certain bond markets are."

Opportunities do exist in a variety of bond markets, if not the most traditional ones. "Structured credit assets certainly have merit today, in our opinion," says Michael Freno, Head of U.S. High Yield Investments and Co-Portfolio Manager for the Global Multi-Credit strategy at Babson. "They are derivative forms of loans and are floating rate. Often you may pick up excess return versus comparably rated corporate securities."

"We remain invested in Europe on both a senior secured and unsecured basis but have found the secured market to be particularly attractive," says Babson's Freno. "It's also where we are seeing many of our special situations opportunities coming from. While the default rate remains low, there are still opportunities to find stressed companies that will give you above-market returns."

Staying senior

"On the private side, we think that the Australian mezzanine market is attractive," says Eric Lloyd, Head of Global Private Finance at Babson. "But it's not a particularly large market. A reasonably large amount of funds have been raised for direct lending in Europe, particularly targeting senior debt and unitranche type financing. On a relative basis, we have a bias now to be more senior in the capital structure, predominantly floating rate, and more diversified on a geographical and sector basis. That's because of the point we are in the economic cycle and the rate environment."

Insight into both market and economic environments is another area where multi-asset managers can help. "We see the economic cycle as multi-speed across the globe, which allows for opportunity in currency and certain fixed income markets," says Standard Life Investments' Peskin. "Within equity markets we see valuations as an inhibitor for increasing allocations. In fact, we're going the other way. We do see plenty of opportunity to express our views through the relative value approach within equities."

"Normally riskier asset classes outperform less risky asset classes over time," says QMA's Brundage. "But there can be long periods of time where investors' appetite for risk can remain depressed. TIPS have done surprisingly well in a low risk appetite environment, as Treasuries have been the ultimate safe haven. From a valuation point of view, however, they are richly priced."

Europe is an issue for all investors. "In the past year, our clients have been worried by Europe's troubles," says Standard Life Investments' Peskin. "Was it going into a deflationary spiral and a lost decade, like Japan? Now that question is even larger, in that investors are wondering about a wider deflationary environment. We see this as a low probability and not very likely."

"As far as fixed income goes, we like Brazil, Korea and still think Australia has some attraction," says Standard Life Investments' Peskin. "We express the view through futures or physicals, swaps or inflation-linked securities — or even standard sovereigns. It's the whole spectrum."

"We think the U.S. dollar is in a long-term positive cycle," says Standard Life Investments' Peskin. "That's notwithstanding the very strong move in the dollar since August of last year through to March. The current pause makes sense to us, as central banks became increasingly uneasy about the move and investor positioning. We think the current cycle will be lengthy, as it has been in the past, and that it will undoubtedly overshoot, as it has done in previous cycles."

"To take advantage of the situation, it pays to be long the dollar," continues Peskin. "However, you need to be mindful of not trying to stay with it as it overshoots, because value does come into play eventually." •

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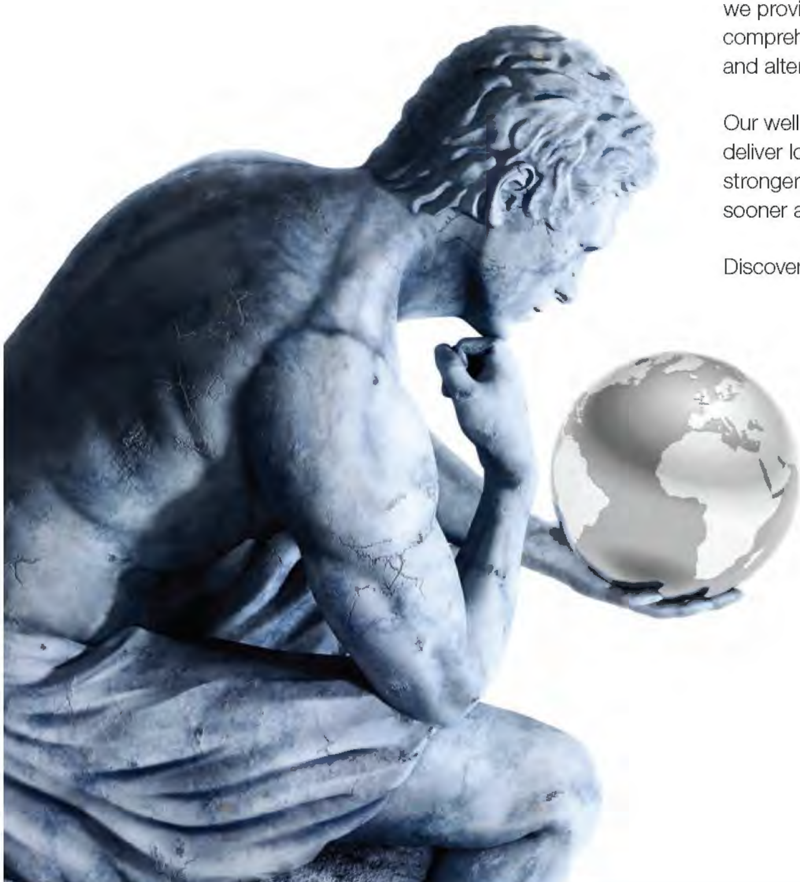

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8.30am	**Registration & Refreshments**	

9.00am **Welcome & Opening**

9.05am **Presentation: Macroeconomics and implications on your insurance assets**

- China's slowdown
- The European debt crisis
- US interest rates
- What's in store for 2016

Presenter: *Clarence Wong, Chief Economist, Head ER&C – Asia*, ***Swiss Reinsurance***

9.25am **Presentation: Opportunities in Global Equity**

9.45am **Panel: The CIO Roundtable**

Chief Investment Officers from leading insurance companies discuss best practices, trends in investment, their biggest investment concerns and predictions for the future.

- Managing ALM in an environment of volatile interest rates
- Keeping up with fast changing regulations
- Building local currency presence

Moderator: *Stuart Valentine, International Counsel,* ***Debevoise & Plimpton***

Panellists:

Arnaud Miroudel, Chief Investment Officer, Asia - ***BNP Paribas Cardif***
Boris Moutier, Regional Chief Investment Officer , ***AXA Asia***
Mark Konyn, Group Chief Investment Officer, ***AIA Group***
Thomas Spirig, Chief Investment Officer, Investment Management HK, ***Zurich Insurance***

For more details on AsianInvestor's 3rd Insurance Investment Forum,

3rd Insurance Investment Forum

Investing Asia's Insurance Assets

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10.30am **Networking Coffee Break**

11.00am **Presentation: Fixed Income ETFs**

Presenter: State Street Global Advisors

11.20am **Panel: Investing in Emerging Markets**

Our panel of experts examine issues surrounding managing investments in emerging economies.

Moderator: *Leigh Powel, Brand Editor,* ***AsianInvestor***

Panellists:
Jeffrey Tan, Regional Director, Investment Management & Corporate Finance, Asia, ***Ageas***
A.K. Sridhar, Director & Chief Investment Officer , ***IndiaFirst Life Insurance***
Larry Wan, Chief Investment Officer, ***Shanghai Life***

12.00pm **Breakout Discussion**

An informal, closed door meeting with your peers in the industry to discuss your biggest investment issues.

Breakout 1	Breakout 2	Breakout 3	Breakout 4
Billy Wong, Managing Director and Hong Kong Business Leader, ***Mercer***	*Isaac Poole, Willis Towers Watson, Head of Capital Markets Research, Investment Services, Asia Pacific,* ***Towers Watson***	*AsianInvestor*	

1.10pm **Networking Lunch Break**

2.10pm **Presentation: Global Private Credit**

Presenter: *Eric Lloyd, Head of Global Private Finance,* ***Babson Capital Management LLC***

2.30pm **Investment Workshops**

A special closed interactive session focused on specific investments.

Workshop 1	Workshop 2	Workshop 3

For more details on AsianInvestor's 3rd Insurance Investment Forum,

Structural Investment Allocation – with or without Asian Equities? ***Presenter:*** *Arthur Kwong, Head of Asia Pacific Equities,* ***BNP Paribas Investment Partners***	**Workshop 2**	**Workshop 3**

3.30pm	**Networking Coffee Break**

4.00pm **Panel: Non-investment considerations**

- Duration Matching
- Regulatory Capital
- Financial Strength Ratings
- Risk Management

Moderator: *Jame Dibiasio, Editorial Director,* ***Haymarket Financial Media***

Panellists:
Christian Wegener, Regional Manager, Financial Risk, ***AXA Asia Regional Office***
Mary Kwan, Risk Management Actuary, ***Ageas***

4.40pm **Presentation: How technology is changing the way we invest**

- What emerging technologies will drive returns?
- Innovating your investment department
- Disruptive innovation: fintech
- Investing in change

5.00pm	**Closing**

session times and topics for discussion subject to change

8:00 - 9:00	**Breakfast and Registration**
9:00 - 9:30	**Welcome & Introduction**
9:30-10:45	**The US Corporate Loan Market in a Global Context** • Overview of the Global Credit Markets • Factors Impacting the US Loan Market • What Happened in 2014? • The Primary Market Today **Moderator:** **Bram Smith,** LSTA **Panelists:** **Americo Cascella,** Ares **Andy Gordon,** Octagon **Paul Hatfield,** Alcentra **Andy Marshak,** CSAM
10:45-11:00	**Break**
11:00-12:15	**Loan Market Performance and Liquidity** • Secondary Market Trends • Performance, Volatility and Correlation • Active Portfolio Management: Technical and Fundamental Credit Analysis ▪ Industry Analysis In Focus: Oil/Gas • A Look Forward • Liquidity in the Loan Market **Moderator:** **Ted Basta,** LSTA **Panelists:** **Mike Freno,** Babson **Dan Norman,** Voya **Chris Remington,** Eaton Vance
12:15-1:30	**Lunch**

1:30-2:45 **Key Themes in the CLO Market**

- Trends in Issuance, Structure, Pricing and Performance
- How the Market is Solving for Risk Retention
- Outlook for the U.S. and European CLO Market

Moderator: **Meredith Coffey,** LSTA
Panelists: **Wynne Comer,** BAML
John Fraser, 3i
Paul Hatfield, Alcentra
Rachel Russell, Morgan Stanley

2:45-3:45 **Investing in CLO's**

- Primary/Secondary
- Investing Up and Down the Capital Structure
- 1.0 vs.2.0
- Long vs. Short

Moderator: **Jon Kitei,** Barclays
Panelists: **Andy Gordon,** Octagon
Paul Travers, Onex
Adnan Zuberi, BNP Paribas

3:45-4:00 **Break**

4:00-5:15 **The Value in Loans**

- Why Loan Returns Compare Well to Other Fixed Income Asset Classes
- How Loan's Unique Features Provide Value and Protection
- How Various Loan Segments Offer Attractive Risk Return Trade Offs
- Why Loans Fit Well in a Fixed Income Portfolio Context

Moderator: **Bram Smith,** LSTA
Panelists: **Dan Baginski,** Golub
Kevin Petrovcik, Invesco
John Fraser, 3i
Steven Oh, Pinebridge
Mark Okada, Highland

Cocktail Reception

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Integrating ESG Into Private Equity Summit - Monday 22 February 2016

Session	Speakers
08:15 - 08:50 **Registration & Coffee**	
08:50 - 09:00 **Chairman's Welcome**	Chairman **Adam Frost,** Responsible Investment Manager, **Partners Group**
09:00 - 09:40 **ESG: WHERE ARE WE NOW?** If We Accept That ESG Is A Means To Unlocking Value, Why Isn't Everyone Doing It?! What Are The Barriers Preventing Industry-Wide ESG Integration & How Are They Overcome?	Moderator **Mark Eckstein,** Director, Environmental & Social Responsibility, **CDC** Panellists **Ken Mehlman,** Member, Global Head of Public Affairs, **KKR** **Colin le Duc,** Partner & Co-Founder, **Generation Investment Management** **Therése Lennehag,** Head of Responsible Investments, **EQT Partners** LP Perspective **Maaike van der Shoot,** Corporate Social Responsibility Officer, **Alpinvest**
09:40 - 10:05 **LATEST ACADEMIC RESEARCH** Implications Of ESG Integration On Performance And Organisational Structure	**Ioannis Ioannou,** Assistant Professor Of Strategy & Entrepreneurship, **London Business School**
10:05 - 10:45 **VALUE CREATION CASE STUDIES** A Series Of 10 Minute Case Studies Outlining A Variety Of Environmental & Social Value Creation Routes	Session Coordinator **Tomi Nummela,** Associate Director of Investment Practices, **PRI** Case Study 1 **Jan Kengelbach,** Partner, **BC Partners** Case Study 2 **Jörg Rockenhäuser,** Managing Partner, Germany, **Permira** Case Study 4 **Magnus Christensson,** Head of Funding, Europe, **TPG Capital**
10:45 - 11:15 **Morning Coffee**	
11:15 - 11:45 **LP DRIVERS FOR ESG** Why Do We Care, What Do We Want & How Do We Know We're Getting It?	Moderator **Marta Jankovic,** Senior Sustainability Specialist & Head Of ESG Integration Alternatives, **APG Asset Management** Panellists **Richard Hope,** Principal , **Hamilton Lane** **Katja Salovaara,** Senior Portfolio Manager, **Ilmarinen** **Anders Strömblad,** Head of External Managers, **AP2** **Lee Gardella,** MD, CRO & Chairman of Responsible Investing, **Adveq Management**
11:45 - 12:15	

What Tools Have People Employed For Monitoring ESG Factors & How Is The Information Used?	Moderator Maaike van der Shoot, Corporate Social Responsibility Officer, **Alpinvest** Panellists Anna Follér, Sustainability Manager, **AP6** Geetha Tharmaratnam, Director, **The Abraaj Group** Ellen de Kreij, Director, **Apax Partners** Ignacio Sarria, Managing Director, **New Mountain Capital**
12:15 - 13:00 Guest Address **REPUTATIONAL RISK** Handling A PR Disaster	Gerald Ratner, Co-Founder & Partner, **Gerald Online**
13:00 - 14:00 **Lunch**	
Please note: All sessions that follow will be run strictly according to the Chatham House Rule. "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the	
14:00 - 14:40 **DEBATE** "This House Believes That ESG Is Full Of Good Intention, But Lacks The Ability To Make A Real Impact" Each side will have 5 minutes to put their case, followed by a 20 minute discussion	Debate Moderator Marta Jankovic, Senior Sustainability Specialist & Head Of ESG Integration Alternatives, **APG Asset Management** Tom Rotherham-Winqvist, Vice President, **Institutional Investors Roundtable** On Opposition Christy Hoffman, Deputy General Secretary, **Uni Global Union** Ken Mehlman, Member, Global Head of Public Affairs, **KKR**
14:40 - 15:10 **ESG DUE DILIGENCE: KEY TO RISK AND REPUTATION MANAGEMENT** How To Ask The Right Questions & Effectively Engage Consultants To Assess A Target Company's Capacity To Protect Value Through ESG Management	Moderator Andrew Malk, Managing Partner, **Malk Sustainability Partners** Panellists Ralph Guenther, Principal, **Pantheon Partners** John Aiello, Partner, **Lindsay Goldberg** Adam Frost, Responsible Investment Manager, **Partners Group**
15:10 - 15:40 **Afternoon Tea**	
15:40 - 16:40 **WAR STORIES FROM THE TRENCHES** Case Studies & Frank Discussion On How Things Can Go Badly Wrong Very Quickly – And How They Can Be Fixed	Moderator Maarten Biermans, Associate Principal, **Spring Associates** Panellists David Stokoe, VP, Operations - Sourcing, **Sun Capital Partners** Jesse de Klerk, Director, Private Equity, **RobecoSAM Private Equity**
16:40 - 16:40 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Venture Capital & Growth Equity Summit - Monday 22 February 2016

08:15 - 08:50 **Registration & Coffee**	
08:50 - 09:00 **Chairman's Welcome**	
09:00 - 09:20 **BENCHMARKING & PERFORMANCE DATA**	Holger Rossbach, Investment Director, **Cambridge Associates**

Comparing VC Performance Across Regions, Asset Classes & Strategies	
09:20 - 09:40 **MAPPING VENTURE ECOSYSTEMS** Looking At The World's Venture Hotspots & What Makes Them Hot Who's There & What Have They Done	Facilitated By Bjorn Tremmerie, Head of Venture Capital & Impact Investing, **European Investment Fund**
09:40 - 10:10 **ASSET ALLOCATION** How Do LPs Sit VC Within Their Overall Allocation & How Do you Get Exposure If The Top 5 Are Not An Option?	Moderator Ilona Brom, Managing Director, **Wilshire Private Markets** Panellists Anselm Adams, Director, Senior Portfolio Manager, **PECA Family Office** Thomas Kristensen, Executive Director, **LGT Capital Partners** Jens Simon, Managing Director, **Fides Family Office**
10:10 - 10:40 **EARLY STAGE** How Is The Market Evolving & How Are The Roles Of Established Managers, Accelerators & Micro-VCs Changing?	Moderator Joe Schorge, Founder & Managing Partner, **Isomer Capital** Panellists Elizabeth "Beezer" Clarkson, Managing Director, **Sapphire Ventures** Alex Bangash, Managing Director, **TI Platform Fund** Pawel Chudzinski, Co-Founder & Managing Partner, **Point Nine Capital** Alex MacPherson, Head of Octopus Ventures, **Octopus Ventures**
10:40 - 11:10 **Morning Coffee**	
11:10 - 11:40 **LIQUIDITY & RETURNING CAPITAL** What Has Been Sold, How Much For, Who Is Making Money & How?	John Gabbert, CEO, **Pitchbook**
11:40 - 12:10 **"THIS TIME IT'S DIFFERENT"** How Will Current High Valuations Be Monetised & What Has Changed Since The Year 2000?	Moderator George Arnold, Managing Principal, **Knightsbridge Advisers** Panellists Klaus Hommels, Founder & CEO, **Lakestar** Frederic Court, Founder & Managing Partner, **Felix Capital** Doris Blasel, Managing Director, **Siemens Venture Capital** Nils Rode, MD, Co-Head of Global Investment Management, **Adveq Management**
12:10 - 12:40 **ENTREPRENEUR KEYNOTE**	Brent Hoberman, Co-Founder, **- lastminute.com, made.com, Founders Forum & Founders Factory**
12:40 - 13:10 **FUNDRAISING: LPS' TOP TIPS** Institutional investors discuss what they are looking for from their GPs	Moderator Hendrik Brandis, Co-Founder & Partner, **Earlybird Ventures** Panellists Tim Cruttenden, CEO, **VenCap International** George Arnold, Managing Principal, **Knightsbridge Advisers** Johannes Virkkunen, Head Of ICT Investments, Venture Capital, **European Investment Fund** David York, CEO & Managing Director, **Top Tier Capital Partners**
13:10 - 14:15 **Lunch** Julia Bösch, Founder & CEO, **Outfittery** Niklas Ostberg, CEO, **Delivery Hero**	

GROWTH CAPITAL: A SEGMENT COMING TO MATURITY	
14:15 - 14:45 **SESSION 1** Who Are The Growth Capitalists, What Kind Of Investments Do They Make & What Is The Risk/Return Profile Of These Investments?	Moderator Joost Holleman, Partner, **Prime Ventures** Panellists Ross Morrison, Partner, **Adam Street Partners** Brian Conway, MD, Chairman, **TA Associates** Mike Reid, Managing Partner, **Frog Capital** Michael Wand, Managing Director, Head of Europe Technology, **The Carlyle Group**
14:45 - 15:15 **SESSION 2** Is This A Bubble? How Sustainable Is The Current Growth Capital Ecosystem & What Does The Future Look Like For The Asset Class?	Moderator Lauge Sletting, Managing Partner, **Northsea Capital** Panellists James Anderson, Joint Manager, **Baillie Gifford** Jens Munk, Managing Director, **Kennet** Ben Cukier, Founder & Managing Partner, **Centana Growth Partners** Fergal Mullen, Partner, **Highland Capital Europe**
15:15 - 15:45 **Afternoon Tea**	
15:45 - 16:15 **TECH** How Is Connectivity Driving Opportunities Across Different Sectors? How Do You Pinpoint Where There Is Still Capacity?	Moderator Alan Feld, Founder, **Vintage Investment Partners** Panellists Rainer Maerkle, General Partner, **Holtzbrinck Ventures** Max Niederhofer, Partner, **Sunstone Capital** Reinier Musters, Founding Partner, **Orange Growth Capital** Tomasz Czechowicz, Managing Partner, **MCI Capital**
16:15 - 16:45 **BIOTECH** How Is The World Of Healthcare Investing Changing, What Role Does Big Pharma Play & Where Is Liquidity Coming From?	Rainer Strohmenger, General Partner, **Wellington Partners** Deborah Harland, Partner, **SR One** Henrijette Richter, Partner, **Sofinnova Partners**
16:45 - 17:30 **THE BEST IDEAS SOAPBOX with Electronic Polling** 3 VCs get 5 minutes each to explain what they think is the next hot thing, why, and what they are going to do about it. Three LPs will provide their feedback on the quality of the pitch, the attractiveness of the opportunity and what they would want to know further.	LPs Jens Simon, Managing Director, **Fides Family Office** Ian Connatty, Director, Funds, **British Business Bank** Alan Feld, Founder, **Vintage Investment Partners** GPs Rainer Maerkle, General Partner, **Holtzbrinck Ventures** Christian Leybold, General Partner, **E.ventures** Hans Otterling, General Partner, **Northzone**
17:30 - 17:30 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Energy & Natural Resources Summit - Monday 22 February 2016	
08:15 - 08:50 **Registration & Coffee**	
08:50 - 09:00 **Chairman's Welcome**	Jason Cheng, Co-Founder & Managing Partner, **Kerogen Capital**
09:00 - 09:30	

BIG PICTURE ENERGY LANDSCAPE Exploring The Forces At Play Shaping The Global Energy & Oil Price Landscape	Marcel van Poecke, Director, **Carlyle International Energy Partners (CIEP)**
09:30 - 10:00 **OUTLOOK ON ENERGY** Tapping Into The Oil Sector – How Can Energy Fit Into A Broader Strategy? What Returns Can Energy Funds Expect & What Are Investors' Allocation Plans?	Panellists E. Murphy Markham, Managing Partner, **EnCap** Rahul Advani, Principal, **Energy Capital Partners** J. Brady Hyde, Portfolio Manager, Private Equity Investments, **UPS Group Trust**
10:00 - 10:30 **DATA SESSION**	Mark O'Hare, Founder & CEO, **Preqin**
10:30 - 11:00 **Morning Coffee**	
11:00 - 11:20 **DISLOCATION IN THE ENERGY SECTOR** Who Is Taking Advantage Of The Current Dislocation In The Energy Sector?	Greg Beard, Senior Partner, Head of Natural Resources, **Apollo Global Management**
11:20 - 11:50 **PANEL DISCUSSION** How Is This Impacting The Attractiveness Of The Asset Class? Where Is The Most Capital Flowing & Where Are The Most Robust Strategies?	Moderator Greg Beard, Senior Partner, Head of Natural Resources, **Apollo Global Management** Panellists Marcel van Poecke, Director, **Carlyle International Energy Partners (CIEP)** Mustafa Siddiqui, Managing Director, Head of Energy Investing, Europe, **The Blackstone Group** John A. Hill, Vice Chairman & Managing Director, **First Reserve** Jason Cheng, Co-Founder & Managing Partner, **Kerogen Capital**
11:50 - 12:20 **SHALE REVOLUTION** Implications Of The Shale Revolution For Energy Investing: How Can Investors Remain Confident of the Economic Competitiveness of the Sector?	Moderator Charles Cherington, Managing Partner, **Intervale Capital** Panellists William C Sonneborn, President, **EIG Global Energy Partners** John Moon, Managing Director, Head, **Morgan Stanley Energy Partners** Robert Tichio, Partner, **Riverstone**
12:20 - 12:50 **ENERGY DEBT** Can Non-Traditional Lenders Fill The Gap? Seeking The Most Promising Opportunities In Distressed Assets & Examining The Risk/Return Profile Of Various Energy Subsectors	Christopher A. Abbate, Managing Director, **Riverstone Holdings** Interviewed by Alex Griffiths, MD, Head of Natural Resourcs & Commodities, EMEA, **Fitch Ratings**
12:50 - 14:00 **Lunch**	
14:00 - 14:20 **DATA PRESENTATION** Key Market Drivers & Deal Flow In Renewables: Examining The Positive Impact Of Improving Technology, Lower Costs, Cheap Debt & Managing Political & Regulatory Risks	

14:20 - 15:00 **RENEWABLES PANEL** Evaluating Innovation In Renewables: What Opportunities Does This Present To Investors?	Moderator Tom Murley, Director & Head of Renewable Energy, **HgCapital** Panellists Karl Smith, Fund Manager, **Green Investment Bank** Chris Wedding, Founder & Managing Director, **IronOak Energy** Christopher B Hunt, Managing Director, **Riverstone** Ben Cotton, Partner, **Earth Capital Partners**
15:00 - 15:30 **LP VIEWS ON THE ENERGY MARKET** Gauging Investor Appetite For Energy & Natural Resources: How Are LPs Gaining Exposure, Which Sectors Are Attracting The Most Interest & How Are They Managing Commodity Risk?	Moderator Mark O'Hare, Founder & CEO, **Preqin** Panellists Maurice A. Gordon, MD, Head of Private Equity, **The Guardian Life Insurance Company of America** Paul Manias, Managing Director, **OMERS Strategic Investments** Dominik Scheven, Vice President, Infrastructure & Energy, **DB Private Equity**
15:30 - 16:00 **Afternoon Tea**	
16:00 - 16:30 **INFRASTRUCTURE OPPORTUNITIES** Targeting Large Scale Energy Infrastructure Investment Opportunities Via Strategic Partnering With Corporates: How To Mitigate The Risks Involved & Structure Deals To Deliver Predictable & Sustainable Long-Term Returns	Moderator Simon Eaves, Managing Director, **Capital Dynamics** Panellists Chris Wrenn, Managing Director - Infrastructure Debt, **BlackRock** Greg Taylor, Founding Partner, Co-Portfolio Manager, **Sequoia Investment Management Company** John A. Hill, Vice Chairman & Managing Director, **First Reserve**
16:30 - 16:30 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

German Private Equity Summit - Monday 22 February 2016

The Largest Annual German Private Equity Gathering

08:15 - 09:10 **Registration & Coffee**	
09:10 - 09:15 **Chairman's Welcome**	
09:15 - 10:00 **GEOPOLITICAL OVERVIEW** Germany: The Cornerstone Of Growth & Stability In Europe? What Political Developments Can We Expect To See In Germany & The Wider Eurozone?	Thierry Malleret, Co-Founder, **Monthly Barometer**
10:00 - 10:30 **THE BULL CASE FOR GERMANY** How Can LPs Take Advantage Of Fundamental Opportunities From The Strongest Economy In The Eurozone? How Truly Competitive Is The German Private Equity Landscape	Moderator Thierry Malleret, Co-Founder, **Monthly Barometer** Panellists Torsten Grede, CEO, **Deutsche Beteiligungs AG** Burkhard Wangenheim, Investment Manager, **Afinum** Wendelin Thönes, Director, Fund Investments, **Allianz Capital Partners** Ulf von Haacke, Partner, MD, Germany, **3i**

10:30 - 11:00 **Morning Coffee**	
11:00 - 11:30 **KEYNOTE INDUSTRY ADDRESS** Where Is PE In Germany Headed Now? How Would A Potential Economic Slowdown Affect The German PE Market?	Michael Phillips, Managing Director, **Castik Capital**
11:30 - 12:15 **GUEST SPEAKER - HIGH PERFORMANCE UNDER PRESSURE** Making The Apparently Impossible Happen	Marc Priestly, Former Race Mechanic & Member of the McLaren Formula One Pit Crew ,
12:15 - 13:00 **DATA SESSION** Update On German PE Outlook: Analysing Industry Comments From The Past 3 Years: How Accurate Were Industry Predictions On Fundraising, Investing, Growing Businesses & Exits & What Does The Future Hold?	Moderator Richard von Gusovius, Partner, **Campbell Lutyens** Panellists Ralf Huep, Managing Partner, **Advent International** Jörg Rockenhäuser, Managing Partner, Germany, **Permira** Daniel Flaig, Partner, **Capvis Equity Partners** Till Burges, Principal, **HarbourVest Partners (UK) Ltd** Marc Brugger, Managing Director, **LFPE**
13:00 - 14:00 **Lunch**	
14:00 - 14:40 **10 MINUTE MINI CASE STUDIES** Presenting Some Of The Most Successful Deals In The German Market - How Did It Work For Specific Firms?	Moderator Silvina Aldeco-Martinez, MD, Product & Market Development - EMEA, **S&P Capital IQ** 14.00 - 14.10: Mid Market Georg Ganghofer, Investment Director, **Brockhaus Private Equity** 14.10 - 14.20: VC Christoph Jung, General Partner, **Holtzbrinck Ventures** 14.20 - 14.30: Private Debt: Jason Carley, CIO, European Opportunities Funds, **RiverRock**
14:40 - 15:10 **ACADEMIC RESEARCH - DATA PRESENTATION** Operational Value-Add: Everyone Says They Do It, But Do They? How Can The Quality Of Analysis Be Improved?	Michael Prahl, Distinguished Fellow GPEI, Adj. Professor of Entrepreneurship INSEAD, Partner Asia-IO, **INSEAD**
15:10 - 15:40 **Afternoon Tea**	
15:40 - 16:15 **REGULATORY CHALLENGES FOR GERMAN GPs & LPs** Covering The German Investment Act & Its Impact On Debt & Private Equity Funds, AIFMD Passport & Private Placement Regimes Plus Update On The Marketing Regimes, Challenges For Sub-Threshold Managers Under The EUVECA Regime	Panellists Dörte Höppner, Chief Executive, **Invest Europe** Patricia Volhard, Tax & Legal Committee, **Invest Europe**
16:15 - 16:45 **LP PERSPECTIVES** Analysing The Impact Of The Denominator Effect For German Investors: Where Will They Look To Deploy Capital & Maintain Allocations, How Much Exposure To The Market Should LPs Want,	Moderator Rene Höpfner , Investor Relations, **Ardian** Panellists Sarah Farrell, Managing Director, Private Equity, **Rising Tide GmbH**

Which LPs Are Investing & Why?	Daniel Boege, Principal, Head of Buyout, **Golding Capital Partners** Kaarina Suikkonen, Partner, **Lyrique Private Equity** Sven Berthold, Managing Director, **ATRUM**
16:45 - 17:15 **DIMINISHING FRONTIERS BETWEEN PE AND VC** How Much Common Ground Do PE and VC Share, & What Must Change In The Mindset Of Investors For The Two Asset Classes To Work Successfully Together?	Moderator Peter Beusch, Managing Partner, **Pesca Equity Partners** Panellists Christoph Jung, General Partner, **Holtzbrinck Ventures** Michael H. Bork, Senior Partner & Member of the Management Board, **Equistone Partners** Joern Nikolay, Managing Director, **General Atlantic** Jan-Gisbert Schulze, Managing Partner, **Acton Capital Partners**
17:15 - 17:15 **Close of Summit** Day	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Private Debt & Mezzanine Finance Summit - Monday 22 February 2016

08:15 - 08:45 **Registration & Coffee**	
08:45 - 08:50 **Chairman's Welcome**	Anthony Fobel, Partner, Head of Private Debt, **BlueBay Asset Management**
08:50 - 09:20 **OVERVIEW OF THE ECONOMY 2016: BIG PICTURE & IMPLICATIONS FOR THE PRIVATE DEBT MARKET**	Jakob Lindquist, Co-CEO & Co-Founder, **CORDET** Christophe Evain, CEO, **ICG** Stephen Hickey, Managing Partner, **CVC Credit Partners** Interviewed by Peter Schwanitz, Managing Director, **Portfolio Advisors**
09:20 - 09:45 **PERSPECTIVES ON PRIVATE DEBT** Taking The Temperature Of The Debt Market: Assessing Valuations, Debt and Leverage Levels, Risk & Pricing	Anthony Fobel, Partner, Head of Private Debt, **BlueBay Asset Management**
09:45 - 10:30 **CHALLENGES OF OVERSUPPLY OF CAPITAL** Can Debt Funds Continue To Deliver? What Will The Stars Of Leveraged Finance Do With $52bn Of Dry Powder? Where Will They Seek New Sources For Deals? Is Direct Lending Overcrowded? Are Funds Currently Being Raised Going To Deliver Advertised Returns?	Moderator Anthony Fobel, Partner, Head of Private Debt, **Blue[illegible] Management** Panellists Eric Lloyd, Head of Global Private Finance, **Babson Capital Management** Andrew McCullagh, Head of Origination , **Hayfin Capital Management** Symon Drake-Brockman, Managing Partner, **Pemberton Asset Management** Mathieu Chabran, Managing Director & CIO, **Tikehau Investment Management** Michael A. Ewald, Global Head, Middle Market Lending, **Sankaty Advisors**
10:30 - 11:00 **LP PERSPECTIVES: SEARCHING FOR YIELD IN PRIVATE DEBT** Can Debt Funds Continue To Deliver? What Will The Stars Of Leveraged Finance Do With $52bn Of Dry Powder? Where Will They	Moderator Matthias Unser, Founding Partner, **Yielco Investments** Panellists Peter Schwanitz, Managing Director, **Portfolio Advisors**

Seek New Sources For Deals? Is Direct Lending Overcrowded? Are Funds Currently Being Raised Going To Deliver Advertised Returns?	Timo Hara, Partner, **Certior Capital** Sanjay Mistry, Director of Private Debt, **Mercer Private Markets**
11:00 - 11:30 **Morning Coffee**	
11:30 - 12:00 THE FUTURE OF LENDING Demystifying The Private Debt Market: Examining Positive & Negative Developments In Lending & The Role Of Banks Vs Lenders	Moderator Louis Lavoie, Managing Director, **Crescent Credit Europe** Panellists Cécile Mayer-Lévi, Co-Head of Private Debt, **Tikehau** Tom Newberry, Partner, Head of Private Funds, **CVC Credit Partners** Blair Jacobson, Partner, Director Lending Group, **Ares Management**
12:00 - 12:30 COMPARING DIFFERENT STRATEGIES & PRODUCTS Assessing The Risks & Merits Of Different Debt Strategies & Products: How Can The Debt Industry Provide Attractive Offerings & Can The Cost Structures Be Supported?	Moderator Robert Ruberton, Senior Portfolio Manager, Head of Illiquid Credit, **Apollo Global Management** Panellists Graeme Delaney-Smith, Head of European Direct Lending, **Alcentra** Susan Kasser, Head of Private Debt, **Neuberger Berman** Michael A. Ewald, Global Head, Middle Market Lending, **Sankaty Advisors** Louis Lavoie, Managing Director, **Crescent Credit Europe**
12:30 - 13:00 DOING DEALS IN THIS MARKET Deal Deployment In The Credit Markets: Where & How Can Asset Managers Effectively Connect & Deploy With Medium Sized Companies?	Moderator James Newsome, Managing Partner, **Arbour Partners** Panellists Maurizio Petitbon, General Partner, **Kreos Capital** Theodore Koenig, President & CEO, **Monroe Capital** Jason Carley, CIO, European Opportunities Funds, **RiverRock** Thomas Duetoft, Head of Origination, **Permberton Asset Management**
13:00 - 14:30 **Lunch**	
14:30 - 15:00 DIRECT LENDING Examining The Growing Attraction of Direct Lending For Medium Sized Firms: What Terms Are Being Used & What Are The Risk/Return Profiles Of Different Financing Structures?	Moderator Mike Ramsay, Partner, CIO, Global Credit Fund, **Generation Investment Management** Panellists Paul Shea, Co-Founder & Managing Partner, **Beechbrook Capital** Malcolm Hassan, Head of Funds & Asset Management Sector, **RBS Commerical & Private Banking** Patrick Ordynans, Senior Direct Lending Analyst, Germany, **Alcentra** Marco Natoli, Head of Lower Mid-Market Europe, Norther, Eastern & Southern Europe, Equity Investmentsts, **European Investment Fund**
15:00 - 15:30 GROWTH CAPITAL Assessing The Growing Volume Of Growth Capital Investments In Europe: What Sub-Strategies Are Worth Exploring For Investors As Firms Develop & Risk Profiles Change?	Moderator James Newsome, Managing Partner, **Arbour Partners** Panellists John Sinik, Managing Partner, **Metric Capital Partners** Alex Schmid, CEO, **ESO Capital** David Bateman, Senior Managing Director, **Harbert European Growth Capital.**
15:30 - 16:10	Panellists

Specialist Strategies In Private Debt: Why Are These Increasingly Attractive To Investors? Examining The Opportunities & Risks In The Real Estate, Energy, Infrastructure & Healthcare Sectors 10 minute presentation for each strategy	**Christian Reiner,** Partner & Investment Director, **Proventus Capital Partners** **Daniel Heine,** Managing Director, Private Debt, **Patrimonium** **Tim Cable,** Investment Director, Infrastructure Debt, **Hastings**
16:10 - 16:40 **Afternoon Tea**	
16:40 - 17:10 **WEIGHING UP DIFFERENT DEBT STRUCTURES** Why Are Mid Market GPs Using Private Debt Versus Banks? Evaluating The Opportunity Sets For Senior Debt, Unitranche, Covenants, 1st/ 2nd Lien, Mezzanine: What Circumstances Determine When A Particular Structure Should Be Used, & How Is It Executed?	Moderator **Frédéric Nadal,** Partner & Co-Founder, **MV Credit** **Nathalie Faure Beaulieu,** Regional Managing Director, Norther Europe, **European Capital** **Christophe Bavière,** CEO, **IdInvest Partners** **James Greenwood,** CEO, **Permira Debt Managers** **Peter Lockhead,** Portfolio Manager, **Avenue Europe Management**
17:10 - 17:40 **SUPER-YIELD: US VERSUS EUROPE** The Evolution Of US Direct Lending: Market Size Comparison Of US Direct Lending Versus Europe & Lessons Learned In The US From The Financial Crisis	Moderator **Eric Green,** Co-Head, Middle Market Capital, **Muzinich & Co** Panellists **Andre Hakkak,** Managing Partner, **White Oak Global Advisors** **Nael Khatoun,** Managing Director, European Principal Group, **Oaktree Capital Management** **Michael Smith,** Partner, Direct Lending Group, **Ares Management** **David Allen,** MD, Principal Credit Investments, **CPPIB**
17:40 - 18:30 **ROUNDTABLES** 1. Sponsorless Lending: The Opportunities and Challenges 2. Private Debt: What The Regulators May Not Understand	Table 1 Hosted by **James Newsome,** Managing Partner, **Arbour Partners** Table 2 Hosted by **Matthias Unser,** Founding Partner, **Yielco Investments**
18:30 - 18:30 **Close of Summit Day**	
17.30 - 19.30: NETWORKING COCKTAIL PARTY	

Main Conference Day 1 - Tuesday 23 February 2016

07:30 - 08:00 **Registration & Morning Coffee**	
08:00 - 08:10 **Chairman's Welcome**	**George R Anson,** Managing Director, **HarbourVest Partners**
MAIN STAGE Part 1	**ENGAGED CONVERSATIONS Part 1**
08:10 - 08:50 **GLOBAL ECONOMIC OUTLOOK** Overview Of The Global Economic & Political Outlook Today & Over The Next 12 Months **Zanny Minton Beddoes,** Editor-in-Chief, **The Economist**	RUNNING ALONGSIDE THE MAIN CONFERENCE: PUBLIC AND PRIVATE SMALL-GROUP FACILITATED DISCUSSIONS. LIMITED NUMBERS 09:00 - 09:30 **ENGAGED CONVERSATIONS WITH ......** Chatham House Rule Applies – No Press

08:50 - 09:30

KEYNOTE INDUSTRY OVERVIEW

Drivers of Returns

Al Gore,
Co-Founder & Chairman,
Generation Investment Management

David Blood,
Co-Founder & Senior Partner,
Generation Investment Management

Interviewed by
Jason Kelly,
New York Bureau Chief,
Bloomberg L.P.

09:30 - 10:10

STATE OF THE UNION

How Can Private Equity Source Attractive Investment Opportunities In An Environment Of Record Purchase Price Multiples And Stiff Competition From Strategic Bidders?

Moderator
Henny Sender,
Chief Correspondent, International Finance,
Financial Times

Panellists
William Ford,
CEO,
General Atlantic

Donald J Gogel,
Chairman & Chief Executive Officer,
Clayton Dubilier & Rice

James Brocklebank,
Managing Partner,
Advent International

Robert J Tomei,
Founder & Chairman,
Advanced Capital Group

10:10 - 10:35

INDIVIDUAL KEYNOTE ADDRESS

Private Equity 3.0: A Vision for Tomorrow's Investing

Robert F Smith,
Chairman & CEO,
Vista Equity Partners

Interviewed By
Simon Clark,
Reporter,
The Wall Street Journal

Come along to ask any burning questions arising from Zanny's earlier presentation

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Zanny Minton Beddoes,
Editor-in-Chief,
The Economist

09:45 - 10:35

SuperReturn Boardroom SPOTLIGHT ON REGULATION

Come along to an intimate and informative discussion on the impact of US and European regulatory directives, & the practicalities of implementation

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Dörte Höppner,
Chief Executive,
Invest Europe

Bronwyn Bailey,
Vice President of Research,
PEGCC

David Crosland,
Partner,
Carey Olsen

10:35 - 11:05

Morning Coffee Networking Break

MAIN STAGE Part 2

11:05 - 11:30

FIRESIDE CHAT

Leon Black,
Founding Partner,
Apollo Global Management

Interviewed By
Jim Strang,
Managing Director & Head of EMEA,
Hamilton Lane

11:30 - 11:55

INDIVIDUAL KEYNOTE ADDRESS

11:55 - 12:20

KEYNOTE INTERVIEW

What Are The Hot-Button Issues Affecting Private Equity Today & Into The Future?

Steve Koltes,
Co-Founder & Co-Chairman,
CVC Capital Partners

Interviewed By
Helen Steers,
Partner, Head of European Investment Team,
Pantheon

12:20 - 12:50

PLENARY PANEL

Moderated by Coller Capital

12:50 - 13:20

LP PERSPECTIVES

Sourcing New Opportunities For Under Allocated LPs: How & Where Should Investors Put Their Record Distributions To Work? How Are They Balancing Allocations & Enhancing Liquidity In Today's Volatile Markets?

Moderator
Hanneke Smits,
Co-Founder & Chair,
Level 20

Peter Pereira Gray,
Head of Investments,
The Wellcome Trust

Wesley W. Gipson,
Director of Private Equity,
Employees Retirement System of Texas

ENGAGED CONVERSATIONS Part 2

RUNNING ALONGSIDE THE MAIN CONFERENCE: PUBLIC AND PRIVATE SMALL-GROUP FACILITATED DISCUSSIONS. LIMITED NUMBERS

11:05 - 11:45

ENGAGED CONVERSATION

Your opportunity to discuss your most pressing issues with leading women in Private Equity

Chatham House Rule Applies. No Press Limited Numbers

Hanneke Smits,
Co-Founder & Chair,
Level 20

Jennifer Dunstan,
Partner, Head of Fund Investor Relations,
3i

Alex Hess,
Partner, Head of Fundraising & Investor Relations,
Cinven

12:00 - 12:45

SuperReturn Boardroom: ENGAGED CONVERSATION WITH .....

Discuss your most pressing issues with these private equity luminaries

Chatham House Rule Applies – No Press

LIMITED NUMBERS - FIRST COME FIRST SERVED

Al Gore,
Co-Founder & Chairman,
Generation Investment Management

David Blood,
Co-Founder & Senior Partner,
Generation Investment Management

12:45 - 12:50

Break

12:50 - 13:20

ENGAGED CONVERSATION

Questions To A GP

Chatham House Rule Applies

Sandra Bosela, Co-Head Private Markets Group, MD & Global Head of Private Equity, **OPTrust Private Markets Group**	Steve Koltes, Co-Founder & Co-Chairman, **CVC Capital Partners**

13:20 - 14:50

Lunch Including VIP Lunch Tables

LP Judge J. Daniel Parker, Investment Officer, **Helmsley Charitable Trust**

Investor Outlook Ed Hall, International Funds Partner King & Wood Mallesons	Mid Market Focus David Bailey, Group Head of Marketing & Communications Augentius	Capital Markets Uwe Fleischhauer, Managing Partner Yielco Investments	Update On Secondaries Philip Tsai, MD, Global Head of Secondary Market Advisory UBS Investment Bank	Value Creation Francesca Cornelli, Professor of Finance & Director, Coller Institute of Private Equity London Business School
14:50 - 15:15 **Session TBC**	14:50 - 15:15 **Session TBC**	14:50 - 15:15 **Managing FX Risk – A Panel Debate.** Moderator Jackie Bowie, CEO, **J C Rathbone Associates Ltd**	14:50 - 15:15 **Secondary Pricing – Temporary Lull Or Reversion To The Mean?** Bernhard Engelien, Managing Director, **Greenhill Cogent**	14:50 - 15:15 **M&A & IT Risks** Matthias Roeser, Head of IT Advisory Practice, **BearingPoint**
15:15 - 15:45 **SPOTLIGHT ON INVESTOR ISSUES** How Do LPs Assess Success & Failure In A Private Equity Fund & Determine Which Managers Have Potential & Which Are At Or Past Their Peak? Moderator Thierry Malleret, Co-Founder, **Monthly Barometer** Panellists Rhonda Ryan, Head of EMEA Investments, **Altius Associates** Michael Lindauer, MD, Global Co-Head of Fund Investments, **Allianz Capital Partners** Mike Powell, Head of Private Markets Group, **USS Investment Management** Joshua B Stern, Director, Private Investments, **Robert Wood Johnson Foundation**	15:15 - 15:45 **PRESSURE IN THE MID MARKET** How Is It Possible To Get The Right Deal At The Right Price? What Is The Current LP Appetite For Mid Market Deals & What Can Mid Market GPs Do To Attract Their Interest? Moderator Mark Weston, Head of Investor Relations, **Triton Partners** Panellists Jim Strang, Managing Director & Head of EMEA, **Hamilton Lane** Steven Costabile, MD, Global Head of Private Funds Group, **PineBridge Investments** Christiian Marriott, Partner, Fundraising & Investor Relations, **Equistone Partners Europe** Alessandro Binello, Co-Founder & Chairman, **Quadrivio Capital**	15:15 - 15:45 **CHANGING DYNAMICS IN CAPITAL MARKETS** Moderator Edward Eyerman, Managing Director, Head of European Leveraged Finance, **Fitch Ratings** Panellists Nishant Nayyar, Principal, Capital Markets Team, **Apax Partners** Michael Marsh, MD, Head of EMEA High Yield & Leveraged Loan Capital Markets, **Goldman Sachs** Richard Howell, Partner, **PAI Partners**	15:15 - 15:45 **Latest Trends In The Secondary Market** Philip Tsai, MD, Global Head of Secondary Market Advisory, **UBS Investment Bank**	15:15 - 15:45 **OPERATIONAL VALUE ADD** Examining The Different Models Being Deployed By GPs & Operating Partners: What Will The Next Generation Of Operational Improvement Involve? Moderator Francesca Cornelli, Professor of Finance & Director, Coller Institute of Private Equity, **London Business School** Panellists Henry Jackson, Chief Executive, **OpCapita** Yalin Karadogan, Partner, Head of Emerging Europe, **Cinven** Carlos Lavilla, Managing Partner, **Corpfin Capital**
15:45 - 16:15 **LPS ON PERFORMANCE** How Do LPs Assess Success & Failure In A Private Equity Fund & Determine Which Managers Have Potential & Which Are At Or Past	15:45 - 16:15 **DEFINING A MID MARKET DEAL** What Are The Ongoing Consequences Of The Denominator Effect As LPs Push Allocations Towards Large Buyout Firms & The Middle Is	15:45 - 16:15 **APPETITE FOR REAL ASSETS** Analysing The Growing Appetite For Real Assets As LPs Search For Yield: What Subsectors Are Attracting The Most Attention & What Are Return Expectations?	15:45 - 16:15 **SEEKING VALUE IN THE SECONDARIES MARKET** Assessing The Impact Of Frothy Pricing On Returns & Predicting Which Strategies Will Ensure Strong Dealflow? Moderator Mark O'Hare, Founder & CEO, **Preqin** Panellists Marco Wulff, Partner & Co-Founder, **Montana Capital Partners** Elly Livingstone, Partner, **Pantheon** Michael Woolhouse, Managing Director, Head of Secondaries and Co-Investments, **CPPIB**	15:45 - 16:15 **THE CENTRAL ROLE OF IP** Private Equity, Finance & Corporate Perspectives

Their Peak? Moderator Joe Topley, Managing Director, **Stepstone Group** Panellists Mark Boyle, Director, Private Equity Funds, **Northwestern Mutual Capital** William Gilmore, Senior Investment Manager, Alternatives Division, **Aberdeen Asset Management** Andre Konstantinow, Head of Wealth Management, **Kieger AG** Miriam Schmitter, Managing Director, **Commonfund UK Ltd**	Squeezed? What Now Defines A Mid Market Deal In Terms Of Size & How Can Firms Differentiate Themselves? Moderator Günther Skrzypek, Managing Partner, **Augur Capital** Panellists Katja Salovaara, Senior Portfolio Manager, **Ilmarinen** Andrea Bonomi, Founder, **Investindustrial**	Moderator Uwe Fleischhauer, Managing Partner, **Yielco Investments** Perry Noble, Infrastructure Partner, **Hermes Investment Management** David Beamish, Principal, **StepStone** Dmitriy Antropov, Vice President, Private Infrastructure, **Partners Group** Heike Findeisen, Business Development Director, **Caceis**	Peter Wilson, Managing Director, **HarbourVest Partners (UK) Ltd**	Moderator Harry Rubin, Partner, **Ropes & Gray** Panellists Eran Zur, Managing Director, **Fortress IP Finance** Robert C.J. Loef, Head of M&A Corporate Legal, **BSH Hausgeräte GmbH** Alessandro Albanese, Associate Director, M&A & Business Integration , **Infront Sports & Media AG**

16:15 - 16:40

Afternoon Tea

16:40 - 17:10 **Navigating FCPA Risk And The DoJ** The DoJ (US Department of Justice) has extensive global reach and through the US Foreign Corrupt Practices Act (FCPA) intrudes on all deals and portfolio companies that touch on the US or the US$. A DoJ investigation can cost millions of dollars and cause immense distraction. Joe Warin, a former Assistant United States Attorney, has conducted corruption investigations in more than 35 countries. He will share current thinking at the DoJ and strategies for mitigating the risks that all businesses encounter.	16:40 - 17:10 **LOWER MID MARKET** Is There Still Potential For Higher Returns? If So, Where? Moderator Richard Lenane, Managing Director, **Exponent Private Equity** Panellists Sean Whelan, Managing Partner, **ECI Partners** Jobst Klemme, Director, **Abbott Capital Management** Denis Metzger, President, **Chequers Capital** 17:10 - 17:40 **LPS ON LOWER MID MARKET** What Factors Do LPs Take Into Account When Selecting Lower Mid Market Funds? How Do	16:40 - 17:10 **DUE DILIGENCE** What Should LPs Really Be Asking About Alignment Of Interest, Governance And Transparency With Their Private Equity Manager Relationships? Moderator Dante Leone, Managing Partner, **CP-DL** Panellists Jonas Nyquist, Head of Buyout Fund Investment, **Skandia Life** Maurice A. Gordon, MD, Head of Private Equity, **The Guardian Life Insurance Company of America** Klaus Bjorn Ruhne, Partner, **ATP PEP** J. Daniel Parker, Investment Officer, **Helmsley Charitable Trust**	16:40 - 17:10 **LPS ON SECONDARIES** What Is The Current LP Appetite For Secondaries? What Strategies Are Investors Using To Maximise Liquidity & What Factors Influence The Balance Of Primary & Secondary Capital In Their Portfolios & Their Decisions To Buy & Sell? Moderator Nicolas Lanel, Head of European Private Capital Advisory, **Evercore** Panellists Paul Newsome, Head of Investment Management, Private Assets, **Unigestion** Pinal Nicum, Partner, **Adams Street Partners** Oliver Gardey, Partner, Europe, **Pomona Capital**	16:40 - 17:10 **OUTLOOK FOR INFRASTRUCTURE** Understanding The True Prospects For Growth In The Infrastructure Market: Sourcing Appropriately Priced Assets With An Optimal Risk Return Profile Moderator David Rogers, Founding Partner, **Caledon Capital Management** Panellists Andreas Huber, Partner, **EQT Partners** Chris Beall, MD, Co-Portfolio Manager, Infrastructure Investing, **Oaktree Capital Management** Gary Withers, CEO, **Whitehelm Capital**

Moderator F. Joseph Warin, Partner, **Gibson Dunn**	They Evaluate Performance? Moderator Marc der Kinderen, Managing Partner, **747 Capital** Panellists Ralf Gleisberg, Partner, **Akina Partners** Jan Faber, Managing Director, **Bregal Investments** John Maclean, Private Equity Portfolio Manager, **BP Investment Management Ltd (BPIM)**	17:10 - 17:40 **SHAPING AN EMERGING LANDSCAPE** Defining LP Appetite For First-Time Managers Followed by: Debut Funds Showcase Strictly limited to 4 funds. To apply, contact michaela.virtue@informa.com Moderator Armando D'Amico, Managing Partner, **Acanthus Advisors** Panellists Jesper Knutsson, Principal, **Danske Private Equity** Tom McComb, MD, Portfolio Manager, Private Equity Group, **JP Morgan Asset Management** Sergey Sheshurak, Partner, Head of European Investments, **Adams Street Partners** Philippe Poggioli, Managing Partner, **Access Capital Partners**	Jonathan Blake, Partner, Head of International Funds Practice, **King & Wood Mallesons**	George Osorio, Managing Partner, **Conduit Capital Partners** Herb Magid, Partner & Co-Head of Ares EIF, **Ares Management**
17:10 - 17:40 **DATA PRESENTATION: ACADEMIC RESEARCH** CEO Turnover in LBOs:The Role of Boards Francesca will examine the change in CEO turnover that occurs when a private equity firm takes a public firm private in a leveraged buyout, and discuss what the positive and negative effects are. Francesca Cornelli, Professor of Finance & Director, Coller Institute of Private Equity, **London Business School**			17:10 - 17:40 **DEALFLOW IN SECONDARIES** The Future Of Secondaries: How To Successfully Source A Good Quality Deal Flow, How To Navigate Different Cycles & How Investors Should Best Approach Different Sales Processes Moderator Philippe Roesch, Managing Partner, **RIAM Alternative Investments** Panellists Christian de Lint, Partner & Co-Founder, **Headway Capital Partners** Andre Aubert, Partner, **LGT Capital Partners** Pål Ristvedt, Partner, **Lexington Partners UK Ltd** Carlo Pirzio Biroli, MD, Global Head of Private Equity & Illiquid Alternatives, **Deutsche Asset & Wealth Management**	17:10 - 17:40 **TURNAROUND & DISTRESSED** Where Are The Opportunities For Distressed Debt In A Bullish Economy? How Can Distressed Funds Make The Current Environment Work For Them? Moderator Garry Wilson, Founding Partner, **Endless LLP** David Forbes-Nixon, Chairman and Chief Executive Officer , **Alcentra** Dominic Slade, Managing Partner, **Alchemy Partners** Stefan Lehotkay, Senior Partner, **Clearsight Investments** Martin Gruschka, Founding Partner, **Springwater Capital** Andrés Rubio, Senior Partner, European Principal Finance Fund, **Apollo Global Management**

17:40 - 17:40

NETWORKING CHAMPAGNE ROUNDTABLES

17:40 - 19:30

Evening Networking Cocktail Party

Hosted by: UBS INVESTMENT BANK

NB Entry Strictly Restricted To SuperReturn Conference Badge Holders Only

Main Conference Day 2 - Wednesday 24 February 2016

08:00 - 08:20

Registration & Morning Coffee

Chairman's Welcome

James Moore, Managing Director, Global Co-Head, Private Funds Group, London, **UBS Investment Bank**

MAIN STAGE Part 1

08:30 - 08:55

PRIVATE EQUITY INSIGHTS

Private Equity Investment In An Uncertain World

Guy Hands,
Chairman & CIO,
Terra Firma Capital Partners

08:55 - 09:25

KEYNOTE ADDRESS

In The Era Of Rising Interest Rates And Lowering Growth Rates Can Private Equity Prosper?

David Rubenstein,
Co-Founder & Co-CEO,
The Carlyle Group

09:25 - 09:50

TERMS & STRUCTURES

Update On Fundraising, Negotiations And The State Of GP/ LP Relations

Sonya Pauls,
International Funds Partner,
King & Wood Mallesons

09:50 - 10:20

ELECTRONIC POLLING SESSION – RED HOT ISSUES !

Moderator
T. Bondurant French,
Executive Chairman,
Adams Street Partners

Panellists
David Rubenstein,
Co-Founder & Co-CEO,
The Carlyle Group

Todd Sisitsky,
Head of North America,
TPG Capital

Alex Navab,
Member & Head of Americas Private Equity,
KKR

Glenn R August,
Founder & CEO,
Oak Hill Advisors

10:20 - 10:45

INTERVIEW WITH A CEO

ENGAGED CONVERSATIONS Part 1

08:30 - 09:30

Running alongside the main conference: Public and private small-group facilitated discussions.

Limited Numbers

09:30 - 10:00
SUPERRETURN BOARDROOM

SuperReturn Boardroom

Questions To A GP
The Chatham House Rule Applies – No Press

Your opportunity to address any challenges you face with a private equity leader
Limited Numbers

Guy Hands,
Chairman & CIO,
Terra Firma Capital Partners

10:00 - 10:45
SUPERRETURN BOARDROOM

SuperReturn Boardroom

TOO HOT TO TOUCH BOARDROOM DISCUSSION OF RED-HOT ISSUES

The Chatham House Rule Applies – No Reporting, or attributing of quotes to participants.

Up-to-the-minute agenda to be announced.

Discussion Leaders
Maarten Vervoort,
Managing Director,
AlpInvest Partners

Peter McKellar,
Senior Managing Partner & CIO,
SL Capital Partners

John Barber,
Partner, Co-Head of Investor Services,
Bridgepoint

Global Growth Investing & Creative Origination In Today's Market: Where Do Opportunities Lie?

Interviewed By
Henny Sender,
Chief Correspondent, International Finance,
Financial Times

Joseph P Landy,
Co-CEO,
Warburg Pincus

10:45 - 11:15

Morning Coffee

MAIN STAGE Part 2

11:15 - 11:40

INDIVIDUAL KEYNOTE ADDRESS

11:40 - 12:05

OFF THE RECORD

Steve Klinsky,
CEO,
New Mountain Capital

Interviewed by:
Gui Qing Koh,
Private Equity Correspondent,
Thomson Reuters

12:05 - 12:30

FOCUS ON FUNDRAISING

The Moving Sands Of PE Fundraising: Who Will Be The Biggest Providers Of Capital To The PE Industry In 5 Years' Time? How Has The Landscape Changed And What Will Be The Most Important Influences + And - Over The Medium Term

Moderated by
Jake Elmhirst,
Managing Director, Global Co-Head, Private Funds Group, New York,
UBS Investment Bank

Panellists
Neil Brown,
Partner, Head, Investor Development Group,
Actis

Thomas C Franco,
Partner,
Clayton, Dubilier & Rice

Charlie Bott,
Managing Partner, Head of Investor Relations,
BC Partners

ENGAGED CONVERSATIONS Part 2

11:15 - 11:50

Delegates may attend the conference sesions on the Main Stage

11:50 - 13:10

EMERGING MARKETS BOARDROOM DISCUSSION

Run under the Chatham House Rul

12.10 - 12.30: Africa
Steve Cowan,
Founder & MD,
57 Stars

12.30 - 12.50: CEE
Pierre Mellinger,
President & CEO, Head of Central Europe Private Equity,
Pinebridge Investments

12.50 - 13.10: Latin America
George Osorio,
Managing Partner,
Conduit Capital Partners

Jussi Saarinen, Partner, Head of Investor Relations, **EQT** Richard Walsh, Partner, Head of Investor Relations, **Court Square Capital Partners**	
12:30 - 13:15 **INSPIRATIONAL GUEST SPEAKER: SUCCESS REGARDLESS** Setting Your Own Boundaries Ade Adepitan, Paralympian, aka " The Michael Jordan of wheelchair basketball",	
13:15 - 14:30 **Lunch PLUS Meet The LP Lunch Roundtables**	
14:30 - 14:30 **Afternoon Plenary Chairman Welcome**	James Moore, Managing Director, Global Co-Head, Private Funds Group, London, **UBS Investment Bank**
14:30 - 15:00 **MID MARKET THOUGHT LEADERS** What Are The Best Strategies For Generating Alpha In The Mid Market? Where Are The Most Attractive Deals To Be Found Today? Is Specialisation Outperforming, & What Matters Most In Fund Selection?	Moderator Maarten Vervoort, Managing Director, **AlpInvest Partners** Panellists Neil Harper, CIO, **Morgan Stanley Alternative Investment Partners** Simon Turner, Managing Partner, **Inflexion Private Equity** Philippe Poletti, Member of the Executive Committee, Head of Mid Cap Buyout, **Ardian** Joe Giannamore, Founder & Co-Managing Partner, **AnaCap Financial Partners**
15:00 - 15:25 **KEYNOTE ACADEMIC ADDRESS: MUCH BETTER THEN EXPECTED: INSIGHTS INTO THE RISK PROFILE OF PE INVESTMENTS** Advanced Approached To Measure & Manage Risk At The GP & The LP Level & What They Tell You About The Risk Of Your PE Portfolio	Oliver Gottschalg, Head of Research, Peracs, Professor of Strategy Department, **HEC Paris**
15:25 - 16:00 **EMERGING MARKETS TITANS** Is Now The Time To Invest In Emerging Markets? What Sectors, Geos, Opportunity Sets, Exit Expectations & Growth Drivers Present The Best Investment Opportunities?	Moderator Mounir Guen, CEO, **MVision** Panellists Seymur Tari, CEO, **Turkven Private Equity** Maria Kozloski, Global Head & Chief Investment Officer, Private Market Funds, **IFC** Nick Luckock, Partner, Head of Financial Services, **Actis** Jim Hildebrandt, Managing Director, **Bain Capital** Akhil Awasthi, Managing Partner, **Tata Capital Growth Fund**
16:00 - 16:20 **Afternoon Tea**	
16:20 - 16:55 **LIVE VIDEO LINK** Interview With CIOs From World Leading Pension Funds	Ted Eliopoulos, Chief Investment Officer, **CalPERS** Christopher J Ailman, CIO, **CalSTRS** Interviewed by: John Campbell OBE, Chairman, **Campbell Lutyens**

Fundraising Michael Halford, Head of International Funds UK King & Wood Mallesons	The Rules Are Changing: Is PE Keeping Up? Terrence M Tehranian, Partner Pioneer Point Partners	Co-Investments Nicholas Warmingham, Investment Director Cambridge Associates	Geo Focus Rainer Ender, MD, Co-Head of Investment Management Adveq Management
16:55 - 17:15 **Topic & Speaker TBC**	16:55 - 17:15 **Topic & Speaker TBC**	16:55 - 17:15 **Topic & Speaker TBC**	16:55 - 17:15 **Topic TBC** ENEAS Alternative Investments
17:15 - 17:45 **ACADEMIC RESEARCH ON FUNDRAISING** So Your Fund Is Top Quartile - Right? Oliver Gottschalg, Head of Research, Peracs, Professor of Strategy Department, **HEC Paris**	17:15 - 17:55 **COMPETITION OVERLOAD – ARE ASSET CLASSES CONVERGING WHERE THERE'S ATTRACTIVE RISK/RETURN?** The Lines Between PE And Adjacent Asset Classes (Hedge Funds, Banks, Mezzanine, Pension Funds) Are Blurring. Big Outsiders Are Increasingly Targeting Deals in PE's Domain. Is This A Threat Or An Opportunity? Who Is Entering? How Do Firms With Different DNA Cooperate? Where Is Asset-Class Convergence Making the Most Impact? Moderator Terrence M Tehranian, Partner, **Pioneer Point Partners** Panellists Andrew Honan, Managing Director, European Lending Team, **Macquarie** Raffaele Costa, Founder, CEO & CIO, **Tyndaris**	17:15 - 17:45 **THE CHANGING FACE OF CO-INVESTING: AN EVOLVING NICHE** The Growth In Co-Investments And Their Impact On GP-LP Relationships, Fees And Portfolio Construction: What Role Should It Play & How Can It Benefit Your PE Program? Moderator Nicholas Warmingham, Investment Director, **Cambridge Associates** Panellists David Andryc, Head of US Co-Investments, **LGT Capital Partners (USA) Inc** Roberto Torrini, Managing Director, Co-Investments, **AlpInvest Partners** Miriam Schmitter, Managing Director, **Commonfund UK Ltd** Jennifer Dunstan, Partner, Head of Fund Investor Relations, **3i**	17:15 - 17:45 **LP VIEWS** Emerging Markets LP Perspectives: Which Factors Have The Most Influence On LP Investment Decisions & How Do Emerging Markets Fit Into Their Portfolio Construction Strategy? Moderator Rainer Ender, MD, Co-Head of Investment Management, **Adveq Management** Panellists Janusz Heath, MD, Head of Investment Management, Emerging Markets, **Capital Dynamics** Joachim Schumacher, Senior Director, **DEG Invest** Anne Fossemalle, Head of Private Equity Practice, **EBRD** Vivina Berla, Co-Managing Partner, **Sarona Asset Management**
17:45 - 18:15 **HOW NOT TO FUNDRAISE** Share A Nightmare Fundraising Moment You Have Experienced. What Are The Biggest Fundraising Mistakes LPs Have Seen Over The Years? Moderator Benjamin Ball, Managing Director, **Benjamin Ball Associates** Maarten Vervoort, Managing Director, **AlpInvest Partners** Peter McKellar, Senior Managing Partner & CIO, **SL Capital Partners** John Barber, Partner, Co-Head of Investor Services, **Bridgepoint** Andrew Honnor, Managing Partner, **Greenbrook Communications**	17:55 - 18:35 **CAPTURING RETURNS & YIELD IN A ZERO-COUPON WORLD** The Global Liquidity Spigot And Low Interest Rates/High Valuations Are Changing PE Markets. With Returns Compressing, Do Asset-Backed, Yield-Driven Opportunities Present An Attractive Alternative, Delivering Substantial Growth & IRRs? How Are Hybrid PE/Infra Deals Getting Done? Is It A Niche, Or The Start of A New Asset Class, Suitable For Larger Firms Too?	17:45 - 18:15 **WHY ARE GPS CO-INVESTING?** Great Investment Opportunities Or Pressure From LPs? What Is The Evidence Of Co Investment Performance, How Do GPs Select Co-Investment Partners & How Do Co-Investors React When Things Go Wrong? Moderator Johanna Barr, Managing Director and Global Co-Head of Limited Partner Services, **Advent International**	17:45 - 18:25 **PRIVATE EQUITY IN EMERGING MARKETS** Public vs. Private Investments in EM? Are Co-Investments In EM An Option? Will Alternative PI Strategies, e.g. Sector Focused Funds, Turnaround, Private Debt Become More Prominent In The Near Future In EM Or Are The Risks Too Hight & Returns Too Low?
18:15 - 18:45 **FUNDRAISING BEST PRACTICE** What Makes LPs Remember You? Why Should LPs Be Competing For Oversubscribed Funds If Track Record Is No Guarantee Of Future Returns?			

Moderator
Benjamin Ball,
Managing Director,
Benjamin Ball Associates

Panellists
Charlie Bott,
Managing Partner, Head of Investor Relations,
BC Partners

Alicia Gregory,
Head of European Private Equity,
MLC Wealth Management

Anselm Adams,
Director, Senior Portfolio Manager,
PECA Family Office

Robert D Brown,
Managing Partner,
BearTooth Advisors

Terrence M Tehranian,
Partner,
Pioneer Point Partners

Panellists
Roger Ammoun,
Partner,
GCM Grosvenor

Joseph Knoll,
Senior Principal,
TowerBrook

18:35 - 18:45

END OF STREAM Q&A SESSION

Searching For Yield In A Low-Interest/ High Valuation World How Are Deals Getting Done & Who Is Doing Them? How Are Blurring Boundaries Affecting PE? What Does The Future Hold?

Panellists
Merrick McKay,
Managing Director, Private Equity,
SL Capital Partners

Richard Hope,
Principal ,
Hamilton Lane

Richard Howell,
Partner,
PAI Partners

Robin Winning,
Head of Private Equity Fund Investment & Co-Investment,
SVG Capital

18:15 - 18:45

TOO HOT TO TOUCH SESSION

Co-Investing - Freeloading To Avoid The Fee-Loading?

- To What Extent Is Co-Investing Is Simply A Mechanism To Reduce The Cost Of Investing In Private Equity?
- Is The Current Interest In Co-Investments Sustainable? -How Many LPs Demanding Them Actually Have The Means To Execute Such Investments Within A Limited Timeframe?
- Why Would GPs Give Away Their Best Deals To Miss Out On Fees And Carry?

Moderator
Nicholas Warmingham,
Investment Director,
Cambridge Associates

Discussion Leaders
Chris Davison,
Partner,
Permira

James Pitt,
Partner,
Lexington Partners

Merrick McKay,
Managing Director, Private Equity,
SL Capital Partners

David Smith,
Managing Director, Co-Investment,
Capital Dynamics

Moderator
Nicolas Schellenberg,
Senior Investment Director,
Cambridge Associates

Panellists
Anthony Stalker,
Regional CIO,
ADM Capital Europe

Pierre Mellinger,
President & CEO, Head of Central Europe Private Equity,
Pinebridge Investments

Randy Mitchell,
Vice President, Strategic Engagement,
EMPEA

Matjaz Schroll,
Head of Private Equity, Central & Eastern Europe,
Franklin Templeton

Dirk Donath,
Managing Partner, Latin America,
Catterton

18:25 - 19:00

DATA SESSION PLUS PANEL DISCUSSION

Latest Data & Trends On Europe – Deals, Distributions, Returns, LP Appetite & Fundraising – Where Are We Heading?

Followed by Panel Discussion

Economic Uncertainty In The Eurozone: How Can You Make Money In Europe Now? Which Strategies Work In A Low Growth Environment And Who Has The Skills To Execute Them?

Data Presenter & Moderator
Mark O'Hare,
Founder & CEO,
Preqin

Panellists
Jos Van Gisbergen,
Senior Portfolio Manager, Manager Selection,
Syntrus Achmea

Peter Keehn,
Global Head of Private Equity,
Allstate Investments

19:00 - 21:00

Evening Networking Reception: Foods of the World

NB Entry Strictly Restricted To SuperReturn Conference Badge Holders Only

Main Conference Day 3 - Thursday 25 February 2016	
LP Closed-Door Breakfast	**Morning Registration & Opening**
08:00 - 09:30 **LP Closed-Door Breakfast** Informative & invaluable networking for LPs. Open to pre – qualified pension funds, foundations, endowments, SWFs only. To see if you qualify for a place, please contact: lgriffin@icbi.co.uk	08:00 - 09:20 **Registration & Coffee** 09:20 - 09:30 **Chairman's Opening Welcome** Jonny Maxwell, Industry Veteran & Corporate Advisor,
09:30 - 10:00 **LATEST ACADEMIC RESEARCH ON CO-INVESTMENTS** How Do Co-Investments Perform?	Tim Jenkinson, Professor of Finance, Private Equity Institute, **Said Business School, University of Oxford**
10:00 - 10:30 **CO-INVESTMENTS - A DISCUSSION ON THE FINDINGS FROM THE RESEARCH** Should LPs Be Building Their Teams To Increase The Number Of Co-Investments?	Moderator Tim Jenkinson, Professor of Finance, Private Equity Institute, **Said Business School, University of Oxford** Panellists David Smith, Managing Director, Co-Investment, **Capital Dynamics** Chris Davison, Partner, **Permira** James Pitt, Partner, **Lexington Partners** Guthrie Stewart, Global Head of Private Investments, **PSP Investments**
10:30 - 11:00 **Morning Coffee**	
11:00 - 11:40 **REGULATORY UPDATE** The LP Call For More Transparency: How Is The Industry Responding? What Is Best Practice For The Disclosure Of Fees & Expenses For LP/GP Partnerships? Will Regulators Get Engaged & What Is The State Of Play In The US And In Europe?	Panellists Bronwyn Bailey, Vice President of Research, **PEGCC** Dörte Höppner, Chief Executive, **Invest Europe** Marta Jankovic, Senior Sustainability Specialist & Head Of ESG Integration Alternatives, **APG Asset Management**
11:40 - 12:05 **KEYNOTE ADDRESS: INVESTING IN FINANCIAL SERVICES** A Global Opportunity: Managing Risk And Complexity In The Evolving Financial Services Landscape	J. Christopher Flowers, Managing Director & CEO, **J.C. Flowers & Co**
12:05 - 12:30 **BLIND FUND SELECTION INTERACTIVE GAME SHOW** One respected LP will direct a series of questions on various investment scenarios to a panel of three GPs. The GPs will be seated behind a screen so the LP will be unable to see them. After all questions have been answered, the LP will choose the GP they would most like to invest with today in light of the responses given. Live & uncut!	Host Peter Flynn, Director, **Candela Capital**
12:30 - 13:00	

SPECIAL GUEST SPEAKER – ISLAMIC EXTREMISM: GROWING THREAT, MOUNTING RESPONSE Ed Butler, a former Commander of British Forces in Afghanistan and counter terrorism advisor, will provide expert opinion on the unprecedented range of militant and terrorism threats posed by Islamic Extremism. He will explain why we need to be prepared for a 'long campaign' against Daesh and Al Qaeda and develop strategies that protect us at "home and away.	Ed Butler CBE, DSO, Former Commander of the British Forces in Afganistan, Head of Threat Analysis at Pool Re & Senior Advisor, **Salamanca Risk Management**
13:00 - 14:00 **Lunch**	
14:00 - 14:45 **RISK SCENARIOS WITH ED BUTLER: HOW TO WIN AGAINST THE ODDS** Join Ed for an interactive small group session where he will share his thoughts and experiences on Risk Leadership. • What Is The Best Way To Identify, Manage And Mitigate Real, Perceived And Acceptable Risk? • How Can Political, Operational, Intelligence, Legal, Personal, Insurance And Reputational Risk Be Combined To Accurately Assess The Cumulative Effect Of Risk Factors? • To What Extent Can An Understanding Of The Inter-Relation Between Leadership And Risk Focus Challenge How Decision Makers Approach Risk Management Strategies? Ed will pose a series of questions on leadership challenges for the audience to consider and respond to, using their own workplace and life experiences as examples.	Ed Butler CBE, DSO, Former Commander of the British Forces in Afganistan, Head of Threat Analysis at Pool Re & Senior Advisor, **Salamanca Risk Management**
14:45 - 15:30 **TOO HOT TO TOUCH SESSIONS** BOARDROOM DISCUSSION OF RED-HOT ISSUES Chatham House Rule Applies – No Reporting, or attributing of quotes to participants. Discussion Topics Include: • What Happens If Interest Rates Increase? What Opportunities and Threats for PE? • Compression In The Market – Is It Driving All Asset Classes To Lower Returns? • How Can LPs Discern Alpha Generators In Private Equity? What Proportion Of Return Can Truly Be Attributed To Alpha? • Topic: In or Out? Does the UK PE industry need the EU? What Will It Mean For Global PE If UK leaves The EU? • Zombie funds, tail end restructuring, GP led deals – are LP rewards sufficient? • Bloom and Crash? Are Fundamentals In The Global Credit Markets Healthy & Sustainable, Or Are We Heading Off A Cliff? • Death Of The Traditional Structure - Moving Away From Blind Pool Investing • Co-investments – Roadcrash?	Chairman Jonny Maxwell, Industry Veteran & Corporate Advisor, Hosts Peter Flynn, Director, **Candela Capital** Tim Jenkinson, Professor of Finance, Private Equity Institute, **Said Business School, University of Oxford** Jos Van Gisbergen, Senior Portfolio Manager, Manager Selection, **Syntrus Achmea**
15:30 - 15:30 **Close of SuperReturn International 2016**	

FUNDFORUM INTERNATIONAL 2015

The Customer-Centric Funds Industry Of The Future

New Leadership, Product, Technology & Distribution Strategies
For Asset Managers & Distribution Partners

Main Conference Day 1 - Tuesday 30th June 2015

08.00	*Registration & Welcome Coffee*		
	NEW RESEARCH BREAKFAST BRIEFINGS	**ASSET MANAGERS EXCLUSIVE CEO & CIO BREAKFAST**	**ETHICAL HACK CYBER SURGERY ON THE SMART BUSINESS STAGE**
	Special Focus Emerging Markets: Investing Behaviour And Mutual Fund Products **Will Oswald, STANDARD CHARTERED BANK**	**Top-Tier Leaders Networking** Hosted By **William F. "Ted" Truscott, COLUMBIA THREADNEEDLE INVESTMENTS** Guest Speaker **George Blankinship,** **APPLE and TESLA MOTORS**	**Meet The Hacker To The Bluechips** How Vulnerable Are You & Why? Your Website's PCI-DSS Compliance Results To Take Away **Jamie Woodruff, ETHICAL HACKER** *C)PTE*
	Main Stage		**Smart Business Stage**
08.45	Day 1 Chair's Introduction To FundForum International **Tom Brown**, *Global Head of Investment Funds,* **KPMG**		**SMART MARKETING** Engaged Conversations & To Boost Your ROI *9.40 – 10.10* **CONTENT, CLARITY, CHARISMA!** A Fund Presentation Masterclass On How Not To Market Your Fund – And What You Should Do Instead **Baldwin Berges, BD INSIDER**
08.50	**THE FUTURE OF BUSINESS, SOCIETY & TECHNOLOGY: HOW TO THINK DIFFERENTLY** Thinking Creatively About How To Apply The Major Global Trends Challenging The Future Sustainability Of Every Industry To Your Business: Collaboration, Ethics & Stories Are Not Just For Millenials **Jonathan MacDonald**, *Founder,* **THOUGHT EXPANSION NETWORK**		
09.35	**Live Industry Challenge Survey 1: HOW TO ADDRESS THE RISE OF CUSTOMER-CENTRIC DISINTERMEDIATION IN ASSET MANAGEMENT** Innovate Or be Disintermediated: To What Extent Could P2P, Crowd, Mobile & Payment Services Democratise And Transform Asset Management For Retail and HNW Customers? What Should We Think & Do In Response? *Moderated By:* **Massimo Tosato,** *Executive Vice Chairman,* **SCHRODERS** *With Panellists:* **Derek White,** *Chief Design & Digital Officer,* **BARCLAYS** **Robert Higginbotham,** *Head of Global Investment Services,* **T. ROWE PRICE** **Nicola Horlick,** *CEO,* **MONEY & CO** **Jim McCaughan,** *CEO,* **PRINCIPAL GLOBAL INVESTORS** **Bernard Charlès,** *CEO,* **DASSAULT SYSTÈMES**		
10.20	Morning Coffee Exchange & Networking Zone *10.25 – 10.45* **Smart Business Stage: OFF-THE-RECORD MOTIVATION TALES** **John Barnes**, Former Liverpool & England International Footballer, Hosted by **STANDARD CHARTERED** 10.25 – 10.45 **Smart Investing Hub: HIGH CONVICTION CONVERSATIONS: Macro Investment Themes** What Would It Take To Change My Mind? Join Top Selectors In Small High Intensity Conversations Where You Choose The Topic *"Japan, Buy The Index Or The Active Fund?", "Does The Ideology And Politics Of The Eurozone Make It A Bad Investment?"* Or *"Have We Forgotten When Equities Look Too Expensive? E.G. US Equities"* Led by **Jonathan Beckett,** *CIO,* **GEMINI CONSULTING** with **Allen Lorentzen**, *Partner,* **JENSEN CAPITAL CONSULTING**		
10.50	**THE AMAZING MANAGEMENT JOURNEY OF APPLE & TESLA MOTORS** We Didn't Start Cool: How To Deliver End to End Transparency, Customer Engagement & Sustainability In FMCG **George Blankinship,** *Strategic Architect Of Customer Experience* **APPLE and TESLA MOTORS**		*10.50 - 11.20* **TOO HOT TO HANDLE!** With **Philip Kalus, ACCELERANDO** Managing Conflicts In Manager Selection **Enrique Pardo Fernandez, ALLFUNDS BANK** **Salvatore Cordaro, TAGES CAPITAL**
11.30	**SPOTLIGHT: RETAIL DISTRIBUTION IN REVIEW**		

	With Regulation, Technology And A New Generation Of Investors Reshaping The Retail Fund Industry, How Can Asset Managers Recalibrate Their Marketing Mix **Francois Marion**, CEO, CACEIS	**Tom Caddick,** SANTANDER **Alexandra Haggard,** STAMFORD ASSOC. EURIZON
11.40	**Industry Challenge 2: HOW TO CREATE AN INFRASTRUCTURE OF CUSTOMER-CENTRICITY ACROSS THE SAVINGS ECOSYSTEM: RE-EVALUATING THE VALUE CHAIN** How Do Fund Managers Respond To Challenges To Keep Costs Low, Look After Disengaged Customers, Get With The Digital Program & Get People Investing? *Moderator:* Consumer Champion & Industry Expert, **Holly Mackay** *With Panellists:* **Rob Kapito,** *President*, BLACKROCK **Hans Georgeson**, *Managing Director*, AXA ARCHITAS **Hendrik Du Toit,** *CEO,* INVESTEC ASSET MANAGEMENT **Martin Gilbert,** *CEO,* ABERDEEN ASSET MANAGEMENT **Patrick Colle,** *General Manager,* BNP PARIBAS SECURITIES SERVICES	*11.25 - 11.50* **SMART BUSINESS STORIES** Chinese Fund Manager Takes Europe! **Karthik Iyer,** UKTI *With* **Peng Way Choy,** HARVEST GLOBAL INV. **Jeff Lim,** HARVEST GLOBAL INV. UK **Fredrik Plyhr,** HEPTAGON 11.55-12.20 **SPOTLIGHT ECB & FUTURE FUNDS POLICY** T2S & The Implications For Asset Managers **Marc Bayle de Jessé** EUROPEAN CENTRAL BANK
12. 20	**KNOW YOUR ENEMY: PSYCHOLOGY & MOTIVATION OF CYBER-CRIMINALS** Real-Life Stories On The Anthropology Of Cyber-Crime: How Leaders Need To Think And Act In Order To Protect Their Businesses & Reputation **MISHA GLENNY** **International Cyber -Crime Expert**	12.25 – 13.00 **RE-ENGINEERING MANAGER SELECTION: STANDARDISING THE RFP SELECTION PROCESS** How To Improve Efficiency In Identifying The Most Suitable Manager: Test Drive New Process **Albert Reiter,** InvestRFP.com *With Leading Selectors & Industry Bodies* **Bruno Guy-Wasier,** AXA IM *Speaker to be confirmed,* CFA **Mussie Kidane,** BANQUE PICTET & CIE **Allan Møller,** DANSKE CAPITAL WEALTH MANAGEMENT
13.00	**LUNCH & LUNCHTIME DIARY** - *Hosted by* **PINEBRIDGE** **On The Smart Business Stage...** 13.25 -13.45 AN **AUDIENCE WITH...** **THE CLOSEST YOU WILL GET TO** ....The Minds Of & Elon Musk The Late Steve Jobs **George Blankenship,** *The Strategic Architect Of The Customer Experience,* **APPLE and TESLA MOTORS** **13.4S – 14.05 THE ETHICAL HACKER'S SECURE CYBER-SURGERY** *(repeated from 8.15)* **How Vulnerable Is Your Business? How Do Your PCI-DSS Compliance Test Results Compare?** **Jamie Woodruff,** ETHICAL HACKER, Certified Penetration Tester: C)PTE. STEM Ambassador **...and At The Smart Investing Hub** 13.50 - 14.20 **SMART INVESTING HIGH-CONVICTION CONVERSATIONS– Managing Risk In The Portfolio** What Would It Take To Change My Mind? Join Top Strategists In Small, High Intensity Conversations Where You Choose The Theme "We Are Not Trading Volatility Correctly" " Forget Asset Allocation It's All Risk" " " Hedge Funds Are The New Bonds" Led by **Theodore Economou,** *CIO, Multi-Asset,* **LOMBARD ODIER,** *Former CEO, CIO CERN Pension Fund &* **Cameron Brandt, EPFR**	

SPECIAL FOCUS COMMUNITIES

	CROSS-BORDER OPERATIONS FORUM	**NEW PRODUCTS WORKSHOPS** *Chaired by* **Clara Dunne,** CACEIS	**EXPERT SELECTORS' INVESTMENT COUNCIL**	**LEADERS' SCENARIO PLANNING WAR GAME**	**FESTIVAL OF FINTECH IN ASSET MANAGEMENT** *Chaired by* **Keith Hale,** MULTIFONDS

14.20	**Future Distribution** *14.20 – 14.30* **NEW RESEARCH BRIEFING** Who Should Be The Optimum Developer Of Open Architecture B2B Platforms? **Alex Birkin** EY [illegible] MBM[illegible] How To Incr[illegible] To Distribution [illegible] Agreements W[illegible] Banks, Insurance & Fund Platforms? **Jan Vandendriessche** VP LUX **Carsten Steimer** UNIVERSAL INVESTMENT **Roy Stockell** EY **Wade McDonald** HSBC SECURITIES SERVICES	**New Non-Bank Financing Products** *14.20 – 14.30* New Opportunities For Mainstream Asset Managers & Distributors: Creating Uncorrelated Yield In New Non Bank Financing Products **Chris McChesney,** BROWN BROTHERS HARRIMAN *14.30 - 15.00* Expert Discussion With Some Emerging Providers Of Non-Bank Financing Products **Ryan Flanders,** PREQIN **Ben Silver** BABSON CAPITAL MANAGEMENT **Jean-Baptiste Feat** TIKEHAU IM **Lora Peloquin,** CORTLAND CAPITAL MARKET SERVICES	**Germany & Austria** *14.20 - 14.25* **NEW RESEARCH BRIEFING** Flows, Market Development **Albert Reiter,** E FUND RESEARCH *14.25 - 15. 05* *Expert Discussion With Four Multi-Asset Multi-Managers* **Thomas Romig,** ASSENAGON **Manuela Thies,** ALLIANZ GLOBAL INVESTORS **Christian Hille,** DEUTSCHE ASSET & WEALTH MANAGEMENT **Gerhard Beulig** ERSTE ASSET MANAGEMENT	**Where Will The Next Financial Crisis Come From? – Creating A Tangible Action Plan For How To Protect Customers And The Industry** *14.20 - 14.30* **HOW IT WORKS & WASHINGTON DC STYLE BRIEFING** **Dr John Hulsman** PROFESSIONAL WAR-GAME FACILITATOR *14.30 – 15.30* **Scripted Scenario Planning "War Game** With A Stellar Cast Of Leading CIOs, Fund Selectors, Geo-Politicians and Risk Experts **Anne Richards, CBE,** ABERDEEN ASSET MANAGEMENT **Andrew Summers,** INVESTEC WEALTH & INVESTMENT **Sylvia Bocchiotti,** LCL BANQUE PRIVÉE **Andy Brown,** PRUDENTIAL **Marko Papic** BCA RESEARCH **Josephine Cetti** PENSION DENMARK **Torsten Hinrichs** SCOPE RATINGS Will play the positions of **The US** (Federal Reserve/Treasury Department), **Europe** (ECB), **Germany** (Finance Ministry/Bundesbank), **China** (Xi/Standing Committee), **Japan** (Abe/BoJ), **IMF** (Lagarde), and **UK** (BoE/Prime minister's office). *15.30 – 15.50* **Players' Review PLUS Washington DC Style After -Action Analysis To Take Away**	**Dystopia or Utopia? Creating A Live Analytical Framework For Judging How Your Business Should Respond** A 360 Degree View Of The Impact Of The Top FinTech Gamechangers On Asset Management *Expert Discussion Moderated* **Mark Gibbons,** BNY MELLON *With Live Framework Facilitator,* **V.Mary Abraham, ABOVE & BEYOND KM** and **Jonathan MacDonald,** THOUGHT EXPANSION NETWORK **Nuala Walsh,** STANDARD LIFE INVESTMENTS **Derek White,** BARCLAYS **Alexandre Rochegude,** KPMG & FLASHIZ **Mark Foulds** DASSAULT SYSTÈMES
15.05	**Customer-Centric Regulation** *15.05 – 15.15* **NEW RESEARCH BRIEFING** New Governance & Global Customer-Centric Guidelines Update: What Does This Mean For Your Business? **Avi Nachmany,** STRATEGIC INSIGHT *15.15 - 15.50* **Expert Discussion** Innovative Solutions To Overcoming The Combined Weight Of Governance & Customer Centric Regulation *Moderated by:* **Avi Nachmany,** STRATEGIC INSIGHT With **Etienne Deniau,** SOCIETE GENERALE SECURITIES SERVICES **Jean Devambez** BNP PARIBAS SECURITIES SERVICES **Susan Dargan** STATE STREET	**New Equity Products** Managing Volatility: How To Create Reliable Stable Growth At A Reasonable Price? *Discussion Moderated By* **Cameron Brandt,** EPFR With **Lucy Macdonald,** ALLIANZ GLOBAL INVESTORS **Francois-Régis Bocqueraz,** AMUNDI ALTERNATIVE INVESTMENTS **Stacey R Nutt** CLARIVEST **Will James,** STANDARD LIFE INVESTMENTS **Martyn Hole** CAPITAL GROUP	**UK RDR Update** *15.05 - 15.15* **NEW RESEARCH BRIEFING** Interpreting UK Guidelines: How Distributors Are Changing The Way They Deliver Advice & Supply Funds Post RDR? **Craig Philips** COREDATA RESEARCH *15.15 - 16.00* Discussion Moderated By **Oliver Lens,** SWIFT Is Tied Or Open Architecture The Best Way? – And For Whom? With **Andrew Power,** DELOITTE **Stephen Mohan,** ALLFUNDS BANK **Robert Jukes,** CANNACCORD GENUITY WEALTH MANAGEMENT **Ben Waterhouse** FIDELITY WORLDWIDE INVESTMENTS **Craig Philips** COREDATA RESEARCH		15. 00 **FINTECH & ASSET MANAGEMENT CHALLENGES Showcase & Discussion Demos: Part 1** *Moderator* **Shaul David,** UKTI **60 Second Quickfire Showcase: What Problem Do I Solve – And For Whom? Followed By The Demo Discussions:** Divided Into Small Groups Audience Rotates Every 8 Minutes To Each Demo The Regulation & Compliance Challenge 1. Single Source Solutions **Steven Castle,** SPECTRA GLOBAL SOLUTIONS 2. Fund Administration & Reconciliations Reimagined **Alan Meaney,** FUND RECS 3.BlockChain Logistics **Dr James Smith,** ELLIPTIC The Efficient Enterprise Challenge 1. Disruptive Predictive Analytics **Colin MaGee,** LOGICAL GLUE 2. Next Generation B.I. **Dorothee Fuhrmann,** PROPHIS TECHNOLOGIES 3. Enterprise Behavioural Analytics **Wendy Jephson,** SYBENETIX *Final Start Up To Be announced* 15.50- 16.00 **ROUND UP** **V.Mary Abraham, ABOVE & BEYOND KM** Audience Vote # 1Technology

15.50	**Break & Engaged Conversations Programme** 16.00 – 16.30 **ALTERNATIVES & ABSOLUTE RETURN SELECTION CHALLENGE & SHOWCASE** Are Selection & Asset Allocation Approaches For Alternative & Absolute Return Funds Outdated? A Discussion With Leading Fund Selectors Moderated By Alternative UCITS Services Expert **Thomas Albert,** *CEO,* **OPPENHEIM ASSET MANAGEMENT** **Jonathan Beckett,** *CIO*, **GEMINI CONSULTING** **Francois-Régis Bocqueraz, AMUNDI ALTERNATIVE INVESTMENTS** 16.15-16.30 Followed by A Quickfire Showcase Of Four Top Alternative, Credit & Absolute Return Funds *1 Fund TBC* **EURIZON CAPITAL** *2 Fund TBC* *3 Fund TBC* *4 Fund TBC*				
	CROSS-BORDER OPERATIONS FORUM	**NEW PRODUCTS WORKSHOPS**	**EXPERT SELECTORS' INVESTMENT COUNCIL**	**LEADERS' SCENARIO PLANNING**	**FESTIVAL OF FINTECH IN ASSET MANAGEMENT** Chaired by **Keith Hale, MULTIFONDS**
16.30	**Liquidity & Counterparty Risk** *16.30 – 16.40* **NEW RESEARCH BRIEFING** New Solvency Friendly Mechanisms For Asset Managers In Managing Counterparty Risk & Central Clearing **Nadine Chakar** **BNY MELLON** *16.40 – 17.15* *Followed By Expert Three Way Discussion Moderated By* **Nadine Chakar** **BNY MELLON** With **Stephanie Miller,** **J.P. MORGAN** & Systemic Risk Expert **Avi Nachmany,** **STRATEGIC INSIGHT**	**The Multi-Asset Portfolio** *16.30 - 16.40* **NEW RESEARCH BRIEFING** Crafting Multi-Asset Solutions In The Age Of Rising Correlations And High Conviction Investing Moderated by **Dr Amin Rajan** **CREATE-RESEARCH** *16.40 - 17.15* **Expert Discussion** **Jan Straatman** **LOMBARD ODIER INVESTMENT MANAGERS** **Neill Nuttall GOLDMAN SACHS ASSET MANAGEMENT** **Blair Reid, BLUEBAY ASSET MANAGEMENT** **Peter Fitzgerald** **AVIVA INVESTORS** **Florence Barjou** **LYXOR ASSET MANAGEMENT**	**Nordic Region** *16.30 -16.40* **NEW RESEARCH BRIEFING** Latest Cutting Edge Approaches To Selection From Leading Nordic Intermediaries **Niklas Tell, TELL MEDIA GROUP** *16.40 - 17.10* **Expert Discussion Love Nordström,** **SEB WEALTH RESEARCH** **Lars Wallberg,** **LD PENSION** **George Skare Lund** **STOREBRAND ASSET MANAGEMENT** **Lotta Kotioja** **AKTIA ASSET MANAGEMENT** **Anders Schelde, NORDEA LIFE & PENSIONS**	**What If… Governments Changed Attitudes To Long Term Savings & Investment** How Would We Embed A New Culture & Infrastructure To Support It Across Capital Markets & Corporate Governance ? *Facilitated By* **Thierry Malleret** **THE MONTHLY BAROMETER** *With* **Daniel Godfrey,** **THE INVESTMENT ASSOCIATION** **Aine Kelly,** **BIG SOCIETY CAPITAL** **Allan Polack,** **PFA, DENMARK** **Georgie Williams,** **AUSTRALIAN SUPER** **Ann Doherty** **J.P. MORGAN** **Campbell Fleming** **COLUMBIA THREADNEEDLE INVESTMENTS**	**FINTECH & ASSET MANAGEMENT CHALLENGES Showcase & Discussion Cont'd** *Moderator* **Shaul David, UKTI** **60 Second Quickfire Showcase: What Problem Do I Solve – And For Whom? Followed By The Demo Discussions***:* Divided Into Small Groups Audience Rotates Every 8 Minutes To Each Demo **New, Accurate Investment Insights Challenge** 1.Web to Wall Street: Leveraging Non-Traditional Insights From Data **Joseph Quinn, EAGLE ALPHA** 2. Alert & Discovery Platform **Som Sagar, HECKYL TECHNOLOGIES** 3. Customer Data Aggregation **Ian Webster,** **MONEYDASHBOARD** 4. Mobile Commodity Exchange & The Digital Asset Grid **Julius Akinyemi, MIT MEDIA LAB & Renaud Prouveur, SPALLIAN** 5.Behavioural Finance Applied To Investment Decision Making, **Clare Flynn Levy** **ESSENTIA ANALYTICS** 6. TBC 7 TBC **ROUND UP: V.Mary Abraham, ABOVE & BEYOND KM** 17.40-18.00 Audience Vote # 1Technology
17.15	**Cybercrime, KYC & Outsourcing** We Ask Four Real-Life Questions About Managing Cybercrime In Your Own firm & Supply Chain Vulnerabilities With Counterparties: Breach Reporting, Secondary Insurance, Reputation & Data Leaks & State Espionage *Discussion Moderated By* **Misha Glenny** *With Experts* **Karen Zachary, NERA CONSULTING** **Claudio Foglini,** **SCALARIS ECI**	**Fixed Income Products** Fund Flows Across Fixed Income & Income Generating Products: Growth Areas & Opportunities *Discussion Moderated By* **Jeremy Amias, STANDARD CHARTERED BANK** *With* **Tim Paulson** **LORD ABBETT** **Steven Bell,** **F&C INVESTMENTS** **Mark Burgess** **COLUMBIA THREADNEEDLE INVESTMENTS** **Dan James,** **AVIVA INVESTORS** **David Zahn**	**France** *17.15 – 17.25* **NEW RESEARCH BRIEFING** Quantifying & Qualifying How French Distribution Partners Are Opening Up Wholesale To Non Domestic Funds **Philip Kalus, ACCELERANDO** *17.25 – 17.35* *Followed by Expert Discussion* What Selectors Will Look For In the Future? **Bernard Aybran, INVESCO** **Phillippe Lecomte,** **LA FRANÇAISE ASSET MANAGEMENT** **Sylvia Bocchiotti,**		

	Jamie Woodruff, **CERTIFIED ETHICAL HACKER**	**FRANKLIN TEMPLETON INVESTMENTS**	**LCL BANQUE PRIVÉE** **Lionel Tangy-Malca, YCAP ASSET MANAGEMENT**		
18.00	**FundForum International Evening Drinks Reception At Le Meridien Pool Terrace** *Hosted by* **STANDARD LIFE INVESTMENTS**				

FUNDFORUM INTERNATIONAL 2015

Tomorrow's Investment Proposition

New Leadership, Product, Technology & Distribution Strategies

For Asset Managers & Distribution Partners

Main Conference Day 2 - Wednesday 1st July 2015

09.00	*Welcome Coffee*	
	Main Stage	**The Smart Business Stage**
09.25	Chairman Day 2**: Khalid Al Rumaihi,** *Chief Executive,* **BAHRAIN ECONOMIC DEVELOPMENT BOARD**	**SMART BUSINESS** Insights To Boost Your ROI
09.30	**THE LIVE LEADERSHIP EXPERIMENT!** Experience A Live Exploration Into Behavioural Neuroscience, Leadership And The Emorationality Quotient *From The Renowned Expert In Behavioural Change & Neuroeconomics* **Professor Olivier Oullier,** *Behavioral Neurologist and Founder,* **@EMORATIONALITY**	10.10 - 10.35 **SUPERTANKERS TO STARS: FUND SALES REALITY CHECK!** The Fund Selector Perception Vs Real-Time Performance Review: **Shiv Taneja, MARKETMETRICS** *With leading selectors and influencers* **Jon Beckett**, *CIO,* **GEMINI INV.MAN** **Hansjoerg Borutta,** *Member of the Executive Board* , **SILVERHORN ALPINUM AG** *Final Selector TBC*
10.10	**The One Session You Cannot Miss** *...From "One Of The Most Powerful Datascientists In The World, Along With Google Founders & The CTO, Usa" Forbes* **WHAT FINANCIAL SERVICES WILL LOOK LIKE 2020**: Personalisation Of Data, Predictive Investment & The Upending Of Capital Markets & Investment **Professor Sandy Pentland**, *Professor of Social Physics,* **MASSACHUSETTS INSTITUTE OF TECHNOLOGY** *& Academic Director,* **DATA-POP** *10.45 – 11.05* **Industry Challenge 3: BIG DATA & THE FUTURE OF ASSET MANAGEMENT** How Will Some Of The Most Insightful Leaders In Financial Services And Asset Management Respond To The New Threats & Opportunities Of Big Data? *With Challenge Questions From* **Professor Sandy Pentland** *Moderator:* **Joe Saliba**, *Deputy CEO,* **CACEIS** *With Panellists:* **Pascal Blanqué**, *Deputy CEO & CIO* , **AMUNDI ASSET MANAGEMENT** **Paloma Piqueras**, *Head Of Global Asset Management,* **BBVA** **Jeffrey Bohn**, *Chief Science Officer*, **STATE STREET GLOBAL EXCHANGE**	10.30 -11.05 **SOCIAL MEDIA INFLUENCER 2015** **Radical Jihad & The World Economy** *Global Insights From Award Winning Journalist, Author, Film Maker,* **Souad Mekhennet,** *Columnist* **WASHINGTON POST** *Visiting Fellow,* **HARVARD UNIVERSITY, JOHN HOPKINS UNIVERSITY** and the **GENEVA CENTER FOR SECURITY POLICY**
11.05	Morning Coffee Exchange & Networking Zone **At The Smart Investing Hub** *11.15 - 11.45* **FUND SELECTOR/ ASSET MANAGER SPEEDNETWORKING**	
11.45	**LONGEVITY & REMOVING THE RISK OF PARTICIPATION IN SAVINGS & INVESTMENT** *11.45 – 11.55* **NEW RESEARCH BRIEFING** Solving The Longevity Issue In The Savings & Retirement Time Bomb: Has Any Major Firm Yet Grabbed The 'Outcome Opportunity', Is The Industry Still Wedded To Relative Return? **Craig Philips,** *Principal,* **COREDATA RESEARCH** *11.55 - 12.25* **Industry Challenge 4: EXPERT DISCUSSION & SURVEY** What Are The Industrial Changes Required To Deliver A Reliable, Affordable Product That Delivers What it Says Across Retail & Advisory: Can Active Compete With Beta Models? *With Challenge Questions Set By* **Craig Philips,** *Principal,* **COREDATA RESEARCH** *Moderator:* **Thomas Seale**, *CEO,* **EUROPEAN FUND ADMINISTRATION** *With Panellists:* **Rachel Lord,** *Managing Director, Head of EMEA,* **iSHARES** **Andrew Masters,** *Leader In Life, Wealth & Long Term Savings,* **KPMG** **Alex Khein**, *CEO,* **BLUEBAY ASSET MANAGEMENT** **Steve Jacobs,** *CEO,* **BTG PACTUAL ASSET MANAGEMENT**	11.50 – 12.15 **DISRUPTIVE ASSET MANAGEMENT 1: NEW SECURE P2P MODELS** How New Crowdfunding Platforms Are Transforming Investments Moderated by **Chris Sier, KAS BANK** CEO Innovators in Secure P2P Propositions **Goncalo de Vasconcelos, THE SYNDICATE ROOM** **Brian Bartaby, PROPLEND** 12.10 – 12.35 **TOO HOT TO HANDLE!** Conflicts In Portfolio Construction & Manager Selection *Moderated by* **Dan Kemp, MORNINGSTAR** **Richard Philbin, HARWOOD FOF** **Chris Fleming, DISTRIBUTION TECHNOLOGY** **Clive Hale, FUNDCALIBRE CONSUMER RATINGS AGENCY** **Jesper Kirstein, KIRSTEIN A/S**

Time	Main Stage	CEOs Boardroom	Smart Business Stage
12.35	**THE FUNDFORUM GAMECHANGER INTERVIEW 2015** **Helena Morrissey CBE**, *CEO*, **NEWTON INVESTMENT MANAGEMENT** Interviewed by **Chris Newlands**, *Editor*, **FTfm**		12.40 – 13.00 **DISRUPTIVE ASSET MANAGEMENT 2: NEW DIGITAL DISTRIBUTION PLATFORMS & DEMO** Moderated by **Chris Sier**, KAS BANK **Guy Holding**, **FUNDBASE.COM** **David Tawil**, **HEDGEPO.COM** **Albert Reiter**,, **InvestRFP.COM**
12.55	**LUNCH & LUNCHTIME DIARY** - **At The Smart Business Stage** *Hosted by* **AMUNDI ASSET MANAGEMENT** 13.30- 14.00 **NEW FUND SHOWCASE CHALLENGE** with Live Selector Feedback Audience Vote On First, Second And Third Prize For The Most Effective Elevator Pitches! *Moderator:* **Antony John**, *Head of Multi Asset*, **BROMPTON ASSET MANAGEMENT** *With Three Leading Fund Selectors* **Francois-Régis Bocqueraz**, *MD, Global Head of Hedge Fund Manager Relations & Selection*, **AMUNDI ALTERNATIVE INVESTMENTS** **Hans-Georg Thurner**, *Investment Strategy & Asset Allocation*, UNICREDIT BANK AG **Cyrille Urfer**, *Head Of Asset Allocation*, GONET & Cie Fund 1. Global Equity Unconstrained: **Dominic Byrne**, *Investment Director, Global Equities*, **STANDARD LIFE INVESTME** Fund 2. European Equities: **Martyn Hole**, *SVP, Investment Specialist*, **CAPITAL GROUP** Fund 3. Emerging Markets Equity: **Stacey R Nutt**, *CEO, CIO, Principal and Lead Portfolio Manager*, **CL** Fund 4. European Fixed Income, **David Zahn**, *Head of European Fixed Income*, **FRANKLIN TEMPLETON IN** Fund 5. Fixed Income: **Timothy Paulson**, *Investment Strategist, Fixed Income*, **LORD ABBETT** Fund 6. Macro Global Bond: **Steven Bell**, *Co-Manager, F&C Marco Global Bond Fund*, **F&C ASSET MAN** Fund 7: European Small Cap: **Mark Heslop**, *Fund Manager*, **COLUMBIA THREADNEEDLE INVESTMENTS** Fund 8: Emerging Markets Debt: **Ricardo Adrogué**, Head of Emerging Markets Debt, **BABSON CAPITAL MANAGEMENT** *14.05 -14.25* **AN AUDIENCE WITH … One Of The World's Most Influential Data Scientists** Ensuring Tech For Good: **Professor Sandy Pentland**, *Professor of Social Physics*, **MASSACHUSETTS INSTITUTE OF TECHNOLOGY** & *Academic Director*, **DATA-POP**		
	Main Stage The Global Economy: Macro Insights From Front Line Business, Politics & Investment	**CEOs Boardroom**	**Smart Business Stage** **Martin Vogel, MDO MANAGEMENT COMPANY**
14.30	**FUNDFORUM INVESTMENT HEROS 2015: "NORWEGIAN OIL FUND"** Where Next For Long Term Investment: The Next Chapter Of Global Challenges & Opportunities **Knut Norheim Kjær**, *Founding Partner*, **TRIENT ASSET MANAGEMENT** *& Former CEO*, **NORGES BANK INVESTMENT MANAGEMENT**	**EFAMA CEO FORUM** **Regulatory Update** *With* **Tom Brown**, **KPMG** **& Peter De Proft**, **EFAMA** *& Leading CEOS Including* **Alexander Schindler**, **UNION INVESTMENT** **Christian Dargnat**, **BNP PARIBAS INVESTMENT PARTNERS** **Laurent Ramsey**, **PICTET ASSET MANAGEMENT** **Roderick Munsters**, **ROBECO** **Massimo Tosato** **SCHRODERS** **Guillaume Prache**, **BETTER FINANCE** **Jean-Marc Goy**, **CSSF**	**CROSS-BORDER OPS FORUM** **Pricing & Passporting** *14.30 - 14.45* **NEW RESEARCH BRIEFING** Comparative View Of Fund Costs Across Jurisdictions: Pros & Cons Of Different Fund Platforms **Benjamin Collette**, **DELOITTE** *14.45 – 15.15* *Followed By Expert Discussion* **Pierre Cimino**, **CACEIS** **Bernard Tancré**, **CLEARSTREAM** **Olivier Portenseigne** **FUNDSQUARE**
14.50	**GEO-POLITICS & GLOBAL INVESTMENT STRATEGY** **Marko Papic**, *Chief Strategist - Geopolitics*, **BCA RESEARCH**		
15.10	**WHAT IF… FUTURE INVESTMENT SCENARIOS IN THE GLOBAL ECONOMY** Russia, China, Bitcoin…Comparing Entrepreneurs, Strategists & Asset Management's Views On How To Manage Risk & Opportunity In the New Geo-Political Landscape *Moderated By* **Thierry Malleret**, **THE MONTHLY BAROMETER** • *Entrepreneur:* **Rafal Brzoska**, *Polish Entrepreneur and Business Visionary*, **INPOST** • *Entrepreneur:* **Mark O'Byrne**, *Founder & Research Director at Global Gold Broker*, **GOLDCORE** • *Industry Leader:* **Andreas Koester**, *MD, Head of Asset Allocation & Currency*, **UBS GLOBAL ASSET MANAGEMENT** • *Industry Leader:* **Margaret Harwood-Jones**, *MD, Head, Investors & Intermediaries* **STANDARD CHARTERED** • **Marko Papic**, *Chief Strategist - Geopolitics*, **BCA RESEARCH**		
15.50	Break		
	SPECIAL FOCUSSED COMMUNITIES		**Smart Business Stage**
	GLOBAL CROSS BORDER OPS FORUM | **MANAGING RISK WORKSHOPS**	**THE EXPERT SELECTORS' INVESTMENT COUNCIL**	**FESTIVAL OF FINTECH IN ASSET MANAGEMENT – D2C Challenges**

16.10	**Asia Distribution Review: Greater China** 16.10 -16.15 Introduced and Moderated by **Michael Tsang,** **BROWN BROTHERS HARRIMAN** 16.15 -16.25 NEW RESEARCH BRIEFING Exploring Distribution Opportunities In Greater China & The Surrounding Region: How And Where To Access New Mutual Fund Markets **Florence Lee** **HSBC SECURITIES SERVICES** *16.25 - 16.55* *Expert Discussion Moderation* **Michael Tsang,** **BROWN BROTHERS HARRIMAN** With **Michael Chow,** **FULLGOAL ASSET MANAGEMENT (HONG KONG)** **Shelley Yang,** **CHINA UNIVERSAL ASSET MANAGEMENT (HONG KONG)** **Florence Lee** **HSBC SECURITIES SERVICES** **Richard Harris,** **PORT SHELTER INVESTMENT MANAGEMENT**	**Risk Parity & Smart Beta In The Portfolio** *16.10 - 16.20* NEW RESEARCH BRIEFING Measuring Different Ways To Effect Behavioural Smoothing To Protect Against Geo-Political Uncertainty: Comparing Smart Beta And Other Risk Based Solutions **Thierry Malleret** **THE MONTHLY BAROMETER** *16.20 - 16.55* **Followed By Expert Discussion** *With Special Guest* **Knut Norheim Kjær,** *Founding Partner,* **TRIENT ASSET MANAGEMENT** *& Other Panellists* **Isabelle Bourcier,** **OSSIAM** **Ruben Feldman,** **STOXX** **Arne Staal,** **iSHARES** **Dimitris Melas,** **MSCI**	**Family Offices** *16.10 -16.20* NEW RESEARCH BRIEFING What Family Offices Want From Boutique Funds **Markus Hill** *16.20 - 16.55* *Expert Discussion With Leading Family Offices* **Marcel Müller,** **HQ TRUST** **Paolo Crozzoli,** **FUCHS & ASSOCIÉS FINANCE S.A.** **Magnus Schlieffen,** **BREIDENBACH VON SCHLIEFFEN & CO** **Thorsten Querg,** **FOCAM**	**TED TALK - Customer WebPsych!** Don't Do That – Do This! Top 5 Errors In Pull Vs Push Marketing With Behavioural Neurologist **Prof Olivier Oullier phD @EMORATIONALITY** In Conversation With **Rob Hudson,** **ABERDEEN ASSET MANAGEMENT** *16. 30* **Attracting & Keeping D2C Customers In Retail & Wealth Management.** A Tangible Assessment Of Whether The Expert Data Matches Customer Experience Facilitated By V. **Mary Abraham, ABOVE & BEYOND KM** 16.30-35 Introduction By **Furio Pietrobiasi, MEDIOLANUM** 16.35-45 **Part 1 Three Short Video Insights** What The Expert Data Says **Seb Dovey,** **SCORPIO PARTNERSHIP** **Clare Flynn Levy** **ESSENTIA ANALYTICS** *Customer Data Aggregator:* **Ian Webster,** **MONEYDASHBOARD**
17.00	**LatAm Distribution & UCITs Including NRA Offshore** *17.00 - 17.10* LATAM DISTRIBUTION RESEARCH BRIEFING Assessing The Emerging Opportunities For European Fund Sales In Latam And US NRA Offshore Wealth Management Moderated by **Fernand Schoppig,** **FS Associates** *17.10 - 17.50* **Expert Discussion** **Richard Garland,** **INVESTEC ASSET MANAGEMENT** **Ricardo Kaufmann,** **BTG PACTUAL** **José Manuel Silva** **LARRAIN-VIAL ASSET MANAGEMENT**	**Managing The Culture of Risk** *Speaker TBC*	**Switzerland Distribution** *17.00 - 17.05* *Introduction By* **Franco Citterio** **TICINO FOR FINANCE** *17.05 - 17.15* NEW RESEARCH BRIEFING Reconfiguring The Swiss Funds Business: New Opportunities In Response New Regulation, Increased M&A, & Fund Flow Changes As Secrecy Laws Disappear **Philip Kalus,** **ACCELERANDO ASSOCIATES** *17.15 - 17.45* **Expert Discussion** How Does That Impact Product Development, Distribution & Fund Selection? **Michele Malingamba,** **BSI PRIVATE BANK** *Speaker to be confirmed* **CROSSINVEST WEALTH MANAGEMENT** **Neil Carnegie,** **CARNEGIE FUND SERVICES** **Lilian Klose-La Scalea,** FUNDBASE	16.45-17.05 **Part 2 What Are Key Customer Challenges & What Does The Customer Experience Say?** A Discussion Moderated by **Furio Pietribiasi,** **MEDIOLANUM** *With Direct Channel Expert:* **Rob Hudson,** **ABERDEEN ASSET MANAGEMENT** *Platform:* **Chris Zadeh,** **OHPEN** *Customer Data Aggregator:* **Ian Webster,** **MONEYDASHBOARD** 17.05-17.30 **Part 3: Roundtables By Customer** Challenge, Hosted by Expert Panelists 17.30-17.50 **Part 4. Round-Up Take-Away:** A Snap Shot Of The Readyness of The Industry: Where Are We Equipped And Where Should We Focus Our Attention? What Lessons Can We Learn To Increase Levels Of Customer Engagement ? **V.Mary Abraham, ABOVE & BEYOND KM**
17.50	FundForum Returns Tomorrow For **A Leaders' Summit: Compete Or Collaborate: Strategies To Challenge Customer-Centric Disintermediation**			

21.00-23.00	**25th Anniversary Gala Party at the Monaco Yacht Club** Founded in 1953 by Prince Rainier, the Yacht Club de Monaco brings together more than 1200 members from 60 nationalities. The new Norman Foster designed Club House is as slender as the liners which used to cruise between England and America in the early 20th FundForum is proud to host its annual Gala Event in this prestigious and exclusive new setting in 2015, and look forward to welcoming you to what promises to be a spectacular night of hospitality and entertainment. *Hosted by* **CACEIS & KPMG**

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Transform Or Be Transformed
By Customer–Centric Disintermediation

If We See This Coming How Do Manage The Change For The Best Outcome Industry And Customers?
A Leaders' Diagnostics & Solutions Lab

THE MISSION

All Parts Of the Asset Management Value Chain Are Under Increasing Pressure From Customer-Centric Disintermediation. To Survive You Have Two Options. Transform Or Be Transformed

- ✓ Freely Explore Strategic Options And The Best Long-Term Route For Your Business
- ✓ Compare Latest Innovation Best Practice From Inside & Outside The Industry
- ✓ Join Small Group Facilitated Discussions Group Designed To Help You Reach Your Conclusions

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Andrew Fenton, *Head of Team – Asset Management, Corporate Banking,* **BARCLAYS**
Dr Subhas Sen, *Senior Vice President and COO,* **BMO ASSET MANAGEMENT**
Pascal Duval, *CEO*, **RUSSELL INVESTMENTS, EMEA**
Gina Miller, *Founding Partner*, **SCM GROUP**
Viki Lazaris, *Chief Administrative Officer*, **BMO WEALTH MANAGEMENT**

08.30 - 09.00	Welcome Coffee
	Part 1: THOUGHTLEADERSHIP IN ASSET MANAGEMENT TRANSFORMATION
09.00	**IT'S NOT THE TECH GIANTS YOU HAVE TO WATCH…** *09.00 - 09.15* **NEW RESEARCH ON CRITICAL INNOVATION ISSUES THAT ASSET MANAGERS NEED TO CONFRONT THIS DECADE** Exploring The Viability Of Different Competitive Business Strategies To Challenge Customer Centric Disintermediation: Who Will The Winners Be And Why? **Professor Amin Rajan,** *Founder,* **CREATE-RESEARCH** **&** **Dr Subhas Sen**, *Senior Vice President and COO,* **BMO ASSET MANAGEMENT** *09.15 – 10.15* Six Leading Innovation Experts Straight from The Boardroom Discuss Responses And Lessons To Be Learnt **Fiona Frick,** *Chief Executive Officer*, **UNIGESTION** **Furio Pietribiasi,** *Managing Director*, **MEDIOLANUM** **Bill Wrest,** *Head Business Innovation, Financial Institutions*, **BARCLAYS CORPORATE BANKING** **Pascal Duvall,** *CIO*, **RUSSELL INVESTMENTS** **Gina Miller,** *Founding Partner*, **SCM GROUP**

	Viki Lazaris, *Chief Administrative Officer*, **BMO WEALTH MANAGEMENT** *10.15 – 10.30 Distillation Of Top 3 Themes For The Small Group Discussions At 11.50*
10.30	**Morning Break**
11.10	**HOW HAVE OTHER LEADERS FROM OTHER HIGHLY REGULATED SECTORS APPROACHED THE CHALLENGE OF DISINTERMEDIATION?** *11.00 – 11.30* **TRANSFORMATION STORIES FROM OTHER NON-FINANCIAL INDUSTRIES** Transform Or Be Transformed: Innovation Lessons From Leaders From Other Highly Regulated Industries Challenged By Disintermediation **Guillaume Dufour,** *VP Financial Services,* **DASSAULT SYSTÈMES** *With Two Leading CEOs From Life Science & Automotive Industries To Be Announced* *11.30 -11.50* **Feedback Discussion From The Leading Innovation Experts Straight from The Boardroom** *Distillation Of Top 3 Themes For The Small Group Discussions At 11.50 As Above*
	Part 2 DISCUSS DETAIL IN SMALL GROUP FACILITATED INNOVATION STRATEGY ROUNDTABLES
11.50	**HOW THE SMALL GROUP INNOVATION STRATEGY ROUNDTABLES WILL WORK** *Facilitated By* **V. Mary Abraham,** *President & CEO,* **ABOVE & BEYOND KM** • Delegates and Speakers Agree Innovation Roundtable Themes In Earlier Sessions • Roundtables Tables Hosted By Speakers & Leading Innovation Experts Delegates • Choose One Table For Round one And Another For Round Two • Conclusions Are Rounded Up at The End *11.50-12.20* **ROUND 1: TBC** *12.20 – 12.40* **ROUND 2:** *Roundtables Repeated* **:** *Choose A Second Theme In Which To Participate* *12.40 - 13.00* **Small Group Innovation Table Round-Up & Key Content Take-Away**
13.00	Lunch & End of **FUNDFORUM INTERNATIONAL 2015** **THANK YOU FOR COMING AND SEE YOU IN BERLIN IN 2016!**

EXHIBIT E

loan market week

Roger Crandall, Babson Capital Management, On Loans, Acquisitions & Europe

Roger Crandall

October 15, 2004

Roger Crandall *runs* ***Babson Capital Management's*** *corporate securities group, which includes a wide range of structured funds and traditional fixed-income strategies. He has spent his entire 17-year career at Babson and its parent company* ***Massachusetts Mutual Life Insurance Co.,*** *starting out in the commercial real estate area of the MassMutual investment division. Crandall led Babson Capital's growth into the leveraged loan area in the early 90's and has been a high yield and leveraged loan portfolio manager. Crandall discusses Babson Capital's acquisitions, whether the market is rational and why leveraged loans are still attractive.*

Q. How is Babson set up and what distinguishes the firm from its major competitors?

A. We are very much fundamental credit guys. One of the major reasons we acquired Duke Street in Europe was that the people really see the world very much the same way we see the world. They are bottom up-analyze companies first and look at broad macro trends second. We cover a lot of credits and we build very diversified portfolios, but in markets where we can, such as U.S. leveraged loans, we are also willing and able to trade. If we see something deteriorating we will get out of it, but then if it gets cheap enough we'll get back into it. So we're an interesting mix of very fundamental credit with a big enough staff to be able to follow a lot of credits that build a diversified portfolio, but then we're also as tied into the market from a trading perspective as anybody is in these asset classes.

We have over 60 credit analysts across the firm and different teams concentrating on different asset classes. Our U.S. bank loan team has the biggest group of assets run in CLOs, but they also run in separate accounts and those fall into two separate areas. Relative return management-e.g. really charged with beating the leveraged loan index benchmark. The other piece is custom mandates, which is a specialty of ours, where a client has some specific objectives other than just beating an index. Babson also runs structured credit and absolute return vehicles-which in its most aggressive form would be a hedge fund that can go both long and short and use leverage.

Q. How does Babson manage the public/private split?

A. We are organized so that the bank loan and private placement group has access to private information. Our public side works together and talks to our equity analysts when it makes sense. But those two sides cannot cross. We need dedicated teams because if a client hires us for leveraged loans, they want you to get access to all the information the market has to offer. It's very difficult to not get access to information that other market participants have. We do have some management on the public side, where the high yield managers buy bank loans on a relative value basis but this is small and they do it with public information. That's one of the huge things that has happened in the bank loan market in the last five years, it's become a much deeper more liquid market. It's still tough to trade as there are a lot of operational issues, which is one of the reasons I like it as an asset class and as a manager as there ultimately are going to be barriers to entry. There will never be a thousand people buying loans.

Q. Why did Babson move into European leveraged loans?

A. We are really interested in European loans for a couple of reasons. First the whole credit market in Europe is relatively young. It's the third inning of a nine inning game. There has been lots of buyout activity and it has moved from being a sterling-based U.K. market to being a very pan-European market and euro based and we saw that trend continuing. But we also thought it was great value. The deals are well structured, the pricing is attractive, and it's still a market that's predominantly a principals market-75% of leveraged loans actually sit on bank balance sheets.

Q. Is the firm still considering acquisitions and in what areas?

A. One of the beauties of having a parent like MassMutual is that they see every deal out there and then we see virtually everything that's going on in the loan and CDO space. I don't have a strategy of I'm going to make an acquisition in this or that area, but if tomorrow I saw something that if the people were good, they fit our culture well and the price is right, absolutely I will make another acquisition. But I could easily not make another acquisition for another five years and our business could grow very nicely organically.

We acquired IDM from Wachovia in 2002. At the time we managed $2.7 billion in leveraged loans and they managed $3.5 billion. We had known their firm because we'd invested in several of their funds and we knew Tom Finke, who ran the firm, and several of their senior analysts. We looked at it and said, the leveraged loan business is getting increasingly difficult to get up in the top five status because there is such a problem of finding assets given the amount of runoffs that occurs regularly and we had a lot of new entrants coming into the market because it was attractively priced. There is also an operational component that actually gives some benefits to scale and that acquisition made a ton of sense.

Q. Where is the main organic growth coming?

A. Since 1991 when we got into the business managing high-yield bonds, basically every asset class has been securitized. It comes down to whether the arbitrage makes sense and whether investors think that there is enough fundamental value in the underlying asset that they want to own it in a cash-flow CDO format. So, for example, investment-grade cash CDOs just do not work. There is not enough arbitrage, and there are too many premium bonds in the market. So people have moved to synthetics deals, which will continue to grow, because it takes some of the problems of premiums out of the market. I think we will continue to see ABS/MBS/CDO of CDOs grow-- which is another area we run. Europe has great potential and the question really is how quickly the market develops. Loans will continue to be very active as the arbitrage works. Although asset spreads have fallen, liability spreads have fallen too, keeping the arb alive.

Looking across all this, there is no reason we cannot comfortably grow assets in the mid teens to low 20s for several years. That's a nice rate of growth. It's enough to keep you busy and give you money to invest in people and systems, but not so much that you get overwhelmed with a tidal wave. We're very aware that one way asset managers blow up is they grow too quickly.

Q. What have been the big improvements in the loan market over the last few years from the perspective of an institutional investor?

A. The market has become more efficient, but there are pluses and minuses to an asset class becoming more efficient. A plus is you start to see more liquidity, bid-ask spreads start to come down, more dealers are involved and it allows you to express trading views on credit quality more easily. Right now, if you have any concerns about a loan, it's very easy to sell, whereas when we first got into the business 10 or 12 years ago, you really had to go back to the arranging bank and there might have been a small syndicate and it would be kind of tough to get out.

The market has come a long way as we have gotten minimum assignment size and trading down easier and that has made it much better. Settlement is down about as easy as it can be. Our trading volume is up 500-600% from a few years ago. We are much more active traders and we are cutting loans into much smaller pieces.

The downside is that it's gotten more efficient, so the excess return across the market--the beta return--has come down, and you see that through repricings and through the market being very aggressive at working through things, so you have to add more value through active management.

Q. Have banks been irresponsible in aggressive repricings this year?

A. Banks aren't irresponsible, but the market can at times get irrational. It can get irrational on the downside, it can get irrational on the upside and this market is no different than any other. If you have lots of people trying to buy in at one time, a lot of buyers, not a lot of sellers, spreads are going to come down. I'm much, much more concerned about deal structuring and credit quality than I am about pricing. All over the world, spreads and risk premium are way down. Volatility in equity markets is remarkably low given some of the fundamental geopolitical issues that are going on. Whether its B, BB, BBB single-A, CMBS spreads, they are all certainly closer to their tights than to their wides.

I am much more concerned from our portfolios perspective about credit because it's important to remember whether a deal prices at LIBOR plus 200 or LIBOR plus 400, it doesn't really matter if the deal gets in trouble and you take a 30 cent or 50 cent loss. Leveraged loans are an asset class that is all about not losing money. No one gets rich buying loans at par at any spread. Right now, the average loan is trading in the secondary market at 100 1/2 to 101, so you have to really be right on credit. A lot of times you are buying at 100 1/2 assuming it does not get refinanced for six-nine months and hoping you are not going to earn less than your coupon.

I am much more concerned about structure and the market doing a reasonably good job of that. Three years ago you could not do a cash-out dividend deal and now the market is awash in them. The thought of doing a triple-C zero-coupon holding company bond in 2002 is unbelievable. But this is very similar to 1991 and right after the LTCM crisis and Russian crisis of 1998. Stepping back and taking this longer view, credit cycles come and go. They create a lot more price volatility today than they did in the past, because markets hold more assets as opposed to principals. In the early 90's, banks held most leveraged loans. If a company got into trouble they all sat down and figured out how to work it out. Today some of them are selling. Some will sell at 90 some will sell at 70. There is a whole wave of investors that are in the market to look for those opportunities. It's the way markets work and you set yourself up to take advantage of them. Is the market riskier today than it was in hindsight two years ago-of course it is, but leveraged loans are still a pretty attractive asset class, especially compared to all the alternatives. Every other market is tighter today than it was two years ago.

Bank Loan Report

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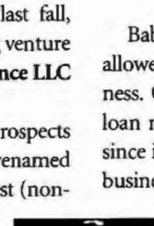
Babson's Upbeat About 2005 Euro Market

The loan team at **Babson Capital Management LLC** has seen some major changes over the past year — changes that vice chairman, head of corporate securities, **Roger Crandall**, believes will further boost the firm's growing loan business in both the US and abroad. To support its growth, the firm acquired Europe's **Duke Street Capital Debt Management** in May 2004, which bolstered Babson's presence abroad. Also, Babson expanded into US middle market lending last fall, when Babson kicked off a joint middle market lending venture with the **Jefferies Group**, called **Jefferies Babson Finance LLC** (*BLR*, 10/11/2004).

On the global side, Babson is confident about its prospects in Europe, where Duke Street — which has since been renamed **Babson Capital Europe Limited** — is one of the largest (non-bank) loan investors in Europe, making the firm one of the only major global leveraged loan managers in the US and Europe. Babson Europe's assets are up 40% (€1.6 billion to €2.3 billion) since the acquisition closed last May, Crandall said.


Roger Crandall

That's, in part, because Babson is optimistic that its growth coupled with a positive market environment will mean a strong year for European CLOs in 2005. "We are very optimistic on loans in Europe," Crandall said. And thanks, in part, to the increased interest from money managers and hedge funds, the market there is growing in a similar way that the US market did in the early 1990s, he said. "Interest in the asset class is growing even more rapidly, so I expect to see spreads tighten in Europe," he noted. "That said, we think the risk/return is very attractive, so we expect it to be a very good year for the European loan market."

To be sure, the managers at Babson Europe run their funds a little differently than other European managers, noted a recent **Standard & Poor's** report. For one, Babson Europe's Duchess I and Duchess II, both collateralized debt obligations (CDOs), are among the largest European transactions, and the firm's assets are split between denominations in euros and pounds sterling. Also, the loan team aims to invest in the secondary market to ensure that CDO portfolios are as fully invested as possible, S&P said. The collateral management team is headed up by **Ian Hazelton**, CEO, and **David Wilmot**, managing director responsible for loan origination and credit quality. Crandall is head of the credit committee.

Years Of Experience

Babson's long tenure in the institutional loan market has allowed the firm to establish a solid name for itself in the business. Crandall, who led the firm's effort into the syndicated loan market in 1993, said having been a part of the market since its early years has shaped Babson's approach to the loan business. "There were virtually no Wall Street firms involved in the business, no trading desks at **Morgan Stanley** or **Goldman Sachs**," he recalled. "[There was] much less liquidity, much less transparency of pricing. It was very much a private market — a buy-and-hold market."

Now, under current market conditions — which Crandall believes are positive for the time being, but a downturn looms on the horizon — Babson takes a bottom-up approach to lending, rigorously reviewing all components of the loan and the company before making any decisions. "We're not a firm that says we like the oil industry so we're going to buy all loans in the oil industry," he explained. "We're very focused on every specific investment. This is the time in the market, in our opinion, [that] we need to focus on fundamentals."

And while Babson is focusing on the fundamentals of its funds' larger loan market investments, it is also expanding its middle market lending capabilities. Last year, the firm invested more than $400 million in small and middle market private mezzanine securities — an effort the firm plans to continue this year. In October 2004, Babson also formed Jefferies Babson Finance and although it hasn't led a deal yet, Crandall said he is even more optimistic about the venture's prospects now than when it kicked off four months ago. "The ongoing evolution of the loan market is getting more people comfortable with middle market loans," he said, adding that this increased interest in the sector should translate into growth in raised capital.

Assets Under Management

Overall, as of Dec. 31, 2004, Babson had a whopping $89.7 billion in assets under management in the US and abroad — $10 billion of which is in leveraged loans. It has one of the largest credit portfolio staffs in the US, Crandall said, with 34 people dedicated solely to US bank loans — including analysts, portfolio managers, traders and a team focused on managing the firm's CLOs.

Babson's loan team runs 16 CDOs (mostly CLOs), ranging from about $300 million to $1 billion in size, Crandall said. In addition, the firm manages un-leveraged bank loan portfolios and advises funds that are divided between high yield bond and bank loan investments. Babson has a sizable high yield business, which is kept separate from its bank loan business, with about $5.4 billion in assets.

The Management Team

The firm's loan team is split among offices in New York, Massachusetts and North Carolina. Crandall works out of Springfield, Mass., while **Tom Finke**, who heads the bank loan team, is based in Charlotte, N.C.

Recently, there have been some notable changes in Babson's upper management. Earlier this month, Crandall was named vice chairman, and **Bill Glavin**, chief operating officer, was appointed president of the firm. Crandall said these changes reflect, in part, the need to share responsibilities within the firm as it continues to grow. Meanwhile, **MassMutual**, Babson's parent, announced its acquisition of **Baring Asset Management** from **ING Group** late last year.

Indeed, Babson has a unique relationship with MassMutual. In 2000, MassMutual merged its investment management division with Babson, which had mostly handled equity (At the time, Babson was formally called **David L. Babson & Co.**, but its name was changed to Babson Capital Management to better reflect the diversity of the firm's services and capabilities, Crandall said (*BLR*, 7/5/2004)).

Essentially, the 2000 merger left MassMutual without an investment division. "[Babson is] the investment department of MassMutual," Crandall said. This makes it even more vital that each of Babson's investments is worthwhile, since MassMutual invests in all of Babson's deals. "We need to be pretty comfortable it's a [good] time to invest, not just a time to make money," Crandall noted. — *KK*

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Pensions&Investments

Babson sees opportunity aplenty from recent volatility

BY DOUGLAS APPELL
MAY 26, 2008

Thomas Finke

SPRINGFIELD, Mass. — Babson Capital Management LLC, MassMutual Financial Group's alternatives fixed-income focused money management subsidiary, is drawing increased investor interest, as recent volatility has widened credit market spreads.

Despite the historic volatility roiling sections of the fixed-income market, Babson executives are seeing "opportunities, more now than ever," said Thomas Finke, president, in a recent interview.

Sophisticated institutional investors, meanwhile, are becoming more interested in the types of strategies Springfield-based Babson offers, including leveraged loans, and the firm is poised to "increase our discussions" with investment consultants, he said.

That would reverse what several consultants called the low profile Babson Capital has kept since 2006, when the firm transferred $5 billion in long-only equity assets and 15 investment professionals to sister company OFI Institutional Asset Management, making a final break with the firm's growth equity past to focus on fixed income.

On March 31, at the end of a quarter that saw more money managers losing assets than gaining them, Babson was managing $108.5 billion, up from $104 billion at the end of 2007 and $95 billion at the end of 2006. (Parent company MassMutual remains Babson's biggest client, accounting for roughly two-thirds of the firm's assets.)

Babson's gain in assets under management has come despite a period of unprecedented stress for fixed-income markets, and a focus on some asset classes that have been at, or near, ground zero of that turbulence.

As of March 31, for example, Babson had $22 billion of collateralized debt or loan obligations, with billions more in other leveraged loan strategies and structured products. The firm also looks after more than $10 billion each in collateralized mortgage obligations and commercial mortgage loans, just less than $10 billion in mortgage- and asset-backed securities and another $7.5 billion in commercial mortgage-backed securities and residentials.

Amid the litany of woes fixed-income players have struggled with since last summer, "we've done well," helped by the fact that Babson isn't "overconcentrated in any one market," said Mr. Finke.

CDO and CLO in particular have become four-letter words, but the difficulties they face as well as their outlook depend on their structure and the asset class involved, Mr. Finke said. All of Babson's $16 billion of CLOs are cash flow CLOs, which rely on the cash flow generated from an underlying pool of leveraged loans. As such, performance is affected by the still-low level of defaults and losses in that pool, rather than near-term mark-to-market volatility, he said. “We feel very comfortable with the quality of the underlying assets.”

More aggressive structured products, which relied on “leverage upon leverage,” will go away, but “a lot of the structures that did contribute to the efficient flow of capital” will persist, Mr. Finke said.

Forced selling resulting from the past year’s market turmoil has presented attractive opportunities for experienced players such as Babson, which closed on a new $500 million CLO during the first quarter, as well as taking over management of an existing $680 million CLO, he said.

As of March 31, MassMutual’s general investment funds accounted for roughly two-thirds of Babson’s client money. According to Babson data, the firm managed $6.7 billion for institutional clients, with another $12.3 billion of subadvised accounts and $16.8 billion in commingled vehicles.

A number of inve stment consultants say they haven’t had much contact with Babson Capital in recent years, but Mr. Finke said that impression is partly the result of the decision to transfer to OFI its long-only business, where much of the firm’s contact with consultants had been focused.

Contact Douglas Appell at dappell@pionline.com

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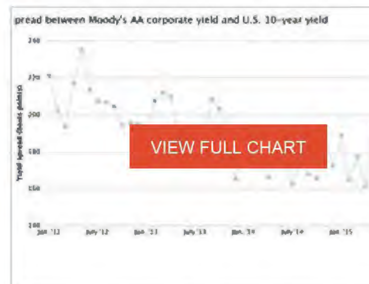
HIGHMARK® CAPITAL MANAGEMENT

Babson staff celebrating the opening of a Charlotte, N.C. office.

CHART CENTRAL 1 2



Spread between U.S. 10-year Treasury an U.S. corporate bond widens in 2016

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Best places to work: BABSON CAPITAL MANAGEMENT

Boston | 911 employees | 3rd among organizations with 500 to fewer than 1,000 employees

BY **AMY B. RESNICK** | DECEMBER 9, 2013

REPRINTS PRINT

After first buying corporate art to decorate the offices Babson Capital moved into in Charlotte, N.C., in 2005, a decision was made last summer to change out the art for something that gave the office more of a sense of place and a connection to community.

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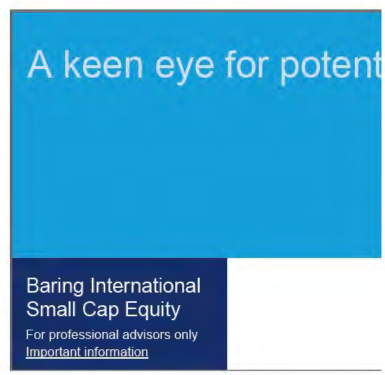
Best places to work: PRINCIPAL FINANCIAL GROUP

Best places to work: NORTHERN TRUST ASSET MANAGEMENT

Starting this year, the company is partnering with arts organizations in Charlotte to use the two-story atrium lobby of Babson's office in the Duke Energy Center as a contemporary art showcase.

The first exhibit, "Nature: A Contemporary Look," opened in October and runs through January. The exhibit features the work of nine alumni of Charlotte's McColl Center for the Visual Arts' artist-in-residence program.

Thomas Finke, chairman and CEO of Babson Capital, described the art exhibit as "a small thing," but



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noted, "small things add up."

"You come to work every day and know you are going to be entering a place with highly skilled professionals who really care about getting the job done the right way," Mr. Finke said about the team-driven environment that typifies the culture he strives to grow at Babson. "The fundamental philosophy is you are never finished trying to improve on the things you do."

Employees who responded to *Pensions & Investments'* Best Places to Work in Money Management survey cited the "corporate culture of integrity and respect," and the opportunity to work with "smart people," among the best things about working at Babson.

One said "the overall environment of the company has a sense of pride in doing a job well done."

Chief Administrative Officer Susan Moore, who has been with Babson since it was formed in 2000 and has spent more than 20 years with Babson and its parent company, Mass Mutual Financial Group, said the culture is important for attracting both the team and clients. "We are not only investing, but invested," Ms. Moore said. People at Babson have "true passions for everything we do."

The art showcase is just one example of the community involvement Mr. Finke and Ms. Moore cite as important to developing the Babson culture.

In 2007, Mr. Finke said, the company decided to look at all of its charitable giving and ultimately adopted a strategy to tie the giving to the cities in which the company's offices are located.

An employee-staffed charitable committee now sets a budget for each of the investment offices — five in the U.S. and two overseas — and works on events from building a Habitat for Humanity house in Springfield, Mass., to sponsoring the Hopebuilders 5K benefit run for Levine Children's Hospital in Charlotte.

Other affiliations have included working with the group Autism Speaks to raise money, supporting the Boston Medical Center and Boston Youth Symphony, and participating in the Pan-Mass Challenge, a bike-a-thon that raises money for the Dana-Farber Cancer Institute through its Jimmy Fund.

Mr. Finke said fostering culture across multiple offices is reinforced by offsite meetings once or twice a year, as well as team meetings at least once a year, Mr. Finke said. "It takes an investment of time away from the job, of teams getting together, to focus on improving teamwork," he said. "Our business strategy is to develop a platform of global products, and that has really taken teamwork to another level."

*— Contact Amy B. Resnick at **aresnick@pionline.com** | **@Resnick_PI***

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Filed under: Special Report: Best Places to Work, Money management

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Strategically Speaking Babson Capital

Experience, leveraged

JOSEPH MARIATHASAN

Babson Capital may not immediately spring to mind for institutional investors around the world seeking global fixed-income managers, but that is a key goal for CEO Tom Finke. Having raised $5bn (€3.9bn) from European investors alone in 2013 it certainly looks well-positioned to one day be ranked among the market leaders.

The firm, with its subsidiaries, real estate manager Cornerstone Real Estate Advisers and specialist real asset manager Wood Creek Capital Management, currently manages just over $200bn, split around half-and-half between MassMutual Life Insurance and third-party investors – one-third of which originates from Europe.

That Finke's ambition is realistic is a testament to the success of a business strategy that has morphed what was originally a Boston-based US equity value manager into a fixed-income manager based in Charlotte, North Carolina.

Finke himself exudes a gentle conviviality that epitomises the team-based philosophy of a firm that eschews a star culture. Can he and his colleagues develop their capabilities and brand to compete on an equal footing with the already well-established global fixed-income players in Europe and elsewhere outside the US?

Babson's transformation arose through three key developments. Firstly, there was the acquisition of Boston based US equity manager David L Babson & Co in 1995 by MassMutual, with a transfer of investment staff from MassMutual in 2000 to form Babson Capital.

Secondly, came the 2002 purchase from Charlotte-based Wachovia Bank (now part of Wells Fargo) of US bank loan specialist First Union Institutional Debt Management – which Finke had co-founded.

And lastly, was the acquisition in 2002 of the CLO activities of London's Duke Street Capital, which gave Babson an immediate European presence in leveraged loans.

TOM FINKE
- 2008: Chairman and CEO, Babson Capital Management
- 2008-2011: Executive vice-president and CIO, MassMutual Life Insurance Co
- 2007-2008: President, Babson Capital Management
- 2002-2008: Managing director, Babson Capital Management
- 1998-2002: President, First Union Institutional Debt Management
- 1994-1997: Vice-president, high yield sales and trading, Bear Stearns
- 1991-1994: Assistant vice-president, loan syndication desk, Mellon Bank
- 1988-1989: International banking officer, Westpac
- 1986-1988: Associate, First Union National Bank

BABSON CAPITAL MANAGEMENT
- AUM: $205bn (30 June 2014)
- Global high yield: 41%
- Investment grade: 34%
- Real estate: 12%
- Structured credit: 8%
- Equity: 2%
- Real assets: 2%
- Mid-market finance: 1%
- Emerging markets: <1%

Integration

The stable source of revenue from the management of MassMutual funds means that Babson has the luxury of being confident it can weather downturns.

"Most of our money is very sticky and has to be invested through the cycle," says Finke. "Insurance companies can't go into cash just because they don't like the spreads. We are very good at fundamental team-driven investing and we tend to perform the best through a down cycle."

Even more powerfully, the integration of these businesses resulted in capabilities in liquid and illiquid investment and high-yield credit across a spectrum of opportunities globally. For Finke, business strategy has been driven by the increasingly global nature of investment, which has meant that the firm has had to have capabilities in Europe and the Asia Pacific region alongside the US.

"Our US and European loan desks have been working together for years," Finke explains. "We launched our first global loan strategy in 2006 and we believe we have a first-mover advantage in being able to offer such global structured products. Our objective in Europe, as it is in the US, is to invest across the spectrum of high-yield bonds, leveraged loans and direct middle market lending. Clients want managers who can move fluidly between markets."

That has meant that the firm had to be able to deliver global investment strategies but remain focused on its core expertise in fixed-income, and in real estate through Cornerstone.

The key gap that had existed was the lack of an emerging market debt capability. Babson tackled that by making two key hires in 2013 – of emerging markets specialists Ricardo Adrogue in Boston and Brigitte Posch in London. By mid-2014 Babson had built a 13-strong team with Adrogue overseeing portfolio management activities for sovereign and local currency strategies and Posch leading portfolio management activities for all emerging market corporate debt strategies.

Babson's growth of capabilities does bring new challenges. The firm's reputation had been in structured debt – and it remains one of the biggest CLO investors in the world. As a result, its main competitors so far have not been the major traditional fixed-income players, such as the insurance company-owned fund management firms but, rather, alternative investors such as Carlyle and Apollo.

"Apollo has focused on private equity, credit and real estate very successfully for 20 years," says Finke. "We see ourselves as having a similar focused approach on fixed-income, credit and real estate."

Developing a multi-asset global debt capability pits Babson head-to-head with a much bigger set of competitors. But in this competition, the fact that the global fixed-income markets are themselves undergoing such rapid changes, and opening up to newer entrants with niche skills, potentially works to Babson's advantage.

"One of our core strengths is investing in illiquid markets – we do direct lending and mezzanine not only in the US but also Europe and the Asia-Pacific region," says Finke. "Similarly, we see ourselves as developing the capacity to invest in less liquid, more direct markets in emerging countries, but it will take time."

> "We need to develop our expertise in China on a step-by-step basis, even if it takes us 10 years before we are a major lender to SMEs there"

Direct lending to small and medium-sized enterprises (SMEs) is an area of growth for Babson but it also raises new challenges.

"The nature of credit, especially lending to SMEs, is that you need to be in the market near the borrower, to be able to undertake due diligence and understand the nature of potential losses," Finke reasons. "You can't sit in an office in New York or Charlotte and understand SME lending in China. You need to create partnerships and boots on the ground to get things done."

He is realistic about the timescales. "We are ready to look at new opportunities in China and elsewhere, but the question is, are we ready to invest in them?" he says. "We need to develop our expertise on a step-by-step basis, even if it takes us 10 years before we are a major lender to SMEs there."

But judging by his progress so far in developing emerging markets capabilities, it may be far sooner than that.

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BABSON CAPITAL MANAGEMENT

Opportunity knocks

Terry Harris, head of portfolio management for Babson's Global Private Finance Group, explains how the global firm is finding value in directly originated private loans

As active investors across the global private debt spectrum, our team at Babson is currently finding attractive value in corporate private placements, infrastructure debt and, the subject of this article, the direct lending market.

The direct lending market is global in nature, but regional differences are critical to understand as they present opportunities for skilled managers. At a high level, the factors that impact the relative attractiveness of private loans across the US, Europe and the developed jurisdictions of Asia-Pacific are effectively the same. M&A activity is widely seen as the most significant driver as it directly impacts demand for financing solutions. Regulation also plays a key role; increased capital constraints on banks have restricted credit supply, creating opportunities for non-bank institutional lenders like Babson.

As these dynamics ebb and flow in each region, they impact the pricing and structural terms for private loan transactions. This in turn drives the relative attractiveness of investments in each region. Over time, the changing dynamics create opportunities for managers with a local presence in each market to 'pivot' to the region where the most attractive relative value opportunities lie.

When considering a global strategy, it's important to note the key differences between each region.

UNITED STATES

The US is the most developed market in the world and offers the largest opportunity set from which to accumulate a diversified private credit portfolio. The Dodd-Frank Act, requiring more robust capital standards – consistent with Basel III – has spurred regulators to issue tighter lending guidelines. These new regulatory standards are impacting supply/demand dynamics and creating an increasingly attractive opportunity for investors. For instance, General Electric, which became subject to big bank-like regulation in the wake of the financial crisis, divested its private equity lending business that for decades was a dominant provider of credit to US middle-market businesses. At the same time that the supply of capital is being restricted, the demand for it is increasing: US mid-market M&A activity is still well below pre-financial crisis levels but has been rising, a trend we expect to continue.

EUROPE

The European market, though much smaller, is growing rapidly as capital requirements increasingly limit banks' lending activity, Basel III specifically. The number of new private lenders into the market has increased in an attempt to capitalize on the opportunity. But given that the direct lending model is built upon long-standing relationships between lenders and sponsors, those lenders

WHAT IS DIRECT LENDING?

At Babson, we define private or direct lending as providing directly originated loans to companies that cannot access the public capital markets. In markets like the US and Europe, private loan issuers are typically middle-market companies that are not large enough to issue broadly syndicated loans and bonds. In Australia / New Zealand and developed Asia, where markets are still primarily bank-driven and lack significant depth, private loan issuers include middle-market companies as well as larger corporates.

key characteristics of **direct** LENDING **markets**

NORTH AMERICA

- Large opportunity set
- Consistent volume

EUROPE

- Rising demand for private finance
- Senior and unitranche issuance growing

ASIA PACIFIC

- Lower leverage, larger companies
- Limited institutional competition

with established relationships, long track records and local knowledge are likely to be better positioned to fill the financing void.

ASIA-PACIFIC

The private credit markets in Australia / New Zealand and developed Asia are more difficult to dimension but can offer compelling opportunities for experienced lenders with local knowledge and relationships. Most medium and even large issuers in the region do not have access to the more developed US and European credit markets, and regional banking options are limited. Supply/demand dynamics, particularly in Australia and New Zealand have created opportunities to lend to strong companies on attractive terms.

FINDING VALUE TODAY

The relative attractiveness of direct lending investment opportunities shifts, reflecting regional supply and demand dynamics. For example, US private credit spreads remained relatively tight through mid-2014, while the pricing of risk was much more attractive in Europe. Spreads in the US then widened in the latter part of 2014 and have remained at attractive levels throughout 2015. Based on Babson's market observations, US 'all-in' effective spreads are now on par with Europe at approximately 600 basis points (bps) for senior debt and 750bps to 900bps for unitranche debt.

While pricing in these markets is comparable today, there are structural differences. For instance, while LIBOR floors are normal features in both US and European transactions, they are commonly set at 100bps in the US, whereas in Europe, LIBOR floors range between zero and 75bps. European issuers tend to be larger on average than those in the US and total leverage levels are typically more conservative. These regional differences present relative value opportunities for skilled managers.

WHAT TO LOOK FOR IN A MANAGER

- Global perspective, local presence
- Long track record investing in the asset class
- Deep, long-standing sponsor relationships
- Middle-market underwriting experience
- Robust risk management processes

Although spreads in the Australia / New Zealand and developed Asia markets are currently tighter compared to the US and Europe, issuers typically are larger and have more conservative credit structures. We are seeing opportunities to source attractive loans in these markets, where there is a diverse base of financially stable companies across a wide variety of sectors.

DIFFERENTIATING MANAGERS

Global managers with a local presence in the markets where they invest are well-positioned to access a broad opportunity set of deals. Private equity sponsors typically transact with lenders with whom they have experience and that have a proven track record in the market. Developing a strong track record requires many years of experience, and lenders without strong relationships may miss out on the most attractive investment opportunities.

It is also important that managers possess specialized experience in underwriting loans to mid-market companies. For private credit investors, understanding risk is the result of rigorous due diligence similar to – and usually alongside – a private equity sponsor. As part of the due diligence process, lenders like Babson directly participate in facility tours and on-site meetings with management to enhance their understanding of business operations and evaluate a management team's strategy and ability to execute. Once a company's credit risks are fully understood, private credit managers must also possess the knowledge to understand and negotiate structural protections, like maintenance financial covenants, that can help mitigate risk.

Finally, it is key to partner with managers who have systems in place to closely monitor their investments and experience investing through multiple economic cycles. Private loans are not liquid; there are no secondary prices to monitor, and there is limited to no ability to trade out of a position. This makes monitoring a particularly important component to mitigating the risk of loss.

As investors look to the direct lending market as a way to enhance returns and diversify their portfolios, we believe a global approach is critical. As market dynamics shift from region to region, a global perspective – combined with a local presence – can help managers source the most attractive value on behalf of investors. ■

TERRY HARRIS

Head of portfolio management Terry Harris is responsible for supervising investment and portfolio management in Babson's Global Private Finance Group. He has 24 years of experience investing in senior and mezzanine debt as well as equity in commercial, industrial and specialized middle-market companies.

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EXHIBIT F

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,682

United States Patent and Trademark Office

Registered May 27, 2008

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
1295 STATE STREET
SPRINGFIELD, MA 01111

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MAN-

AGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

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SER. NO. 76-660,144, FILED 5-17-2006.

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Babson Capital

US Serial Number: 76660144 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433682 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL

Standard Character Claim:

No

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3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

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26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
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- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely,

asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):**

100, 101, 102

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 01, 2004 **Use in Commerce:**

Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:

Babson Capital Management LLC

Owner Address:

1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:**

DELAWARE

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38265-000200

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(212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	68691
Feb. 07, 2008	ASSIGNED TO LIE	68691
Jan. 03, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 16, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 16, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Nov. 16, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
May 17, 2007	NON-FINAL ACTION E-MAILED	
May 17, 2007	AMENDMENT OF ALLEGED USE DISAPPROVED	
May 17, 2007	FINAL REFUSAL WRITTEN	78449
Apr. 24, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Apr. 23, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
Apr. 23, 2007	TEAS RESPONSE TO OFFICE ACTION RECEIVED	
Mar. 27, 2007	ATTORNEY REVOKED AND/OR APPOINTED	
Mar. 27, 2007	TEAS REVOKE/APPOINT ATTORNEY RECEIVED	
Oct. 23, 2006	PRIORITY ACTION MAILED	
Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,683

United States Patent and Trademark Office **Registered May 27, 2008**

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING; MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTA-

TION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,145, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL

Babson Capital

US Serial Number: 76660145 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433683 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL

Standard Character Claim:

No

Mark Drawing Type:

5 - AN ILLUSTRATION DRAWING WITH WORD(S) /LETTER(S)/ NUMBER(S) INSTYLIZED FORM

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real

estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000300

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
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May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,684

United States Patent and Trademark Office **Registered May 27, 2008**

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FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,146, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

Babson Capital Management LLC

US Serial Number: 76660146 **Application Filing Date:**

May 17, 2006

US Registration Number: 3433684 **Registration Date:**

May 27, 2008

Register:

Principal

Mark Type:

Service Mark

Status:

A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date:

Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements:

BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim:

No

Mark Drawing Type:

5 - AN ILLUSTRATION DRAWING WITH WORD(S) /LETTER(S)/ NUMBER(S) INSTYLIZED FORM

Color(s) Claimed:

Color is not claimed as a feature of the mark.

Disclaimer:

"CAPITAL MANAGEMENT LLC"

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
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- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting; investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address: 1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000400

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
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100, 101, 102

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Basis:
1(a)

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Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name:
Babson Capital Management LLC

Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS UNITED STATES 01115

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:**
DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:**
38265-000400

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:**
Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA UNITED STATES 55440-1022

Phone: (212) 765-5070 **Fax:**
(212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:**
Yes

Domestic Representative - Not Found

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Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

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470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING;

MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,147, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

Babson Capital MANAGEMENT LLC

US Serial Number: 76660147 **Application Filing Date:** May 17, 2006

US Registration Number: 3433685 **Registration Date:** May 27, 2008

Register: Principal

Mark Type: Service Mark

Status: A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date: Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements: BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed: Color is not claimed as a feature of the mark.

Disclaimer: "CAPITAL MANAGEMENT LLC"

Design Search Code(s):
26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting;

investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):**

100, 101, 102

Class Status:

ACTIVE

Basis:

1(a)

First Use: Jul. 01, 2004 **Use in Commerce:**

Jul. 01, 2004

Basis Information (Case Level)

Filed Use: Yes	**Currently Use:** Yes	**Amended Use:** No
Filed ITU: No	**Currently ITU:** No	**Amended ITU:** No
Filed 44D: No	**Currently 44D:** No	**Amended 44D:** No
Filed 44E: No	**Currently 44E:** No	**Amended 44E:** No
Filed 66A: No	**Currently 66A:** No	
Filed No Basis: No	**Currently No Basis:** No	

Current Owner(s) Information

Owner Name:

Babson Capital Management LLC

Owner Address:

1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:**

DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:**

38265-000500

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:**

Yes

Correspondent

Correspondent Name/Address:

Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:**

(212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:**

Yes

Domestic Representative - Not Found

Prosecution History

Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
Jan. 02, 2008	APPROVED FOR PUB - PRINCIPAL REGISTER	
Nov. 17, 2007	TEAS/EMAIL CORRESPONDENCE ENTERED	88889
Nov. 16, 2007	CORRESPONDENCE RECEIVED IN LAW OFFICE	88889
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Oct. 20, 2006	PRIORITY ACTION WRITTEN	78449
Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013

Int. Cl.: 36

Prior U.S. Cls.: 100, 101 and 102

Reg. No. 3,433,685

United States Patent and Trademark Office Registered May 27, 2008

SERVICE MARK
PRINCIPAL REGISTER

Babson Capital MANAGEMENT LLC

BABSON CAPITAL MANAGEMENT LLC (DELAWARE LTD LIAB CO)
INDEPENDENCE WHARF
470 ATLANTIC AVENUE
BOSTON, MA 02210

FOR: FINANCIAL SERVICES, NAMELY, ADVICE RELATING TO INVESTMENTS AND COMMODITIES; APPRAISAL OF REAL ESTATE; ASSESSMENT AND MANAGEMENT OF REAL ESTATE; ASSUMING FINANCIAL RISK OF OTHERS BY ENTERING INTO OPTIONS AND SWAPS; BROKERAGE OF SHARES OR STOCKS AND OTHER SECURITIES; CAPITAL INVESTMENT CONSULTATION; CASH MANAGEMENT; COMMERCIAL LENDING SERVICES; CREDIT RISK MANAGEMENT; EQUIPMENT FINANCING SERVICES; EQUITY CAPITAL INVESTMENT; EVALUATION OF REAL PROPERTY; EVALUATION OF THE CREDIT WORTHINESS OF COMPANIES AND PRIVATE INDIVIDUALS; FACILITATING AND ARRANGING FOR THE FINANCING OF REAL ESTATE; FINANCIAL ANALYSIS AND CONSULTATION; FINANCIAL DUE DILIGENCE; FINANCIAL INVESTMENTS IN THE FIELDS OF SECURITIES, LEVERAGED BANK LOANS, FUTURES, DERIVATIVES AND MORTGAGE LOANS, MEZZANINE LOANS, EQUITY PARTICIPATION LOANS, REAL ESTATE, MORTGAGE BACKED SECURITIES, COLLATERALIZED DEBT OBLIGATIONS, ASSET BASED LOANS, EQUIPMENT LOANS AND LEASES, STRUCTURED LOANS, INVESTMENT FUNDS, HEDGE FUNDS, AND SECURITIZATIONS; FINANCIAL PLANNING; FINANCIAL MANAGEMENT; FINANCIAL PLANNING CONSULTATION; FINANCIAL PORTFOLIO MANAGEMENT; FINANCIAL RESEARCH; FINANCIAL RISK MANAGEMENT; FINANCIAL SERVICES IN THE NATURE OF AN INVESTMENT SECURITY; FINANCIAL SERVICES, NAMELY, MONEY LENDING; FINANCIAL SERVICES, NAMELY, ISSUANCE AND MANAGEMENT OF CERTIFICATES BACKED BY LOAN PORTFOLIOS WHICH ARE SUBSEQUENTLY MANAGED TO ENSURE THE INTEGRITY OF THE CERTIFICATES; FINANCIAL SERVICES, NAMELY, A TOTAL PORTFOLIO OFFERING FOR HIGH NET WORTH CLIENTS CONSISTING OF BOTH SEPARATE ACCOUNTS AND MUTUAL FUNDS FOR EQUITY AND FIXED INCOME INVESTMENTS; FINANCIAL VALUATION OF PERSONAL PROPERTY AND REAL ESTATE; FINANCING OF INDUSTRIAL ACTIVITIES; FINANCING OF PURCHASES; FINANCING SERVICES; FORMING, OFFERING AND MANAGING LIMITED PARTNERSHIPS, TRUSTS AND LIMITED LIABILITY COMPANIES; FUND INVESTMENT CONSULTATION; FUNDS INVESTMENT; FUND OF FUNDS AND FUND OF HEDGE FUNDS INVESTMENT SERVICES, GUARANTEE ASSURANCE UNDERWRITING; INVESTMENT ADVICE; INVESTMENT CONSULTATION; INVESTMENT MANAGEMENT; INVESTMENT OF FUNDS FOR OTHERS; INVESTMENT SERVICES, NAMELY, ASSET ACQUISITION, CONSULTATION, DEVELOPMENT AND MANAGEMENT SERVICES; LEASE SECURITIZATION; LEASE-PURCHASE FINANCING; LEASE-PURCHASE LOANS; LEVERAGED BUY OUTS AND INVESTMENTS IN FINANCIALLY DISTRESSED OR UNDERPERFORMING COMPANIES; LOAN FINANCING; MAINTAINING ESCROW ACCOUNTS FOR INVESTMENTS; MAINTAINING MORTGAGE ESCROW ACCOUNTS; MANAGEMENT OF A CAPITAL INVESTMENT FUND; MANAGEMENT OF PORTFOLIOS COMPRISING SECURITIES; MANAGEMENT OF PORTFOLIOS OF TRANSFERABLE SECURITIES; MORTGAGE BANKING; MORTGAGE BANKING SERVICES, NAMELY, ORIGINATION, ACQUISITION, SERVICING, SECURITIZATION AND BROKERAGE OF MORTGAGE LOANS; MORTGAGE BROKERAGE; MORTGAGE LENDING;

MORTGAGE PROCUREMENT FOR OTHERS; MORTGAGING OF SECURITIES FOR OTHERS; MUTUAL FUND INVESTMENT; OVERLAY MANAGER FOR PORTABLE ALPHA STRATEGIES; PRIVATE EQUITY INVESTMENT; PROJECT FINANCING; PROVIDING LOANS SECURED BY COMMERCIAL PAPER; PROVIDING TEMPORARY LOANS; PROVIDING WORKING CAPITAL; REAL ESTATE APPRAISAL; REAL ESTATE CONSULTATION; REAL ESTATE CONSULTANCY; REAL ESTATE INVESTMENT; REAL ESTATE EQUITY SHARING, NAMELY, MANAGING AND ARRANGING CO-OWNERSHIP OF REAL ESTATE; REAL ESTATE VALUATION SERVICES; REAL ESTATE VALUATIONS; PROVIDING TEMPORARY LOANS; VENTURE CAPITAL FUNDING TO EMERGING AND START-UP COMPANIES, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).

FIRST USE 7-1-2004; IN COMMERCE 7-1-2004.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CAPITAL MANAGEMENT LLC", APART FROM THE MARK AS SHOWN.

SER. NO. 76-660,147, FILED 5-17-2006.

ODESSA BIBBINS, EXAMINING ATTORNEY

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Mark: BABSON CAPITAL MANAGEMENT LLC

US Serial Number: 76660147

Application Filing Date: May 17, 2006

US Registration Number: 3433685

Registration Date: May 27, 2008

Register: Principal

Mark Type: Service Mark

Status: A Sections 8 and 15 combined declaration has been accepted and acknowledged.

Status Date: Sep. 27, 2013

Publication Date: Mar. 11, 2008

Mark Information

Mark Literal Elements: BABSON CAPITAL MANAGEMENT LLC

Standard Character Claim: No

Mark Drawing Type: 3 - AN ILLUSTRATION DRAWING WHICH INCLUDES WORD(S)/ LETTER(S)/NUMBER(S)

Color(s) Claimed: Color is not claimed as a feature of the mark.

Disclaimer: "CAPITAL MANAGEMENT LLC"

Design Search Code(s):

26.09.03 - Incomplete squares; Squares, incomplete
26.13.13 - Quadrilateral (two quadrilaterals); Two quadrilaterals
26.13.21 - Quadrilaterals that are completely or partially shaded

Goods and Services

Note: The following symbols indicate that the registrant/owner has amended the goods/services:

- Brackets [..] indicate deleted goods/services;
- Double parenthesis ((..)) identify any goods/services not claimed in a Section 15 affidavit of incontestability; and
- Asterisks *..* identify additional (new) wording in the goods/services.

For:

Financial Services, namely, advice relating to investments and commodities; [appraisal of real estate; assessment and management of real estate;] assuming financial risk of others by entering into options and swaps; brokerage of shares or stocks and other securities; capital investment consultation; cash management; commercial lending services; credit risk management; [equipment financing services;] equity capital investment; [evaluation of real property;] evaluation of the credit worthiness of companies and private individuals; [facilitating and arranging for the financing of real estate;] financial analysis and consultation; financial due diligence; financial investments in the fields of securities, leveraged bank loans, futures, derivatives and mortgage loans, mezzanine loans, equity participation loans, real estate, mortgage backed securities, collateralized debt obligations, asset based loans, equipment loans and leases, structured loans, investment funds, hedge funds, and securitizations; [financial planning;] financial management; [financial planning consultation;] financial portfolio management; financial research; financial risk management; financial services in the nature of an investment security; financial services, namely, money lending; financial services, namely, issuance and management of certificates backed by loan portfolios which are subsequently managed to ensure the integrity of the certificates; financial services, namely, a total portfolio offering for high net worth clients consisting of both separate accounts and mutual funds for equity and fixed income investments; financial valuation of personal property and real estate; financing of industrial activities; financing of purchases; financing services; forming, offering and managing limited partnerships, trusts and limited liability companies; fund investment consultation; funds investment; fund of funds and fund of hedge funds investment services, guarantee assurance underwriting;

investment advice; investment consultation; investment management; investment of funds for others; investment services, namely, asset acquisition, consultation, development and management services; [lease securitization; lease-purchase financing; lease-purchase loans;] leveraged buy outs and investments in financially distressed or underperforming companies; loan financing; maintaining escrow accounts for investments; [maintaining mortgage escrow accounts;] management of a capital investment fund; management of portfolios comprising securities; management of portfolios of transferable securities; [mortgage banking; mortgage banking services, namely, origination, acquisition, servicing, securitization and brokerage of mortgage loans; mortgage brokerage; mortgage lending; mortgage procurement for others; mortgaging of securities for others;] mutual fund investment; overlay manager for portable alpha strategies; private equity investment; project financing; providing loans secured by commercial paper; providing temporary loans; providing working capital; [real estate appraisal; real estate consultation; real estate consultancy; real estate investment; real estate equity sharing, namely, managing and arranging co-ownership of real estate; real estate valuation services; real estate valuations;] providing temporary loans; venture capital funding to emerging and start-up companies

International Class(es): 036 - Primary Class **U.S Class(es):** 100, 101, 102

Class Status: ACTIVE

Basis: 1(a)

First Use: Jul. 01, 2004 **Use in Commerce:** Jul. 01, 2004

Basis Information (Case Level)

Filed Use:	Yes	**Currently Use:**	Yes	**Amended Use:**	No
Filed ITU:	No	**Currently ITU:**	No	**Amended ITU:**	No
Filed 44D:	No	**Currently 44D:**	No	**Amended 44D:**	No
Filed 44E:	No	**Currently 44E:**	No	**Amended 44E:**	No
Filed 66A:	No	**Currently 66A:**	No		
Filed No Basis:	No	**Currently No Basis:**	No		

Current Owner(s) Information

Owner Name: Babson Capital Management LLC

Owner Address:
1500 Main Street, Suite 2800
Springfield, MASSACHUSETTS 01115
UNITED STATES

Legal Entity Type: LIMITED LIABILITY COMPANY **State or Country Where Organized:** DELAWARE

Attorney/Correspondence Information

Attorney of Record

Attorney Name: Richard P. Ferrara **Docket Number:** 38265-000500

Attorney Primary Email Address: tmdoctc@fr.com **Attorney Email Authorized:** Yes

Correspondent

Correspondent Name/Address:
Richard P. Ferrara
Fish & Richardson P.C.
P.O. Box 1022
Minneapolis, MINNESOTA 55440-1022
UNITED STATES

Phone: (212) 765-5070 **Fax:** (212) 258-2291

Correspondent e-mail: tmdoctc@fr.com **Correspondent e-mail Authorized:** Yes

Domestic Representative - Not Found

Prosecution History

Date	Description	Proceeding Number
Sep. 27, 2013	NOTICE OF ACCEPTANCE OF SEC. 8 & 15 - E-MAILED	
Sep. 27, 2013	REGISTERED - SEC. 8 (6-YR) ACCEPTED & SEC. 15 ACK.	71378
Sep. 24, 2013	REGISTERED - SEC. 8 (6-YR) & SEC. 15 FILED	71378
Sep. 27, 2013	CASE ASSIGNED TO POST REGISTRATION PARALEGAL	71378
Sep. 24, 2013	TEAS SECTION 8 & 15 RECEIVED	
May 27, 2008	REGISTERED-PRINCIPAL REGISTER	
Mar. 11, 2008	PUBLISHED FOR OPPOSITION	
Feb. 20, 2008	NOTICE OF PUBLICATION	
Feb. 07, 2008	LAW OFFICE PUBLICATION REVIEW COMPLETED	77976
Feb. 06, 2008	ASSIGNED TO LIE	77976
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May 22, 2007	FINAL REFUSAL WRITTEN	78449
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Oct. 19, 2006	ASSIGNED TO EXAMINER	78449
May 26, 2006	APPLICATION FILING RECEIPT MAILED	
May 22, 2006	NEW APPLICATION ENTERED IN TRAM	

Maintenance Filings or Post Registration Information

Affidavit of Continued Use:

Section 8 - Accepted

Affidavit of Incontestability:

Section 15 - Accepted

TM Staff and Location Information

TM Staff Information - None

File Location

Current Location: TMEG LAW OFFICE 105 **Date in Location:**

Sep. 27, 2013