

## Stanfield Capital Partners

### Stanfield Capital Partners – An Overview

Stanfield Capital Partners LLC is an SEC-registered investment adviser. Since its inception in 1998, Stanfield's core focus has been non-investment grade loan strategies. Stanfield's Managing Partners structured one of the first independently managed loan portfolios in 1990 and have one of the longest institutional track records in the non-investment grade loan business. The Managing Partners have an average of 25 years of experience investing in and managing loans and high yield bonds, and a 16-year history of working together as an investment team. Stanfield has approximately \$5.1 billion in assets under management as of December 31, 2008.

Stanfield possesses all of the key ingredients for a world-class loan investment platform, including:

- Superior long term track record
- Time tested investment process forged over many different credit cycles
- Talented and experienced investment team
- Comprehensive in-house risk, operations, accounting, legal and client services support
- Proprietary information and risk monitoring systems
- Firm-wide culture of principal preservation, risk awareness and prudent risk management
- Top tier access to primary and secondary investment opportunities

Stanfield integrates prudent portfolio diversification with a strategic approach to investing that combines top-down industry allocation and rigorous fundamental position-by-position credit analysis with ongoing relative value analysis and an active portfolio management style. Given Stanfield's longevity and prominence in the non-investment grade loan market and our active investment management philosophy, we have very deep and long-standing relationships with most underwriters, dealers and trading desks. Stanfield is among the most active participants in the new-issue market, and is often invited into new transactions early in the structuring and syndication process, prior to the launch to the broader loan market. Stanfield also enjoys preferred access to numerous secondary trading desks. As a result, our investors benefit from Stanfield's premiere access to investment opportunities from both the primary and secondary markets.

### Investment Products

Stanfield's investment, risk and operations platform is uniquely suited to generate superior risk-adjusted return performance across a broad variety of credit investment products, including separately managed loan accounts, alternative credit strategy accounts and structured credit products. Stanfield can develop an investment strategy and portfolio uniquely customized to meet your specific investment objectives and risk/reward criteria. Stanfield's investment professionals have also successfully launched, managed and invested in several alternative credit strategy portfolios, including long/short, stressed/distressed, and synthetic CDS strategies. We continue to explore new strategies and structures to provide investors with attractive means to best capitalize on opportunities in the credit markets.

### Seasoned Investment Philosophy and Process

Stanfield has a time tested investment process forged over many different credit cycles. Our research intensive investment process is driven by the combination of:

- In-depth Industry Analysis
- Rigorous Fundamental Company Credit Analysis
- Comprehensive Company, Asset and Security Valuation
- Discerning, Active Trading Discipline
- Proactive and Disciplined Portfolio Management

Stanfield's seasoned industry analyst teams evaluate the entire industry from large-cap, investment grade companies through non-investment grade high yield borrowers. This broader coverage allows for deeper industry insights and earlier identification of trends, risks and opportunities. These insights are used to identify the best investment opportunities and to develop investment themes and optimize industry allocation.

Stanfield employs a rigorous, independent bottom-up fundamental research process in order to identify compelling investment opportunities and avoid potential problem credits. Our credit reviews focus on the subject company's business, its market position and the defensibility of that position, its specific strengths and weaknesses, and expected customer and competitive dynamics, in light of overall industry fundamentals. Analysts further evaluate the company

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based on criteria including its earnings outlook, its ability to produce sustainable cash flow, the value of the company and its assets, and the capabilities of the company's corporate management team. Analysis of the capital structure, security terms, covenants and the potential exit strategy for a particular security are also important aspects of the credit analysis process. Analysts use their extensive industry knowledge, contacts and experience to rigorously and critically challenge available information and objectively discern the appropriate credit risks and opportunities.

Stanfield views company enterprise and asset valuation to be a critical determinant in evaluating the relative risk-reward characteristics of the various securities within highly leveraged companies, among companies and across industries, geographies and markets. A key tenet of our investment process is principal preservation and therefore asset coverage protection is an important factor in our investment decisions. Stanfield's industry analysts closely monitor public trading comparables, IPO activity, industry asset valuations and M&A activity and employ traditional fundamental valuation models to gain further insight to the asset coverage and potential downside protection in our investments.

As Stanfield's trading desk is an important component of the investment process, traders provide valuable market insight on both individual credits and general market trends. Stanfield's traders constantly review trading levels and technical market factors to discern trading flows, likely market direction, issuer trading activity and optimal investment purchase or exit prices and timing. Stanfield's analysts have a demonstrated track record of being among the first in the market to identify problems or opportunities and recommend actionable trade ideas. Our investment team objectively reviews each position size and industry exposure in light of their attractiveness on an absolute risk/reward perspective and relative to other alternative investments. The team constantly monitors the secondary market for opportunities to optimize the portfolios, add to attractive positions or trim existing exposures.

Stanfield employs a proactive investment philosophy with an emphasis on the efficient allocation of capital, in an effort to

achieve optimal risk-adjusted returns within client-directed guidelines and prudent portfolio diversification. Credits are reviewed as financial data is received and when industry or company specific events arise. Positions are constantly evaluated for relative attractiveness based on perceived risk, secondary trading levels and the availability of other opportunities. Given our focus on managing risk and minimizing principal loss, a key factor in Stanfield's investment success is our sell discipline. We constantly test our investment thesis and look to exit or trim existing exposures if key tenets of the investment thesis are no longer valid, if the risk in the position has increased, or we can achieve a higher or more certain price for a position than our analysis and valuation determines it is worth.

### Our Team

Stanfield's investment professionals are specialists with the focused expertise and insights that come only with years of experience. Our portfolio managers, analysts and traders are among the industry's longest tenured loan investors and are highly experienced in analyzing, structuring and trading non-investment grade loans, high yield bonds and other credit-based products. Our commitment to superior risk-adjusted investment performance stems from a Firm-wide culture of principal preservation, risk awareness and prudent risk management. Stanfield's staff of seasoned investment analysts and their industry expertise provide rigorous fundamental credit research and critical industry insight.

Stanfield's portfolios are supported by an extensive loan-focused platform of back and middle office, risk management, legal, accounting, and client services personnel, all dedicated to world-class non-investment grade loan investing. These professionals manage all aspects of trade settlement, credit agreement amendments, fund accounting and reconciliation, asset pricing, and portfolio compliance. Given our substantial investment in accounting, risk and information systems, we are able to customize a reporting package and schedule that best meets your needs, including absolute and relative investment performance and attribution, portfolio composition, exposure analysis, and our market commentary and perspectives.

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**Dan Baldwin, CFA, Managing Partner, Chief Executive Officer, Strategist.** Mr. Baldwin joined Stanfield in September of 1998 and is the Firm's Chief Executive Officer. Prior to joining Stanfield, Mr. Baldwin was with Chancellor Capital Management Inc. (now INVESCO (New York), Inc.), as Head of its High Yield Group. From 1982 until 1984, Mr. Baldwin was Chief Investment Officer at First Pyramid Life was with First Variable Life from 1977 to 1982 as a portfolio manager for both fixed and variable annuity accounts. Mr. Baldwin began his career in 1974 as a portfolio manager for Union Planters National Bank. Mr. Baldwin received a BS/BA in Finance from the University of Arkansas in 1974. He is a Chartered Financial Analyst and a member of the New York Society of Securities Analysts, and the Association for Investment Management and Research.

**Christopher E. Jansen, Managing Partner, Portfolio Manager.** Prior to founding Stanfield, Mr. Jansen was with Chancellor Senior Secured Management, Inc. (now INVESCO Senior Secured Management, Inc.) as a Managing Director and Portfolio Manager. Mr. Jansen began his career in 1983 with Manufacturers Hanover Trust Company (now JP Morgan Chase) where, until 1990, he specialized in the structuring and negotiation of highly leveraged financings in the firm's Acquisition Finance Group. Mr. Jansen received a BA in Economics from Rutgers College in 1981, and an MM in Finance from the Kellogg Graduate School of Management at Northwestern University in 1983.

**Stephen M. Alfieri, Managing Partner, Portfolio Manager.** Prior to founding Stanfield, Mr. Alfieri was with Chancellor Senior Secured Management, Inc. (now INVESCO Senior Secured Management, Inc.) as a Bank Loan Portfolio Manager. Mr. Alfieri began his career in 1986 at Manufacturers Hanover Trust Company (now JP Morgan Chase) in the Credit Training Program. He served as an Analyst in the firm's Acquisition Finance Group from 1986 to 1992, with responsibility for structuring, negotiating, and syndicating leveraged loans. Mr. Alfieri received a BS in Accounting from Georgetown University in 1986.

**David Frey, Partner, Portfolio Manager.**

Mr. Frey joined Stanfield in 2004 currently serves as a Senior Portfolio Manager. Mr. Frey was a Principal and Senior Analyst at Katonah Capital where he was responsible for investment and trading recommendations in high yield bonds and senior leveraged loans. Prior to joining Katonah in 2002, Mr. Frey was a research analyst at GoldenTree Asset Management where he analyzed and recommended long and short investments in high yield, leveraged loan, equity, and mezzanine securities. From 1993 to 2001, Mr. Frey was a Principal in the Investment Banking Division of Morgan Stanley, where he managed all aspects of new issue transactions including IPOs and convertible offerings, high yield debt offerings, bridge loans, and senior leveraged loans. He previously worked at Chase Manhattan Bank and Firststar Bank. Mr. Frey received a BS in Economics from the University of Wisconsin in 1988 and an MBA from Columbia Business School in 1993. Mr. Frey currently serves on the Board of Directors of the Loan Syndications and Trading Association (LSTA).

**Dan Partlow, Managing Director, Head of Risk Management.** Mr. Partlow joined Stanfield in 2007 from MBIA where he was the Director of Market Risk Management. He previously worked at AIG, where he was an officer in Enterprise Risk Management from 2002 through 2006 and was a Director at Algorithmics (now Fitch Risk) from 2000 to 2002. From 1993 to 2000 Mr. Partlow worked in various Risk Management and Trading Systems positions for Selkirk Financial (now Thompson), Integrity (now Sungard), FNX Ltd., and MCM (now Sungard). He holds a BA in International Economics from the University of Missouri and an MBA in International Finance from Thunderbird School of International Management.

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