

# **KKR Financial Holdings LLC**

**Schedule of Investments**

**June 30, 2009**

# KKR Financial Holdings LLC

## June 30, 2009

### Summary Schedule of Investments

Issuer	Asset	Moody's Industry	Moody's Rating	Yield or Coupon	Maturity Date	Par or Notional	Estimated Fair Value
<b>CLO CONSOLIDATED POSITIONS</b>							
<b>High Yield Securities</b>							
Accellent Inc.	10.500% - 12/2013 - 00430XAB3	Healthcare, Education and Childcare	Caa3	1050 bps	12/01/2013	\$ 23,000	\$ 19,608
Adesa, Inc.	10.000% - 05/2015 - 48238QAF2	Automobile	Caa1	1000 bps	05/01/2015	20,642	17,030
Adesa, Inc.	8.750% - 05/2014 - 48238QAE5	Automobile	B3	875 bps	05/01/2014	12,000	10,350
Avago Technologies Finance SARL	11.875% - 12/2015 05336XAF8	Electronics	B3	1188 bps	12/01/2015	33,000	33,083
Avago Technologies Finance SARL	Floating - 06/2013 - 05336XAE1	Electronics	B1	LIBOR + 550 bps	06/01/2013	2,391	2,074
Brookstone Company Inc	12.000% - 10/2012	Retail Stores	Caa3	1200 bps	10/15/2012	14,000	5,670
Equinox Holdings LTD	9.250% - 02/2012 - 29445GAE6	Leisure, Amusement, Motion Pictures, Entertainment	B2	925 bps	02/15/2012	35,000	25,900
First Data Corporation	9.875% - 09/2015 - Start 09/2008	Banking	Caa1	988 bps	09/24/2015	90,250	64,529
Goodman Global, Inc.	13.500% - 02/2016	Home and Office Furnishings	B1	1350 bps	02/15/2016	25,000	22,000
Laureate Education, Inc.	10.000% - 08/2015	Healthcare, Education and Childcare	Caa1	1000 bps	08/15/2015	32,300	27,294
Laureate Education, Inc.	10.250% - 08/2015	Healthcare, Education and Childcare	Caa1	1100 bps	08/15/2015	68,594	52,474
Laureate Education, Inc.	11.750% - 08/2017	Healthcare, Education and Childcare	Caa1	1175 bps	08/15/2017	50,000	39,750
LPL Holdings, Inc.	10.750% - 12/2015	Finance	B2	1075 bps	12/15/2015	5,000	4,425
Morgan Stanley Managed Aces SPC	Class V Secured Floating Rate Notes due 2013	Finance	Ca	LIBOR + 520 bps	03/20/2013	40,000	6,520
NXP BV	9.500% - 10/2015 - 62947QAG3	Electronics	C	950 bps	10/15/2015	103,500	37,001
NXP BV	Floating - 10/2013 - 62947QAE8	Electronics	C	LIBOR + 275 bps	10/15/2013	67,500	27,253
SandRidge Energy, Inc.	8.625% - 04/2015	Oil and Gas	B3	863 bps	04/01/2015	40,000	36,100
SandRidge Energy, Inc.	Floating - 04/2014	Oil and Gas	B3	LIBOR + 363 bps	04/01/2014	32,350	25,444
Sanmina-SCI Corp	Floating - 06/2010 - 800907AL1	Diversified/Conglomerate Manufacturing	B1	LIBOR + 275 bps	06/15/2010	7,553	7,289
Sanmina-SCI Corp	Floating - 06/2014 - 800907AN7	Diversified/Conglomerate Manufacturing	B1	LIBOR + 275 bps	06/15/2014	12,500	10,313
SBAC 2006-1A	6.904% - 11/2036 - G 80585BAS9	Telecommunications	Ba2	690 bps	11/15/2036	18,000	16,200
SBAC 2006-1A	7.389% - 11/2036 - H 80585BAT7	Telecommunications	Ba3	739 bps	11/15/2036	14,000	12,600
Seitel Acquisition Corp	9.750% - 02/2014 - 816074AG3	Oil and Gas	B3	975 bps	02/15/2014	10,000	6,550
Wells Fargo	Floating - 10/2016	Banking	A2	Float + 150 bps	10/15/2016	25,000	19,354
Wells Fargo	Floating - 10/2015	Banking	A2	Float + 138 bps	10/28/2015	11,000	8,659
<b>Total High Yield Securities</b>						<b>\$ 792,580</b>	<b>\$ 537,470</b>
<b>Private Equity Investments, at Estimated Fair Value</b>							
Masonite Worldwide Holdings	New Common Stock	Home and Office Furnishings	NA	NA	NA	\$ 36,205	\$ 36,205
Real Mex Restaurants, Inc.	Common	Personal, Food and Miscellaneous Services	NA	NA	NA	5,287	5,549
<b>Total Private Equity Investments, at Estimated Fair Value</b>						<b>\$ 41,492</b>	<b>\$ 41,754</b>
<b>Corporate Loans</b>							
Accellent Inc.	Term Loan	Healthcare, Education and Childcare	B2	LIBOR + 250 bps	11/22/2012	\$ 50,015	\$ 43,763
Activant Solutions Inc.	Term Loan	Diversified/Conglomerate Service	B1	LIBOR + 200 bps	05/02/2013	22,971	19,023
Adesa, Inc.	Initial Term Loan	Automobile	Ba3	LIBOR + 225 bps	10/21/2013	53,069	47,165
Advance Food Company, Inc.	Term Loan (Second Lien)	Personal, Food and Miscellaneous Services	B3	LIBOR + 425 bps	09/16/2014	25,100	19,264
Advanstar Communications Inc.	Term Loan (First Lien)	Printing and Publishing	B2	LIBOR + 225 bps	06/02/2014	19,600	10,584
Affiliated Computer Services, Inc.	Term Loan B	Diversified/Conglomerate Service	Ba2	LIBOR + 200 bps	03/20/2013	3,754	3,584
AGA Medical Corporation	Tranche B Term Loan	Healthcare, Education and Childcare	B1	LIBOR + 200 bps	04/28/2013	11,909	10,123
Ainsworth Lumber Co. LTD	Term Loan	Diversified Natural Resources, Precious Metals and Minerals	B1	LIBOR + 500 bps	06/26/2014	5,000	3,725
Allison Transmission, Inc.	Term Loan	Automobile	B2	LIBOR + 275 bps	08/07/2014	41,992	33,686
Alon USA Energy, Inc.	Edgington Facility	Oil and Gas	B1	LIBOR + 225 bps	08/05/2013	2,263	1,494
Alon USA Energy, Inc.	Paramount Facility	Oil and Gas	B1	LIBOR + 225 bps	08/05/2013	18,107	11,950
Applied Systems, Inc.	Loan (Mezzanine)	Diversified/Conglomerate Service	Caa1	1250 bps	09/26/2014	16,700	14,763
Applied Systems, Inc.	Term Loan	Diversified/Conglomerate Service	B1	LIBOR + 250 bps	09/26/2013	10,945	9,620
Aramark Corporation	LC Facility Letter of Credit	Personal, Food and Miscellaneous Services	Ba3	LIBOR + 202.5 bps	01/24/2014	1,586	1,467
Aramark Corporation	U.S. Term Loan	Personal, Food and Miscellaneous Services	Ba3	LIBOR + 188 bps	01/24/2014	25,320	23,426

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### Summary Schedule of Investments (continued)

Issuer	Asset	Moody's Industry	Moody's Rating	Yield or Coupon	Maturity Date	Par or Notional	Estimated Fair Value
Aspect Software, Inc.	Tranche A1 Term Loan	Electronics	B1	LIBOR + 300 bps	07/11/2011	16,052	13,403
ATP Oil & Gas Corporation	Tranche B-1 Loan	Oil and Gas	B3	LIBOR + 525 bps	07/15/2014	25,200	19,108
ATP Oil & Gas Corporation	Tranche B-2 Loan	Oil and Gas	B3	LIBOR + 525 bps	01/17/2011	6,625	5,024
Aveos Fleet Performance Inc.	U.S. Dollar Term Loan (First Lien)	Aerospace and Defense	Caa1	LIBOR + 625 bps	10/16/2014	72,591	15,426
Aveta Inc.	New Term Loan NAMM	Healthcare, Education and Childcare	B2	LIBOR + 525 bps	08/22/2011	1,108	978
Aveta Inc.	Original Term Loan MMM	Healthcare, Education and Childcare	B2	LIBOR + 525 bps	08/22/2011	7,455	6,585
Aveta Inc.	Original Term Loan NAMM	Healthcare, Education and Childcare	B2	LIBOR + 525 bps	08/22/2011	1,996	1,763
Aveta Inc.	PHMC Acquisition Term Loan	Healthcare, Education and Childcare	B2	LIBOR + 525 bps	08/22/2011	6,110	5,397
Bausch & Lomb Incorporated	Delayed Draw Term Loan	Healthcare, Education and Childcare	B1	LIBOR + 325 bps	04/24/2015	3,173	2,838
Bausch & Lomb Incorporated	Parent Term Loan	Healthcare, Education and Childcare	B1	LIBOR + 325 bps	04/24/2015	16,668	15,348
Beryl Oil and Gas GP LLC	Term Loan (First Lien)	Oil and Gas	B3	LIBOR + 400 bps	07/14/2011	13,420	9,863
Beryl Oil and Gas GP LLC	Term Loan (Second Lien)	Oil and Gas	Caa2	LIBOR + 800 bps	01/13/2012	6,452	2,742
Bi-Lo, LLC	Term Loan	Grocery	B1	LIBOR + 300 bps	03/26/2009	50,000	25,000
Biomet, Inc.	Dollar Term Loan	Personal and Non Durable Consumer Products (Mfg. Only)	B1	LIBOR + 300 bps	03/25/2015	137,554	128,880
BNY ConvergeX Group, LLC	July 2007 Term Loan (First Lien)	Finance	B1	LIBOR + 300 bps	10/02/2013	17,355	16,487
BNY ConvergeX Group, LLC	Term Loan (First Lien)	Finance	B1	LIBOR + 300 bps	10/02/2013	49,214	46,754
BNY ConvergeX Group, LLC	Term Loan (Second Lien)	Finance	B2	LIBOR + 675 bps	04/02/2014	31,000	24,542
Boise Paper Holdings, LLC	Tranche B Term Loan (First Lien)	Diversified Natural Resources, Precious Metals and Minerals	Ba3	LIBOR + 325 bps	02/22/2014	9,612	9,297
Booz Allen Hamilton, Inc	Loan (Mezzanine)	Aerospace and Defense	B3	1300 bps	08/01/2016	4,000	3,940
Bright Horizons Family Solutions, Inc.	Tranche B Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 400 bps	05/28/2015	7,425	6,763
Calpine Corporation	First Priority Term Loan	Utilities	B2	LIBOR + 288 bps	03/31/2014	89,735	79,743
CB Richard Ellis Services, Inc	Tranche B Loan	Buildings and Real Estate	Ba2	LIBOR + 400 bps	12/20/2013	35,004	31,538
CDW Corporation	Term Loan	Electronics	B2	LIBOR + 300 bps	10/10/2014	45,937	31,260
Celanese US Holdings LLC	CL Loan	Chemicals, Plastics and Rubber	Ba2	LIBOR + 175 bps	04/02/2014	15,000	13,952
Celanese US Holdings LLC	Term Loan	Chemicals, Plastics and Rubber	Ba2	LIBOR + 175 bps	04/02/2014	30,343	28,223
Cequel Communications, LLC	Term Loan	Broadcasting and Entertainment	B1	LIBOR + 200 bps	11/05/2013	14,416	13,232
Charter Communications Operating, LLC	New Term Loan	Telecommunications	Ba2	LIBOR + 400 bps	03/05/2014	63,164	57,085
CHS/ Community Health Systems, Inc.	Delayed Draw Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 225 bps	07/25/2014	2,250	2,031
CHS/ Community Health Systems, Inc.	Funded Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 225 bps	07/25/2014	43,456	39,214
Citadel Broadcasting Corporation	Tranche B Term Loan	Broadcasting and Entertainment	Caa3	LIBOR + 175 bps	06/12/2014	24,507	12,948
Coffeyville Resources, LLC	Funded Letter of Credit	Oil and Gas	B2	LIBOR + 550 bps	12/28/2010	1,866	1,766
Coffeyville Resources, LLC	Tranche D Term Loan	Oil and Gas	B2	LIBOR + 550 bps	12/28/2013	14,991	14,181
Coletto Creek Power, LP	Synthetic Letter of Credit (First Lien)	Utilities	B1	LIBOR + 275 bps	06/28/2013	2,293	1,995
Coletto Creek Power, LP	Term Loan (First Lien)	Utilities	B1	LIBOR + 275 bps	06/28/2013	32,203	28,016
Continental Airlines, Inc.	Tranche A-1 Term Loan	Personal Transportation	Ba3	LIBOR + 338 bps	06/01/2011	7,143	5,821
Continental Airlines, Inc.	Tranche A-2 Term Loan	Personal Transportation	Ba3	LIBOR + 338 bps	06/01/2011	17,857	14,554
Covanta Energy Corporation	Funded Letter of Credit	Ecological	Ba1	LIBOR + 140 bps	02/10/2014	6,680	6,246
Covanta Energy Corporation	Term Loan	Ecological	Ba1	LIBOR + 150 bps	02/10/2014	13,264	12,402
CSC Holdings, Inc.	Incremental B-2 Extended Term Loan	Leisure, Amusement, Motion Pictures, Entertainment	Baa3	LIBOR + 175 bps	03/29/2016	41,173	39,398
Dealer Computer Services, Inc.	Term Loan (First Lien)	Diversified/Conglomerate Service	Ba2	LIBOR + 200 bps	10/26/2012	46,720	39,245
Dealer Computer Services, Inc.	Term Loan (Second Lien)	Diversified/Conglomerate Service	B3	LIBOR + 550 bps	10/26/2013	13,300	8,047
Dealer Computer Services, Inc.	Term Loan (Third Lien)	Diversified/Conglomerate Service	B3	LIBOR + 750 bps	04/26/2014	25,000	9,875
Dollar General Corporation	Tranche B-1 Term Loan	Retail Stores	Ba3	LIBOR + 275 bps	07/07/2014	187,500	178,653
Dollar General Corporation	Tranche B-2 Term Loan	Retail Stores	B2	LIBOR + 275 bps	07/07/2014	31,000	29,239
Dollarama Group, L.P.	Replacement Term B Loan	Retail Stores	Ba1	LIBOR + 175 bps	11/18/2011	19,368	18,836
Dresser, Inc.	Term Loan (Second Lien)	Oil and Gas	B3	LIBOR + 575 bps	05/04/2015	27,500	19,491
Duratek, Inc.	Loans	Ecological	Ba2	LIBOR + 225 bps	06/07/2013	5,659	5,263
Easton-Bell Sports, Inc.	Tranche B Term Loan	Personal and Non Durable Consumer Products (Mfg. Only)	B1	LIBOR + 175 bps	03/16/2012	11,902	10,950
Easton-Bell Sports, Inc.	HoldCo PIK Loan	Personal and Non Durable Consumer Products (Mfg. Only)	Caa1	LIBOR + 600 bps	05/01/2012	25,733	15,697
Education Management LLC	Tranche C Term Loan	Healthcare, Education and Childcare	B2	LIBOR + 175 bps	06/03/2013	22,652	20,932
EnergySolutions, LLC	Synthetic A Deposit	Ecological	Ba2	LIBOR + 225 bps	06/07/2013	2,358	2,193
EnergySolutions, LLC	Synthetic Letter of Credit	Ecological	Ba2	LIBOR + 225 bps	06/07/2013	786	731
EnergySolutions, LLC	Term Loan	Ecological	Ba2	LIBOR + 225 bps	06/07/2013	11,795	10,969
Express Investment Corp.	Term Loan	Retail Stores	Caa1	LIBOR + 500 bps	07/05/2011	35,288	25,760
Express, LLC	Term Advance	Retail Stores	B1	LIBOR + 250 bps	07/07/2014	32,914	26,660
FCI International S.A.S.	Facility B5a	Automobile	B2	LIBOR + 238 bps	11/01/2013	1,994	1,104

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### Summary Schedule of Investments (continued)

Issuer	Asset	Moody's Industry	Moody's Rating	Yield or Coupon	Maturity Date	Par or Notional	Estimated Fair Value
FCI USA, Inc.	Facility B1	Automobile	B2	LIBOR + 238 bps	11/02/2013	12,960	7,177
FCI USA, Inc.	Facility B5b	Automobile	B2	LIBOR + 238 bps	11/01/2013	12,960	7,177
First Data Corporation	Initial Tranche B-2 Term Loan	Banking	B1	LIBOR + 275 bps	09/24/2014	163,343	123,550
First Data Corporation	Initial Tranche B-3 Term Loan	Banking	B1	LIBOR + 275 bps	09/24/2014	98,250	73,632
FirstLight Power Resources, Inc.	Synthetic Letter of Credit	Utilities	B1	LIBOR + 250 bps	11/01/2013	317	285
FirstLight Power Resources, Inc.	Synthetic Letter of Credit	Utilities	B1	LIBOR + 255 bps	11/01/2013	25	23
FirstLight Power Resources, Inc.	Term Advance (Second Lien)	Utilities	B3	LIBOR + 450 bps	05/01/2014	17,000	12,665
FirstLight Power Resources, Inc.	Term B Advance (First Lien)	Utilities	B1	LIBOR + 250 bps	11/01/2013	2,658	2,390
Freescale Semiconductor, Inc.	Term Loan	Electronics	B2	LIBOR + 175 bps	11/29/2013	64,440	47,295
Gatehouse Media Operating, Inc.	Add-on Term Loan	Printing and Publishing	Caa1	LIBOR + 225 bps	08/28/2014	21,500	5,456
Gatehouse Media Operating, Inc.	Delayed Draw Term Loan	Printing and Publishing	Caa1	LIBOR + 200 bps	08/28/2014	815	207
Gatehouse Media Operating, Inc.	Initial Term Loan	Printing and Publishing	Caa1	LIBOR + 200 bps	08/28/2014	2,982	757
Generac Acquisition Corp.	Term Loan (First Lien)	Utilities	B1	LIBOR + 250 bps	11/11/2013	38,762	28,141
Georgia-Pacific LLC	Additional Term B Loan	Diversified Natural Resources, Precious Metals and Minerals	Ba2	LIBOR + 200 bps	12/20/2012	6,543	6,186
Georgia-Pacific LLC	Term B Loan	Diversified Natural Resources, Precious Metals and Minerals	Ba2	LIBOR + 200 bps	12/21/2012	31,756	30,022
Goodman Global, Inc.	Term Loan	Home and Office Furnishings	Ba3	LIBOR + 425 bps	02/13/2014	17,370	16,658
Graphic Packaging International, Inc.	Term B Loan	Diversified Natural Resources, Precious Metals and Minerals	Ba3	LIBOR + 200 bps	05/16/2014	25,000	23,353
Grosvenor Capital Management Holdings, LLLP	Term Loan	Finance	Ba3	LIBOR + 200 bps	12/05/2013	68,080	57,188
GTM Holdings, Inc.	Loan (Second Lien)	Textiles and Leather	Ca	LIBOR + 850 bps	04/30/2014	15,000	6,675
GTM Holdings, Inc.	Term Loan (First Lien)	Textiles and Leather	Caa1	LIBOR + 525 bps	10/30/2013	17,639	12,612
Hanesbrands Inc.	Term B Loan (First Lien)	Personal and Non Durable Consumer Products (Mfg. Only)	Ba2	LIBOR + 475 bps	09/05/2013	940	936
Harbor Freight Tools USA, Inc	Tranche C Term Loan	Retail Stores	B1	LIBOR + 625 bps	02/12/2013	40,727	38,012
Harrah's Operating Company, Inc.	Term B-3 Loan	Hotels, Motels, Inns, and Gaming	Caa1	LIBOR + 300 bps	01/28/2015	40,655	30,057
Hawker Beechcraft Acquisition Company LLC	LC Facility Deposit	Aerospace and Defense	B3	LIBOR + 200 bps	03/26/2014	2,407	1,655
Hawker Beechcraft Acquisition Company LLC	Term Loan	Aerospace and Defense	B3	LIBOR + 200 bps	03/26/2014	40,783	28,038
Hawkeye Renewables, LLC	Term Loan (First Lien)	Oil and Gas	B3	LIBOR + 600 bps	06/30/2012	10,898	2,256
HCA Inc.	Tranche B-1 Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 225 bps	11/18/2013	200,768	181,821
Health Management Associates, Inc	Term B Loan	Healthcare, Education and Childcare	B1	LIBOR + 175 bps	02/28/2014	57,739	51,063
HealthSouth Corporation	Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 225 bps	03/11/2013	2,210	2,072
High Plains Broadcasting Operating Company LLC	Term Loan	Broadcasting and Entertainment	B3	LIBOR + 500 bps	09/14/2016	775	546
Huntsman International LLC	Term B Dollar Loan	Chemicals, Plastics and Rubber	Ba1	LIBOR + 175 bps	04/19/2014	15,741	14,242
Idearc Inc	Tranche B Term Loan	Printing and Publishing	Caa3	LIBOR + 400 bps	11/17/2014	44,712	19,107
IFM (US) Colonial Pipeline 2 LLC	Loan	Oil and Gas	Ba3	LIBOR + 200 bps	02/27/2012	17,538	17,297
Infor Global Solutions Intermediate Holdings Limited	Delayed Draw Term Loan	Diversified/Conglomerate Service	B1	LIBOR + 375 bps	07/28/2012	61,002	50,327
Infor Global Solutions Intermediate Holdings Limited	Delayed Draw Term Loan	Diversified/Conglomerate Service	Caa2	LIBOR + 625 bps	03/02/2014	22,000	10,120
Infor Global Solutions Intermediate Holdings Limited	Dollar Tranche B-1 Loan (Second Lien)	Diversified/Conglomerate Service	Caa2	LIBOR + 550 bps	07/28/2012	15,000	6,563
Infor Global Solutions Intermediate Holdings Limited	Initial Dollar Loan (Second Lien)	Diversified/Conglomerate Service	Caa2	LIBOR + 625 bps	03/02/2014	38,000	17,480
Infor Global Solutions Intermediate Holdings Limited	Initial US Term Loan (First Lien)	Diversified/Conglomerate Service	B1	LIBOR + 375 bps	07/28/2012	116,921	96,460
Intelsat Corporation	Tranche B-2-A Term Loan	Telecommunications	B1	LIBOR + 250 bps	01/03/2014	13,003	11,999
Intelsat Corporation	Tranche B-2-B term Loan	Telecommunications	B1	LIBOR + 250 bps	01/03/2014	12,999	11,995
Intelsat Corporation	Tranche B-2-C Term Loan	Telecommunications	B1	LIBOR + 250 bps	01/03/2014	12,999	11,995
IPC Systems, Inc.	Tranche B Term Loan (Second Lien)	Telecommunications	Caa2	LIBOR + 525 bps	06/01/2015	27,500	10,519
IPC Systems, Inc.	Tranche B-1 Term Loan	Telecommunications	B1	LIBOR + 225 bps	06/02/2014	60,232	46,303
Kion Group GMBH	Facility B (USD)	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	B1	LIBOR + 200 bps	12/29/2014	16,250	7,225
Kion Group GMBH	Facility C (USD)	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	B1	LIBOR + 250 bps	12/29/2015	16,250	7,307
Kronos Incorporated	Initial Term Loan (First Lien)	Diversified/Conglomerate Service	Ba3	LIBOR + 200 bps	06/11/2014	14,203	12,995
Las Vegas Sands, LLC	Delayed Draw I Term Loan	Hotels, Motels, Inns, and Gaming	B3	LIBOR + 175 bps	05/23/2014	32,159	22,793
Las Vegas Sands, LLC	Delayed Draw II Term Loan	Hotels, Motels, Inns, and Gaming	B3	LIBOR + 175 bps	05/23/2013	1,990	1,410
Las Vegas Sands, LLC	Tranche B Term Loan	Hotels, Motels, Inns, and Gaming	B3	LIBOR + 175 bps	05/23/2014	148,881	105,520
Laureate Education, Inc.	Closing Date Term Loan	Healthcare, Education and Childcare	B1	LIBOR + 325 bps	08/15/2014	28,129	24,219
Laureate Education, Inc.	Delayed Draw Term Loan	Healthcare, Education and Childcare	B1	LIBOR + 325 bps	08/15/2014	4,210	3,625
Lear Corporation	Term Loan	Automobile	Ca	LIBOR + 275 bps	04/25/2012	43,300	29,949
Lodgenet Entertainment Corporation	Closing Date Term Loan	Telecommunications	B3	LIBOR + 200 bps	04/04/2014	13,883	11,731
London Arena and Waterfront Finance, LLC	Tranche A Term Loan	Buildings and Real Estate	Ba2	LIBOR + 250 bps	03/08/2012	5,408	4,569
Longview Power, LLC	Delayed Draw Loan	Utilities	Ba3	LIBOR + 225 bps	02/28/2014	11,667	9,363
Longview Power, LLC	Synthetic L/C Term Loan	Utilities	Ba3	LIBOR + 240 bps	02/28/2014	3,333	2,675
Longview Power, LLC	Term B Loan	Utilities	Ba3	LIBOR + 225 bps	02/28/2014	10,000	8,025

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LPL Holdings, Inc.	Tranche D Term Loan	Finance	Ba3	LIBOR + 175 bps	06/28/2013	52,469	47,961
Lyondell Chemical Company	Roll-Up Loan (DIP)	Chemicals, Plastics and Rubber	Ba1	LIBOR + 369 bps	12/15/2009	37,470	31,388
Lyondell Chemical Company	U.S. Tranche B-1 Dollar Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 375 bps	12/22/2014	21,017	9,262
Lyondell Chemical Company	U.S. Tranche B-2 Dollar Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 375 bps	12/22/2014	21,017	9,262
Lyondell Chemical Company	U.S. Tranche B-3 Dollar Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 375 bps	12/22/2014	21,017	9,262
Lyondell Chemical Company	Dutch Tranche A Dollar Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 350 bps	12/20/2013	3,919	1,727
Lyondell Chemical Company	German Tranche B-3 Euro Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 375 bps	12/22/2014	4,843	2,135
Lyondell Chemical Company	German Tranche B-1 Euro Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 375 bps	12/22/2014	4,843	2,135
Lyondell Chemical Company	U.S. Tranche A Dollar Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 350 bps	12/20/2013	12,054	5,312
Lyondell Chemical Company	Initial New Money Loan (DIP)	Chemicals, Plastics and Rubber	Ba1	LIBOR + 900 bps	12/15/2009	25,009	26,247
Lyondell Chemical Company	German Tranche B-2 Euro Term Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 375 bps	12/22/2014	4,843	2,135
Lyondell Chemical Company	Primary Revolving Credit Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 350 bps	12/20/2013	6,326	2,788
Lyondell Chemical Company	Dutch Revolving Credit Loan (CAM)	Chemicals, Plastics and Rubber	Caa2	LIBOR + 350 bps	12/20/2013	1,687	744
Manitowoc Company Inc., The	Term B Loan	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	B1	LIBOR + 450 bps	08/25/2014	81,468	74,238
Manitowoc Company Inc., The	Term A Loan	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	B1	LIBOR + 450 bps	11/06/2013	9,647	8,694
Marsico Parent Company, LLC	Term Loan	Finance	B1	LIBOR + 425 bps	12/15/2014	92,442	46,221
McJunkin Corporation	HoldCo Term Loan	Oil and Gas	B3	LIBOR + 325 bps	01/31/2014	30,000	22,200
McJunkin Corporation	OpCo Term Loan	Oil and Gas	B1	LIBOR + 325 bps	01/31/2014	11,700	10,811
Michaels Stores, Inc.	Replacement Loan	Retail Stores	B3	LIBOR + 225 bps	10/31/2013	93,090	74,240
Modular Space Corporation	Asset Based Loan	Diversified/Conglomerate Manufacturing	B2	LIBOR + 200 bps	03/30/2012	49,533	43,720
Modular Space Corporation	Term Loan (Second Lien)	Diversified/Conglomerate Manufacturing	B3	LIBOR + 375 bps	03/30/2015	300,000	228,000
Momentive Performance Materials GMBH	Tranche B-1 Term Loan	Chemicals, Plastics and Rubber	B1	LIBOR + 225 bps	12/04/2013	6,894	5,334
N.E.W. Holdings I, LLC	Term Loan	Insurance	B1	LIBOR + 250 bps	05/22/2014	77,312	70,224
National Processing Company Group, Inc.	First Lien Term Loan	Finance	B2	LIBOR + 300 bps	09/29/2013	16,564	12,672
National Processing Company Group, Inc.	Second Lien Term Loan	Finance	Caa2	LIBOR + 650 bps	09/29/2014	20,000	8,500
Navistar International Corporation	Revolving Credit-Linked Deposit	Automobile	B2	LIBOR + 325 bps	01/19/2012	17,573	15,240
Navistar International Corporation	Term Advance	Automobile	B2	LIBOR + 325 bps	01/19/2012	48,327	41,911
Neiman Marcus Group Inc., The	Term Loan	Retail Stores	B3	LIBOR + 200 bps	04/06/2013	61,879	47,454
Newport Television LLC	Term Loan	Broadcasting and Entertainment	B3	LIBOR + 500 bps	09/14/2016	2,927	2,063
Nielsen Finance LLC	Class B Dollar Term Loan	Broadcasting and Entertainment	Ba3	LIBOR + 375 bps	05/01/2016	65,468	59,279
Nielsen Finance LLC	Class A Dollar Term Loan	Broadcasting and Entertainment	Ba3	LIBOR + 200 bps	06/23/2014	171,766	155,529
Nuveen Investments Inc.	Term Loan	Finance	B3	LIBOR + 300 bps	11/13/2014	56,581	45,052
NYCO Holdings 3 ApS	Facility A1.	Healthcare, Education and Childcare	B3	LIBOR + 150 bps	12/29/2013	11,967	10,279
NYCO Holdings 3 ApS	Facility A2	Healthcare, Education and Childcare	B3	LIBOR + 150 bps	12/29/2013	69,890	60,028
NYCO Holdings 3 ApS	Facility A3	Healthcare, Education and Childcare	B3	LIBOR + 150 bps	12/29/2013	1,930	1,658
NYCO Holdings 3 ApS	Facility A4	Healthcare, Education and Childcare	B3	LIBOR + 150 bps	12/29/2013	1,238	1,063
NYCO Holdings 3 ApS	Facility A5	Healthcare, Education and Childcare	B3	LIBOR + 150 bps	12/29/2013	8,754	7,519
Oriental Trading Company, Inc.	Loan (Second Lien)	Retail Stores	Ca	LIBOR + 600 bps	01/31/2014	6,720	1,512
Oriental Trading Company, Inc.	Term Loan	Retail Stores	Caa1	LIBOR + 675 bps	07/31/2013	21,886	13,460
Penn National Gaming, Inc.	Term Loan B	Hotels, Motels, Inns, and Gaming	Ba2	LIBOR + 175 bps	10/03/2012	6,560	6,300
PetCo Animal Supplies, Inc	Loan	Retail Stores	B1	LIBOR + 225 bps	10/26/2013	29,250	27,532
Pinnacle Foods Finance LLC	Term Loan	Beverage, Food and Tobacco	B2	LIBOR + 275 bps	04/02/2014	1,975	1,776
PQ Corporation	Original Term Loan (First Lien)	Chemicals, Plastics and Rubber	B3	LIBOR + 325 bps	07/30/2014	19,800	15,543
Primus International Inc.	Term Loan	Aerospace and Defense	B2	LIBOR + 250 bps	06/07/2012	11,186	9,620
Real Mex Restaurant Operating Company	Term Loan (Unsecured)	Personal, Food and Miscellaneous Services	B2	LIBOR + 1250 bps	10/05/2010	3,000	2,565
Realogy Corporation	Initial Term B Loan	Buildings and Real Estate	Caa1	LIBOR + 300 bps	10/10/2013	77,212	56,124
Realogy Corporation	Synthetic LC	Buildings and Real Estate	Caa1	LIBOR + 235 bps	10/10/2013	20,788	15,110
Rockwood Specialties Group, Inc.	Tranche H Term Loan	Chemicals, Plastics and Rubber	Ba2	LIBOR + 400 bps	05/15/2014	26,402	26,319
Sally Holdings, LLC	Term B Loan	Retail Stores	B2	LIBOR + 225 bps	11/16/2013	27,399	25,769
Sensata Technologies	US Term Loan	Electronics	B3	LIBOR + 175 bps	04/27/2013	5,672	4,330
Sheridan Holdings Inc.	Initial Term Loan	Healthcare, Education and Childcare	B1	LIBOR + 225 bps	06/15/2014	2,494	2,157
Sirsi Corporation	Term Loan (First Lien)	Diversified/Conglomerate Service	B1	LIBOR + 300 bps	01/17/2012	14,271	12,487
Sirsi Corporation	Term Loan (Second Lien)	Diversified/Conglomerate Service	Caa1	LIBOR + 715 bps	01/17/2013	15,000	9,975
Solutia Inc.	Loan	Chemicals, Plastics and Rubber	B1	LIBOR + 500 bps	02/28/2014	12,793	11,870
SunGard Data Systems Inc	Tranche A U.S. Term Loan	Diversified/Conglomerate Service	Ba3	LIBOR + 175 bps	02/28/2014	79,989	74,390

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### Summary Schedule of Investments (continued)

Issuer	Asset	Moody's Industry	Moody's Rating	Yield or Coupon	Maturity Date	Par or Notional	Estimated Fair Value
Supervalu Inc.	Term A Advance	Grocery	Ba3	LIBOR + 88 bps	06/02/2011	842	809
Targa Resources, Inc.	Synthetic L/C Loan	Oil and Gas	Ba3	LIBOR + 200 bps	10/31/2012	6,381	6,163
Targa Resources, Inc.	Term Loan	Oil and Gas	Ba3	LIBOR + 200 bps	10/31/2012	10,973	10,598
Telesat Canada	U.S. Term I Loan	Broadcasting and Entertainment	B1	LIBOR + 300 bps	10/31/2014	29,946	27,974
Telesat Canada	U.S. Term II Loan	Broadcasting and Entertainment	B1	LIBOR + 300 bps	10/31/2014	2,572	2,403
Texas Competitive Electric Holdings Company, LLC	Initial Tranche B-2 Term Loan	Utilities	B1	LIBOR + 350 bps	10/10/2014	211,113	151,445
Texas Competitive Electric Holdings Company, LLC	Initial Tranche B-3 Term Loan	Utilities	B1	LIBOR + 350 bps	10/10/2014	225,427	161,347
Tishman Speyer Real Estate D.C. Area Portfolio, L	Initial Term Loan	Buildings and Real Estate	Ba2	LIBOR + 175 bps	12/27/2012	15,000	4,875
TL Acquisitions, Inc.	Term Loan	Printing and Publishing	B1	LIBOR + 250 bps	07/03/2014	118,127	99,408
Toys R Us - Delaware, Inc.	Tranche B Loan	Retail Stores	B1	LIBOR + 425 bps	07/19/2012	82,161	76,040
TPF Generation Holdings, LLC	Synthetic LC Deposit (First Lien)	Utilities	Ba3	LIBOR + 200 bps	12/15/2013	1,880	1,782
TPF Generation Holdings, LLC	Synthetic Revolving Deposit	Utilities	Ba3	LIBOR + 200 bps	12/15/2011	589	558
TPF Generation Holdings, LLC	Term Loan (First Lien)	Utilities	Ba3	LIBOR + 200 bps	12/15/2013	5,353	5,072
Transdigm Inc.	Term Loan	Aerospace and Defense	Ba3	LIBOR + 200 bps	06/23/2013	1,250	1,186
Tribune Company	Initial Tranche B Advance	Printing and Publishing	Caa3	LIBOR + 300 bps	06/04/2014	235,239	80,643
TRU 2005 RE Holding Co. I, Ltd.	Loan Retired 07/09/2009	Buildings and Real Estate	B2	LIBOR + 300 bps	12/08/2009	73,078	72,104
U.S. Foodservice	Term Loan	Beverage, Food and Tobacco	B2	LIBOR + 250 bps	07/03/2014	294,737	213,193
Univar Inc	Opco tranche B Term Loan	Chemicals, Plastics and Rubber	B2	LIBOR + 300 bps	10/10/2014	23,711	20,237
Univision Communications Inc.	Initial Term Loan	Broadcasting and Entertainment	B2	LIBOR + 225 bps	09/29/2014	361,560	271,960
Vertafore, Inc.	New Term Loan	Diversified/Conglomerate Service	B1	LIBOR + 250 bps	01/31/2012	14,663	13,416
Vertafore, Inc.	Tack on Term Loan (2nd Lien)	Diversified/Conglomerate Service	Caa1	LIBOR + 575 bps	01/31/2012	10,000	7,800
VWR Funding, Inc.	Dollar Term Loan	Chemicals, Plastics and Rubber	B1	LIBOR + 250 bps	06/30/2014	3,959	3,560
Warner Chilcott Company, Inc.	Tranche B Acquisition Date Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 200 bps	01/18/2012	5,929	5,728
Warner Chilcott Corporation	Tranche C Acquisition Date Term Loan	Healthcare, Education and Childcare	Ba3	LIBOR + 200 bps	01/18/2012	2,079	2,009
West Corporation	Term B-2 Loan	Diversified/Conglomerate Service	B1	LIBOR + 238 bps	10/24/2013	22,941	21,007
Yankee Candle Company, Inc.	Term Loan	Personal and Non Durable Consumer Products (Mfg. Only)	Ba3	LIBOR + 200 bps	02/06/2014	8,743	7,848
<b>Total Corporate Loans</b>						<b>\$ 7,290,818</b>	<b>\$ 5,633,034</b>
<b>Residential Mortgage Backed Securities</b>							
MSM 2005-5AR	1A1	Real Estate	Baa2	LIBOR + 19 bps	09/25/2035	\$ 1,765	\$ 1,180
SAMI 2004-AR8	M	Real Estate	A1	LIBOR + 45 bps	05/19/2035	7,123	4,613
<b>Total Residential Mortgage Backed Securities</b>						<b>\$ 8,888</b>	<b>\$ 5,793</b>
<b>Derivative Positions</b>							
<b>Other Derivatives</b>							
IR Swap CLO 2006-1	IR Swap CLO 2006-1	Finance	NA	NA	NA	\$ 150,000	\$ (17,834)
IR Swap CLO 2007-1	IR Swap CLO 2007-1	Finance	NA	NA	NA	233,333	(28,479)
<b>Total Derivative Positions</b>						<b>\$ 383,333</b>	<b>\$ (46,313)</b>
<b>NON-CLO POSITIONS</b>							
<b>High Yield Securities</b>							
Brookstone Company Inc	12.000% - 10/2012	Retail Stores	Caa3	1200 bps	10/15/2012	\$ 4,000	\$ 1,620
First Data Corporation	11.250% - 03/2016	Banking	B3	1125 bps	03/31/2016	13,125	7,678
First Data Corporation	9.875% - 09/2015	Banking	B3	988 bps	09/24/2015	22,050	15,766
IPS Corporation	11.250% - 07/2014	Diversified/Conglomerate Manufacturing	Caa1	1125 bps	07/13/2014	3,333	3,050
Jazz Pharmaceuticals, Inc.	Senior Secured Notes	Healthcare, Education and Childcare	NR	1500 bps	06/24/2011	6,816	3,728
Accellent Inc.	10.500% - 12/2013 - 00430XAB3	Healthcare, Education and Childcare	Caa3	1050 bps	12/01/2013	11,250	9,591
Adesa, Inc.	10.000% - 05/2015 - 48238QAF2	Automobile	Caa1	1000 bps	05/01/2015	13,000	10,725

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### Summary Schedule of Investments (continued)

Issuer	Asset	Moody's Industry	Moody's Rating	Yield or Coupon	Maturity Date	Par or Notional	Estimated Fair Value
Energy Future Holdings	10.875% - 11/2017	Utilities	B3	1088 bps	11/01/2017	15,200	11,172
Laureate Education, Inc.	11.750% - 08/2017	Healthcare, Education and Childcare	Caa1	1175 bps	08/15/2017	3,999	3,179
<b>Total High Yield Securities</b>						<b>\$ 92,773</b>	<b>\$ 66,509</b>
<b>High Yield (Shorts) Securities</b>							
US Treasury	3.125% - 09/2013	Finance	Aaa	313 bps	09/30/2013	\$ (75,000)	\$ (77,637)
<b>Total High Yield (Shorts) Securities</b>						<b>\$ (75,000)</b>	<b>\$ (77,637)</b>
<b>Corporate Loans</b>							
Ainsworth Lumber Co. LTD	Term Loan	Diversified Natural Resources, Precious Metals and Minerals	B1	LIBOR + 500 bps	06/26/2014	\$ 3,000	\$ 2,235
Bi-Lo, LLC	Term Loan	Grocery	B1	LIBOR + 300 bps	03/26/2009	7,000	3,500
CDX Funding, LLC	Loan (Second Lien)	Oil and Gas	B3	LIBOR + 825 bps	03/31/2013	40,000	12,000
CDX Funding, LLC	Unsecured Term Loan	Oil and Gas	B3	LIBOR + 900 bps	03/31/2014	55,307	1,770
Express, LLC	B HoldCo Loan	Retail Stores	Caa1	1350 bps	06/26/2015	45,000	40,950
Express, LLC	C HoldCo Loan	Retail Stores	Caa1	1450 bps	06/26/2015	46,854	40,295
Harrah's Operating Company, Inc.	Revolving Facility Loan	Hotels, Motels, Inns, and Gaming	Ba2	LIBOR + 300 bps	01/28/2014	13,898	6,481
Infor Global Solutions European Finance, S.a.r.l.	Initial Loan (Holdco PIK)	Diversified/Conglomerate Service	B2	LIBOR + 800 bps	09/02/2014	17,618	1,982
Kion Group GMBH	Facility D (Second Lien)	Machinery (Non-Agriculture, Non-Construction, Non-Electronic)	B2	LIBOR + 375 bps	06/29/2016	14,033	2,115
Las Vegas Sands, LLC	Delayed Draw II Term Loan	Hotels, Motels, Inns, and Gaming	B3	LIBOR + 175 bps	05/23/2013	2,985	2,116
Las Vegas Sands, LLC	Tranche B Term Loan	Hotels, Motels, Inns, and Gaming	B3	LIBOR + 175 bps	05/23/2014	2,450	1,736
Oriental Trading Company, Inc.	Term Loan	Retail Stores	Caa1	LIBOR + 675 bps	07/31/2013	5,751	3,537
ProSiebenSat1 Media	Facility B1	Broadcasting and Entertainment	B3	EURIBOR + 238 bps	03/02/2015	24,593	8,054
ProSiebenSat1 Media	Facility C1	Broadcasting and Entertainment	B3	EURIBOR + 263 bps	03/02/2016	24,593	8,080
ProSiebenSat1 Media	Facility D	Broadcasting and Entertainment	B3	EURIBOR + 375 bps	09/02/2016	51,558	3,506
ProSiebenSat1 Media	Mezzanine	Broadcasting and Entertainment	NR	EURIBOR + 350 bps	03/06/2017	34,238	1,643
ProSiebenSat1 Media	Mezzanine (Public)	Broadcasting and Entertainment	NR	EURIBOR + 350 bps	03/06/2017	22,151	1,063
ProSiebenSat1 Media	Unfunded Mezzanine Loan	Broadcasting and Entertainment	NR	EURIBOR + 350 bps	03/06/2017	33,634	1,614
Texas Competitive Electric Holdings Company, LLC	Initial Tranche B-2 Term Loan	Utilities	B1	LIBOR + 350 bps	10/10/2014	6,221	4,463
Tribune Company	Tranche X Advance	Printing and Publishing	Caa1	LIBOR + 275 bps	06/04/2009	1,773	608
<b>Total Corporate Loans</b>						<b>\$ 452,657</b>	<b>\$ 147,748</b>
<b>Common &amp; Preferred Stock Securities</b>							
Cousins Property	Series B Preferred	Buildings and Real Estate	NA	NA	NA	\$ 1,388	\$ 821
Gatehouse Media Operating, Inc.	Common	Printing and Publishing	NA	NA	NA	6,414	96
NewCastle Investment Corporation	Common	Buildings and Real Estate	NA	NA	NA	371	20
<b>Total Common &amp; Preferred Stock Securities</b>						<b>\$ 8,173</b>	<b>\$ 937</b>
<b>Private Equity Investments, at Cost</b>							
Express Investment Corp.	Private Equity	Retail Stores	NA	NA	NA	\$ 2,421	\$ 3,366
Ips Intermediate Holdings Corporation	Common Stock	Diversified/Conglomerate Manufacturing	NA	NA	NA	2,842	1,478
IPS Structural Holdings, Inc.	Common Stock	Diversified/Conglomerate Manufacturing	NA	NA	NA	158	82
Solyndra	Private Equity	Utilities	NA	NA	NA	4,584	5,458
Modular Space Corp.	Private Equity	Diversified/Conglomerate Service	NA	NA	NA	7,500	4,425
<b>Total Private Equity Investments, at Cost</b>						<b>\$ 17,505</b>	<b>\$ 14,809</b>

# KKR Financial Holdings LLC

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### Summary Schedule of Investments (continued)

Issuer	Asset	Moody's Industry	Moody's Rating	Yield or Coupon	Maturity Date	Par or Notional	Estimated Fair Value
<b>Private Equity Investments, at Estimated Fair Value</b>							
Masonite Worldwide Holdings	New Common Stock	Home and Office Furnishings	NA	NA	NA	\$ 12,262	\$ 12,262
<b>Total Private Equity Investments, at Estimated Fair Value</b>						<b>\$ 12,262</b>	<b>\$ 12,262</b>
<b>Residential Mortgage Backed Securities</b>							
BSARM 2005-2	A3	Real Estate	Aa1	294.00	04/01/2035	\$ 10,206	\$ 9,599
BSARM 2005-2	A4	Real Estate	Aa1	395.38	04/01/2035	3,811	3,541
BSARM 2005-2	B1	Real Estate	A2	396.96	04/01/2035	22,225	20,529
BSARM 2005-2	B2	Real Estate	Ba1	396.96	04/01/2035	14,143	11,283
BSARM 2005-2	B3	Real Estate	B2	396.96	04/01/2035	5,051	3,823
BSARM 2005-2	B4	Real Estate	Ca	396.96	04/01/2035	3,031	1,753
BSARM 2005-2	B5	Real Estate	C	396.96	04/01/2035	2,020	712
BSARM 2005-2	B6	Real Estate	NR	396.96	04/01/2035	4,564	909
BSARM 2005-2	X1	Real Estate	B3	72.59	04/01/2035	-	2,009
BSARM 2005-5	B1	Real Estate	Baa1	424.00	09/01/2035	15,253	13,733
BSARM 2005-5	B2	Real Estate	B1	424.00	09/01/2035	8,262	6,600
BSARM 2005-5	B3	Real Estate	Ca	424.00	09/01/2035	5,085	3,815
BSARM 2005-5	B4	Real Estate	C	424.00	09/01/2035	1,907	812
BSARM 2005-5	B5	Real Estate	C	424.00	09/01/2035	1,271	355
BSARM 2005-5	B6	Real Estate	NR	424.00	09/01/2035	3,085	559
BSARM 2005-5	M	Real Estate	Aa1	249.36	09/01/2035	17,974	16,666
BSARM 2005-5	X	Real Estate	C	44.00	09/01/2035	-	1,726
CMLTI 2005-6	B1	Real Estate	B3	475.00	09/01/2035	13,794	10,328
CMLTI 2005-6	B2	Real Estate	Ca	475.00	09/01/2035	8,778	3,447
CMLTI 2005-6	B3	Real Estate	C	475.00	09/01/2035	5,017	1,201
CMLTI 2005-6	B4	Real Estate	C	438.34	09/01/2035	2,508	425
CMLTI 2005-6	B5	Real Estate	C	438.34	09/01/2035	1,254	129
CMLTI 2005-6	B6	Real Estate	NR	438.34	09/01/2035	1,597	34
CMLTI 2005-6	M	Real Estate	Ba1	475.00	09/01/2035	15,675	12,323
CMLTI 2005-6	X	Real Estate	C	29.20	09/01/2035	-	2,193
CWALT 2006-OA19	A3A	Real Estate	Ba3	LIBOR + 19 bps	02/20/2047	5,812	4,352
GPMF 2005-AR5	2A2	Real Estate	Ba3	LIBOR + 27 bps	11/25/2046	4,676	3,393
MLCC 2005-2	B1	Real Estate	C	443.78	11/01/2035	3,043	1,177
MLCC 2005-2	B2	Real Estate	C	443.78	11/01/2035	1,825	143
MLCC 2005-2	B3	Real Estate	NR	197.24	11/01/2035	3,144	52
MLCC 2005-2	M1	Real Estate	Ba3	443.78	11/01/2035	17,651	14,085
MLCC 2005-2	M2	Real Estate	Caa1	443.78	11/01/2035	8,521	6,346
MLCC 2005-2	M3	Real Estate	C	443.78	11/01/2035	5,478	3,588
MLCC 2005-2	X	Real Estate	Aaa	75.84	11/01/2035	-	6,008
MLCC 2005-3	1AIO	Real Estate	A3	3.33	12/01/2035	-	57
MLCC 2005-3	3AIO	Real Estate	Aa1	21.81	12/01/2035	-	272
MLCC 2005-3	4AIO	Real Estate	Aaa	198.25	12/01/2035	-	2,710
MLCC 2005-3	5AIO	Real Estate	Aaa	71.28	12/01/2035	-	1,548
MLCC 2005-3	B1	Real Estate	C	409.03	12/01/2035	2,927	686
MLCC 2005-3	B2	Real Estate	C	409.03	12/01/2035	2,341	158
MLCC 2005-3	B3	Real Estate	NR	296.65	12/01/2035	3,448	55
MLCC 2005-3	M2	Real Estate	Caa1	409.03	12/01/2035	9,954	6,937
MLCC 2005-3	M3	Real Estate	C	409.03	12/01/2035	6,441	3,856
MLMI 2005-A10	A/O	Real Estate	A3	137.57	03/01/2036	-	7,656
MLMI 2005-A10	B1	Real Estate	C	317.52	03/01/2036	397	-
MLMI 2005-A10	M2	Real Estate	Ca	LIBOR + 68 bps	02/25/2036	8,520	1,253
MLMI 2005-A10	M3	Real Estate	C	LIBOR + 125 bps	02/25/2036	4,430	51
MLMI 2005-A10	M/O	Real Estate	Ba3	93.12	03/01/2036	-	462
MSM 2005-5AR	1A1	Real Estate	Baa2	LIBOR + 27 bps	09/25/2035	4,827	3,229

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### Summary Schedule of Investments (continued)

Issuer	Asset	Moody's Industry	Rating	Coupon	Maturity Date	Notional	Fair Value
MSM 2005-9AR	1A	Real Estate	Caa1	LIBOR + 29 bps	12/25/2035	2,031	1,013
RALI 2006-QA4	A	Real Estate	Caa3	LIBOR + 18 bps	05/25/2036	1,175	-
SAMI 2004-AR8	B2	Real Estate	B3	LIBOR + 95 bps	05/19/2035	7,124	2,409
SAMI 2004-AR8	B3	Real Estate	Ca	LIBOR + 160 bps	05/19/2035	5,056	341
SAMI 2004-AR8	B4	Real Estate	C	350.85	06/01/2035	2,529	48
SAMI 2004-AR8	B5	Real Estate	C	303.00	06/01/2035	664	-
SAMI 2005-AR5	B2	Real Estate	Baa3	LIBOR + 70 bps	07/19/2035	7,400	4,232
SAMI 2005-AR5	B3	Real Estate	Ba2	LIBOR + 135 bps	07/19/2035	4,440	2,253
SAMI 2005-AR5	B4	Real Estate	Ca	196.99	08/01/2035	4,440	1,291
SAMI 2005-AR5	B5	Real Estate	C	196.99	08/01/2035	2,220	148
SAMI 2005-AR5	B6	Real Estate	NR	196.99	08/01/2035	1,282	9
SAMI 2005-AR5	X1	Real Estate	Aa1	248.10	08/01/2035	-	2,337
SAMI 2005-AR5	X2	Real Estate	Aaa	109.86	08/01/2035	-	2,979
SAMI 2005-AR5	X3	Real Estate	Aaa	69.02	08/01/2035	-	2,360
SAMI 2005-AR5	XB	Real Estate	A1	95.74	08/01/2035	-	486
SEMT 2004-3	A	Real Estate	Aaa	6 Mo LIBOR + 50 bps	05/20/2034	2,181	1,837
<b>Total Residential Mortgage Backed Securities</b>						<b>\$ 300,488</b>	<b>\$ 218,321</b>
<b>Derivative Positions</b>							
<b>Total Rate of Return Swaps</b>							
First Data Corporation	Euro Tranche B-2 Term Loan	Banking	NA	NA	NA	\$ 17,234	\$ (3,648)
Infor Global Solutions Intermediate Holdings Limited	Euro Tranche B-1 Loan	Diversified/Conglomerate Service	NA	NA	NA	6,859	954
Maxeda DIY	Term Loan B	Retail Stores	NA	NA	NA	4,561	71
Maxeda DIY	Term Loan C	Retail Stores	NA	NA	NA	4,561	59
Mediannuaire Holding	Term Loan D	Printing and Publishing	NA	NA	NA	28,066	3,100
SAMI 2005-AR5	TROR - X1 - Bear	CDO	NA	NA	NA	14,844	(21)
Trader Media Corporation (2003) Limited	Facility B	Printing and Publishing	NA	NA	NA	15,991	803
U.S. Foodservice	Term Loan	Beverage, Food and Tobacco	NA	NA	NA	24,001	2,520
Univision Communications Inc.	Initial Term Loan	Broadcasting and Entertainment	NA	NA	NA	13,000	955
Versatel Holding GmbH	Facility B	Telecommunications	NA	NA	NA	7,015	222
<b>Total Total Rate of Return Swaps</b>						<b>\$ 136,132</b>	<b>\$ 5,015</b>
<b>CDS (Long Credit)</b>							
Citizens Communications	2.550% - 12/2012	Telecommunications	NA	NA	NA	\$ 3,000	\$ (88)
Sanmina-SCI Corp	4.400% - 06/2012	Diversified/Conglomerate Manufacturing	NA	NA	NA	2,500	(681)
Sanmina-SCI Corp	4.450% - 06/2012	Diversified/Conglomerate Manufacturing	NA	NA	NA	1,500	(410)
Sanmina-SCI Corp	4.500% - 06/2012	Diversified/Conglomerate Manufacturing	NA	NA	NA	2,500	(684)
Sanmina-SCI Corp	4.500% - 06/2012 - II	Diversified/Conglomerate Manufacturing	NA	NA	NA	1,500	(414)
Sanmina-SCI Corp	4.550% - 06/2012	Diversified/Conglomerate Manufacturing	NA	NA	NA	2,500	(687)
Texas Competitive Electric Holdings Company, LLC	2.850% - 06/2010	Utilities	NA	NA	NA	37,500	(1,328)
<b>Total CDS (Long Credit)</b>						<b>\$ 51,000</b>	<b>\$ (4,292)</b>
<b>Other Derivatives</b>							
IR Swap Citi - MLCC 2005-3	MLCC 2005-3: 4.845% \$31,409,293	Finance	NA	NA	NA	\$ 26,561	\$ (1,806)
IR Swap Citi - MLCC 2005-3	MLCC 2005-3: 5.050% \$271,293,443	Finance	NA	NA	NA	38,464	1,129
IR Swap Citi - MLCC 2005-3	MLCC 2005-3: 5.055% \$337,173,047	Finance	NA	NA	NA	50,409	1,749
IR Swap SBAC	IR Swap SBAC	NR-TROR Financing leg	NA	NA	NA	32,000	(2,654)
<b>Total Other Derivatives</b>						<b>\$ 147,434</b>	<b>\$ (1,582)</b>
<b>Total Derivative Positions</b>						<b>\$ 334,566</b>	<b>\$ (859)</b>