



**OCTAGON INVESTMENT PARTNERS 32, LTD.
OCTAGON INVESTMENT PARTNERS 32, LLC**

NOTICE OF PROPOSED FIRST SUPPLEMENTAL INDENTURE

Date of Notice: April 27, 2018

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER.

To: The Holders of the Notes as described on the attached Schedule A and to those Additional Parties listed on Schedule I hereto:

Reference is hereby made to that certain Indenture dated as of August 30, 2017, as amended, supplemented or modified from time to time (the “Indenture”), by and among OCTAGON INVESTMENT PARTNERS 32, LTD. as Issuer (the “Issuer”), OCTAGON INVESTMENT PARTNERS 32, LLC as Co-Issuer (the “Co-Issuer”, and together with the Issuer, the “Co-Issuers”) and U.S. BANK NATIONAL ASSOCIATION, as Trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Indenture.

Pursuant to Article VIII of the Indenture, on behalf of and at the expense of the Co-Issuers, the Trustee hereby provides this notice, of a proposed First Supplemental Indenture (attached hereto as Exhibit A) to the Collateral Manager, the Collateral Administrator, the Holders and the Rating Agencies.

Notice is hereby given that, pursuant to the Indenture, in the event a Majority of the Class A-1 Notes objects to the First Supplemental Indenture within fifteen (15) Business Days of delivery of this notice, the Trustee and the Co-Issuers shall not enter into the First Supplement Indenture.

THE TRUSTEE MAKES NO STATEMENT AS TO THE RIGHTS OF THE HOLDERS IN RESPECT OF THE FIRST SUPPLEMENTAL INDENTURE, ASSUMES NO RESPONSIBILITY OR LIABILITY FOR THE CONTENTS OR SUFFICIENCY OF THE FIRST SUPPLEMENTAL INDENTURE, AND MAKES NO RECOMMENDATIONS AS TO ANY ACTION TO BE TAKEN WITH RESPECT TO THE FIRST SUPPLEMENTAL INDENTURE. HOLDERS ARE ADVISED TO CONSULT THEIR OWN LEGAL OR INVESTMENT ADVISOR.

This Notice is being sent to Holders by U.S. Bank National Association in its capacity as Trustee at the request of the Issuer. Questions may be directed to the Trustee by contacting George Katsilieris at telephone (617) 603-7640 or by e-mail at george.katsilieris@usbank.com.

The CUSIP, ISIN and Common Code numbers appearing in this notice are included solely for the convenience of the Holders. The Trustee is not responsible for the selection or use of the CUSIP, ISIN or Common Code numbers, or for the accuracy or correctness of CUSIP, ISIN or Common Code numbers printed on the Notes or as indicated in this notice. Recipients of this notice are cautioned that this notice is not evidence that the Trustee will recognize the recipient as a Holder. Under the Indenture, the Trustee is required only to recognize and treat the person in whose name a Note is registered on the registration books maintained by the Trustee as a Holder.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

SCHEDULE A

<u>Class</u>	<u>Rule 144A</u> <u>CUSIP</u> <u>ISIN</u>	<u>Regulation S</u> <u>CUSIP</u> <u>ISIN</u> <u>Common Code</u>	<u>Certificated</u> <u>CUSIP</u> <u>ISIN</u>
Class A-1 Notes	67573CAA7 US67573CAA71	G67137AA0 USG67137AA05 165610776	67573CAB5 US67573CAB54
Class A-2 Notes	67573CAC3 US67573CAC38	G67137AB8 USG67137AB87 165610784	67573CAD1 US67573CAD11
Class B-1 Notes	67573CAE9 US67573CAE93	G67137AC6 USG67137AC60 165610792	67573CAF6 US67573CAF68
Class B-2 Notes	67573CAG4 US67573CAG42	G67137AD4 USG67137AD44 165610822	67573CAH2 US67573CAH25
Class C Notes	67573CAJ8 US67573CAJ80	G67137AE2 USG67137AE27 165610806	67573CAK5 US67573CAK53
Class D Notes	67573CAL3 US67573CAL37	G67137AF9 USG67137AF91 165610814	67573CAM1 US67573CAM10
Class E Notes	67573DAA5 US67573DAA54	G67138AA8 USG67138AA87 165610857	67573DAB3 US67573DAB38
Subordinated Notes	67573DAC1 US67573DAC11	G67138AB6 USG67138AB60 165610849	67573DAD9 US67573DAD93

SCHEDULE I

Additional Parties

Issuer:

Octagon Investment Partners 32, Ltd.
c/o MaplesFS Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

Co-Issuer:

Octagon Investment Partners 32, LLC
c/o Maples Fiduciary Services (Delaware)
Inc.
4001 Kennett Pike, Suite 302
Wilmington, Delaware 19807
Attention: Edward Truitt
Email: edward.truitt@maplesfs.com

Collateral Manager:

Octagon Credit Investors, LLC
250 Park Avenue, 15th Floor
New York, New York 10177
Attention: Lauren Basmadjian
Email: lbasmadjian@octagoncredit.com

Collateral Administrator:

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: George Katsilieris, Vice President
(Ref: Octagon Investment Partners 32, Ltd.)
Facsimile no.: (866) 607-0951
Email: George.katsilieris@usbank.com

Rating Agencies:

Moody's Investors Services, Inc.
7 World Trade Center
New York, New York 10007
Attn: CBO/CLO Monitoring
E-mail: cdomonitoring@moodys.com
Facsimile no.: (212) 553-0355

Standard & Poor's,
55 Water Street, 41st Floor
New York, New York 10041
Email: CDO-Surveillance@sandp.com

Cayman Islands Stock Exchange:

The Cayman Islands Stock Exchange
PO Box 2408
Grand Cayman, KY1-1105
Cayman Islands
Email: listing@csx.ky

Exhibit A

PROPOSED FIRST SUPPLEMENTAL INDENTURE

[see attached]

FIRST SUPPLEMENTAL INDENTURE

to the

INDENTURE

dated as of August 30, 2017

by and among

OCTAGON INVESTMENT PARTNERS 32, LTD.,
as Issuer,

OCTAGON INVESTMENT PARTNERS 32, LLC,
as Co-Issuer,

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

This FIRST SUPPLEMENTAL INDENTURE dated as of [•], 2018 (this “Supplemental Indenture”) to the Indenture dated as of August 30, 2017, (as amended, modified and or supplemented from time to time, the “Indenture”) is entered into by and among Octagon Investment Partners 32, Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), Octagon Investment Partners 32, LLC, a limited liability company organized under the laws of the State of Delaware (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”), and U.S. Bank National Association, a limited purpose national banking association with trust powers, as trustee under the Indenture (together with its successors in such capacity, the “Trustee”). Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Indenture.

PRELIMINARY STATEMENT

WHEREAS, the Co-Issuers wish to amend the Indenture pursuant to Section 8.1(xiv); and

WHEREAS, the conditions set forth for entry into a supplemental indenture pursuant to Sections 8.1 and 8.3 of the Indenture have been satisfied;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, the parties agree as follows:

1. Amendments. Upon the effectiveness of this Supplemental Indenture, the following amendments are made to the Indenture pursuant to Section 8.1(xiv) of the Indenture:

(i) Schedule 5 to the Indenture is amended by deleting the paragraphs and tables under the heading “*S&P Recovery Rate Tables*” in its entirety and replacing it with the paragraphs and tables as set forth in Annex A hereto.

2. Governing Law.

THIS SUPPLEMENTAL INDENTURE AND EACH NOTE AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED IN ALL RESPECTS (WHETHER IN CONTRACT OR IN TORT) BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS.

3. Execution in Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Supplemental Indenture by electronic means (including email or telecopy) will be effective as delivery of a manually executed counterpart of this Supplemental Indenture.

4. Concerning the Trustee.

The recitals contained in this Supplemental Indenture shall be taken as the statements of the Co-Issuers, and the Trustee assumes no responsibility for their correctness. Except as provided in the Indenture, the Trustee shall not be responsible or accountable in any way whatsoever for or with respect to the validity, execution or sufficiency of this Supplemental Indenture and makes no representation with respect thereto. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct of or affecting the liability of or affording protection to the Trustee.

5. No Other Changes.

Except as provided herein, the Indenture shall remain unchanged and in full force and effect, and each reference to the Indenture and words of similar import in the Indenture, as amended hereby, shall be a reference to the Indenture as amended hereby and as the same may be further amended, supplemented and otherwise modified and in effect from time to time. This Supplemental Indenture may be used to create a conformed amended and restated Indenture for the convenience of administration by the parties hereto.

6. Execution, Delivery and Validity.

Each of the Co-Issuers represents and warrants to the Trustee that this Supplemental Indenture has been duly and validly executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

7. Binding Effect.

This Supplemental Indenture shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

OCTAGON INVESTMENT PARTNERS 32,
LTD.
as Issuer

By: _____
Name:
Title:

OCTAGON INVESTMENT PARTNERS 32,
LLC
as Co-Issuer

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: _____
Name:
Title:

Consented to by:

OCTAGON CREDIT INVESTORS, LLC
as Collateral Manager

By: _____
Name:
Title:

ANNEX A
S&P Recovery Rate Tables

(a) (i) If a Collateral Obligation has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

S&P Recovery Rating of a Collateral Obligation	Recovery Range from S&P published reports*	Initial Liability Rating							
		“AAA”	“AA”	“A”	“BBB”	“BB”	“B”	“CCC”	
1+	100	75.0%	85.0%	88.0%	90.0%	92.0%	95.0%	95.0%	
1	95	70.0%	80.0%	84.0%	87.5%	91.0%	95.0%	95.0%	
1	90	65.0%	75.0%	80.0%	85.0%	90.0%	95.0%	95.0%	
2	85	62.5%	72.5%	77.5%	83.0%	88.0%	92.0%	92.0%	
2	80	60.0%	70.0%	75.0%	81.0%	86.0%	89.0%	89.0%	
2	75	55.0%	65.0%	70.5%	77.0%	82.5%	84.0%	84.0%	
2	70	50.0%	60.0%	66.0%	73.0%	79.0%	79.0%	79.0%	
3	65	45.0%	55.0%	61.0%	68.0%	73.0%	74.0%	74.0%	
3	60	40.0%	50.0%	56.0%	63.0%	67.0%	69.0%	69.0%	
3	55	35.0%	45.0%	51.0%	58.0%	63.0%	64.0%	64.0%	
3	50	30.0%	40.0%	46.0%	53.0%	59.0%	59.0%	59.0%	
4	45	28.5%	37.5%	44.0%	49.5%	53.5%	54.0%	54.0%	
4	40	27.0%	35.0%	42.0%	46.0%	48.0%	49.0%	49.0%	
4	35	23.5%	30.5%	37.5%	42.5%	43.5%	44.0%	44.0%	
4	30	20.0%	26.0%	33.0%	39.0%	39.0%	39.0%	39.0%	
5	25	17.5%	23.0%	28.5%	32.5%	33.5%	34.0%	34.0%	
5	20	15.0%	20.0%	24.0%	26.0%	28.0%	29.0%	29.0%	
5	15	10.0%	15.0%	19.5%	22.5%	23.5%	24.0%	24.0%	
5	10	5.0%	10.0%	15.0%	19.0%	19.0%	19.0%	19.0%	
6	5	3.5%	7.0%	10.5%	13.5%	14.0%	14.0%	14.0%	
6	0	2.0%	4.0%	6.0%	8.0%	9.0%	9.0%	9.0%	
		Recovery Rate							

* If a recovery range is not available from S&P’s published reports for a given loan with an S&P Recovery Rating of ‘1’ through ‘6’, the lower range for the applicable recovery rating will be assumed.

(b) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a senior unsecured loan or second lien loan and (y) the issuer of such Collateral Obligation has issued another debt instrument that is outstanding and senior to such

Collateral Obligation (a “Senior Secured Debt Instrument”) that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Group A

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	“AAA”	“AA”	“A”	“BBB”	“BB”	“B” and “CCC”
1+	18%	20%	23%	26%	29%	31%
1	18%	20%	23%	26%	29%	31%
2	18%	20%	23%	26%	29%	31%
3	12%	15%	18%	21%	22%	23%
4	5%	8%	11%	13%	14%	15%
5	2%	4%	6%	8%	9%	10%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	“AAA”	“AA”	“A”	“BBB”	“BB”	“B” and “CCC”
1+	13%	16%	18%	21%	23%	25%
1	13%	16%	18%	21%	23%	25%
2	13%	16%	18%	21%	23%	25%
3	8%	11%	13%	15%	16%	17%
4	5%	5%	5%	5%	5%	5%
5	2%	2%	2%	2%	2%	2%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	“AAA”	“AA”	“A”	“BBB”	“BB”	“B” and “CCC”
1+	10%	12%	14%	16%	18%	20%
1	10%	12%	14%	16%	18%	20%
2	10%	12%	14%	16%	18%	20%
3	5%	7%	9%	10%	11%	12%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating
	Recovery rate

- (a) If (x) a Collateral Obligation does not have an S&P Recovery Rating and such Collateral Obligation is a subordinated loan or subordinated bond and (y) the issuer of such Collateral Obligation has issued a Senior Secured Debt Instrument that has an S&P Recovery Rating, the S&P Recovery Rate for such Collateral Obligation shall be determined as follows:

For Collateral Obligations Domiciled in Groups A and B

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	“AAA”	“AA”	“A”	“BBB”	“BB”	“B” and “CCC”
1+	8%	8%	8%	8%	8%	8%
1	8%	8%	8%	8%	8%	8%
2	8%	8%	8%	8%	8%	8%
3	5%	5%	5%	5%	5%	5%
4	2%	2%	2%	2%	2%	2%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

For Collateral Obligations Domiciled in Group C

S&P Recovery Rating of the Senior Secured Debt Instrument	Initial Liability Rating					
	“AAA”	“AA”	“A”	“BBB”	“BB”	“B” and “CCC”
1+	5%	5%	5%	5%	5%	5%
1	5%	5%	5%	5%	5%	5%
2	5%	5%	5%	5%	5%	5%
3	2%	2%	2%	2%	2%	2%
4	-%	-%	-%	-%	-%	-%
5	-%	-%	-%	-%	-%	-%
6	-%	-%	-%	-%	-%	-%
	Recovery rate					

- (b) If a recovery rate cannot be determined using clause (a), the recovery rate shall be determined using the following table.

Recovery rates for Obligor Domiciled in Group A, B or C:

Priority Category	Initial Liability Rating					
	“AAA”	“AA”	“A”	“BBB”	“BB”	“B” and “CCC”
Senior Secured Loans (other than First-Lien Last-Out Loans)						
Group A	50%	55%	59%	63%	75%	79%
Group B	39%	42%	46%	49%	60%	63%
Group C	17%	19%	27%	29%	31%	34%
Senior Secured Loans (Cov-Lite Loans)						
Group A	41%	46%	49%	53%	63%	67%
Group B	32%	35%	39%	41%	50%	53%
Group C	17%	19%	27%	29%	31%	34%
Second Lien Loans, First-Lien Last-Out Loans, Unsecured Loans*						
Group A	18%	20%	23%	26%	29%	31%
Group B	13%	16%	18%	21%	23%	25%
Group C	10%	12%	14%	16%	18%	20%
Subordinated loans						
Group A	8%	8%	8%	8%	8%	8%
Group B	8%	8%	8%	8%	8%	8%
Group C	5%	5%	5%	5%	5%	5%
Recovery rate						
<p><i>Group A: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Japan, Luxembourg, The Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, U.K. and United States of America</i></p> <p><i>Group B: Brazil, Dubai International Finance Centre, Greece, Italy, Mexico, South Africa, Turkey and United Arab Emirates</i></p> <p><i>Group C: India, Indonesia, Kazakhstan, Russia, Ukraine and Vietnam</i></p>						

Notwithstanding the foregoing, for purposes of determining the S&P Recovery Rate of a Collateral Obligation that is a Senior Secured Loan (including any Cov-Lite Loan) secured solely or primarily by common stock or other equity interests, such Collateral Obligation shall be deemed to be an Unsecured Loan.

* Solely for the purpose of determining the S&P Recovery Rate for such loan, the Aggregate Principal Balance of all First-Lien Last-Out Loans, Unsecured Loans and Second Lien Loans that, in the aggregate, represent up to 15% of the Collateral Principal Amount shall have the S&P Recovery Rate specified for First-Lien Last-Out Loans, Unsecured Loans and Second Lien Loans in the table above and the Aggregate Principal Balance of all First-Lien Last-Out Loans, Unsecured Loans and Second Lien Loans in excess of 15% of the Collateral Principal Amount shall have the S&P Recovery Rate specified for Subordinated Loans in the table above.

