

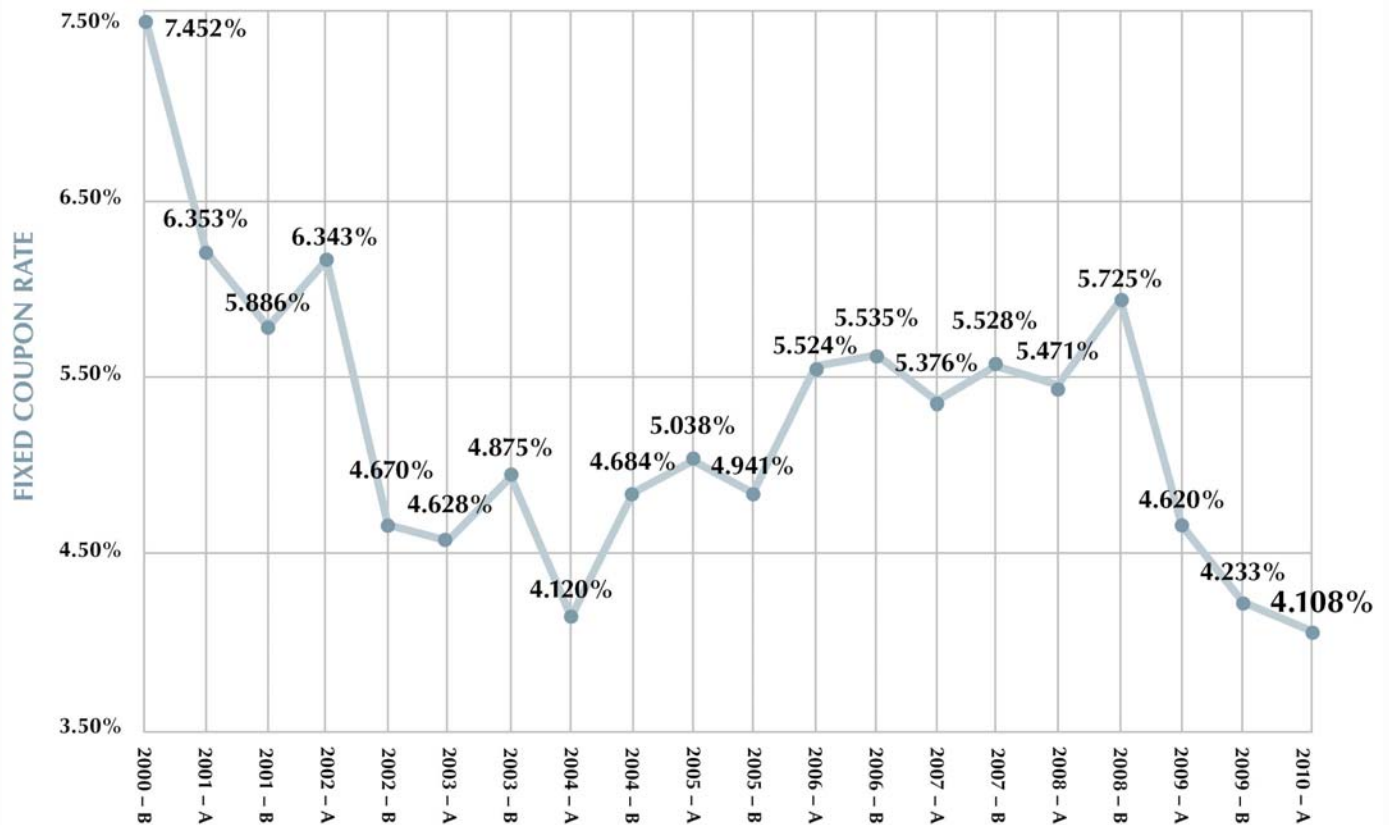
SBIC Debentures Issued at Historically Low Interest Rate

On March 24, 2010, the SBIC Funding Corporation completed pricing on \$339 million in pooling of SBA debentures with a coupon rate of 4.108 percent. This is the lowest pricing on SBA pooled debentures in the past 20 years and follows on the September 2009 issuance of \$319 million at 4.233 percent.

The pricing of the pool is a critical component to the cost of funds used by SBIC Funds. Once pooled, the interest rate on the SBA debentures becomes fixed for a 10 year period. The SBIC Fund is only responsible for a semi-annual interest-only payment on the SBA debentures until the SBA debentures are repaid. The SBA debentures must be repaid within 10 years. In addition, there are no pre-payment penalties.

The March 2010 pool included 173 separate issuances to 51 SBIC Funds located in the United States. The historical pooling information is reflected in the chart below.

SBIC DEBENTURE PRICING



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