



# Risk Factors<sup>1</sup> (continued)

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## Risk Factors

### Cayman Islands Anti-Money Laundering Legislation

The Issuer's administrator is, and the Issuer may be, subject to the Cayman Islands Money Laundering Regulations (2010 Revision).

## RISKS RELATING TO THE COLLATERAL OBLIGATIONS

### Below Investment-Grade Assets

The assets acquired by the Issuer will consist primarily of non-investment grade loans or interests in non-investment grade loans that are subject to, credit, interest rate, illiquidity and other risks.

### Risks of Default and Recovery Levels on the Issuer's Assets

While infrastructure debt historically experiences low default rates as compared to other industry sectors, a non-investment grade debt obligation or an interest in a non-investment grade debt obligation is generally considered speculative in nature and for a variety of reasons may become a defaulted obligation.

### Limited Information about the Issuer's Assets

Neither the Issuer nor the Portfolio Advisor will be required to provide the holders of the Preferred Shares with financial or other information that it receives in connection with the assets owned by the Issuer unless required under the transaction agreements.

### Lender Liability Considerations

There can be no assurance that lender liability claims will not arise against the Issuer or that the Issuer will not be subject to liability upon the occurrence of such a claim.

### Voting Rights on the Issuer's Assets

The Issuer will have limited consent and control rights which may not be effective in view of the typically low proportion of such obligations held by the Issuer.

### Asset Credit Ratings Risks

The Issuer will be using ratings assigned by the rating agencies to obligors on individual assets. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency.

### Loan Prepayments

Loans are generally prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued unpaid interest thereon. There exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment.

### Maturing Loan Refinancing Risks

The Issuer's assets will consist of many assets that have bullet maturities which involve a greater degree of risk than other types of transactions because they are structured to allow for no principal payments over the term of the loan and require the obligor to make a large final payment upon the maturity of the related asset.

### Syndicated Loan Facilities

A number of the loans are drawn under facilities which are, or are capable of being, syndicated or have multiple lenders. Under such facilities the exercise of remedies and the taking of other actions against the related obligors and the approval of amendments and waivers may be subject to the vote of a certain percentage of the lenders.

### Risks of Investing in Loans and Participation Interests

The Issuer may acquire interests in loans either directly by assignment from the selling institution or, in certain instances, indirectly by purchasing a participation interest from the selling institution. Holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan.

(1) A more detailed description of risk factors will be contained in a definitive Private Placement Memorandum of the Issuer with respect to the Preferred Shares.