



Risk Factors¹ (continued)

CONFIDENTIAL FOR DISCUSSION PURPOSES ONLY

CERTAIN RISKS OF INFRASTRUCTURE DEBT (CONT'D)

Development Risks

It is currently intended that the Issuer will invest in infrastructure debt relating to 'greenfield' assets. 'Greenfield' assets involve undeveloped land which will not produce income until development of the property is completed and the project is operational.

Commodity Prices

The operation and cash flows of infrastructure debt obligors may depend, in some cases to a significant extent, upon prevailing market prices for commodities such as oil, gas, coal, electricity, steel or concrete.

Construction Risks

Where an infrastructure project involves the construction of a new asset or significant refurbishment of an existing asset, there are risks that the construction of a new infrastructure asset (and ultimate certification of the services) may not be completed within the expected and/or agreed price and construction may not be completed on time.

Single Project Risks

If a counterparty fails to pay its contractual obligations to an obligor of an asset, or the underlying infrastructure assets are appropriated by the relevant government, revenues of such obligor could cease or decline significantly, which in turn could impair an obligor's ability to service its debt obligations, including its debt obligations under the related assets.

Environmental Risks

The operation of, or the occurrence of an accident with respect to, an infrastructure asset operated by an obligor could result in environmental damage which could result in significant financial distress to an obligor if not adequately covered by insurance.

Catastrophic and Force Majeure Events

The operations of infrastructure assets may be subject to unplanned interruptions caused by potentially catastrophic force majeure events and conditions, including, without limitation, wars, labor strikes, cyclones, earthquakes, landslides, floods, explosions, fires, breakdowns, ruptures, technology failures, design and construction defects, accidents, social instability and terrorist attacks.

Sovereign Risk

While most of the Collateral Obligations owned by the Issuer will relate to infrastructure projects located in the United States, a portion of the Issuer's assets may consist of assets that are obligations of non-U.S. obligors. Investing outside the United States may involve greater risks than investing in the United States.

Obligor Insolvency Considerations

Various laws enacted for the protection of creditors may apply to the Issuer, the Originator or others and may affect the Issuer's assets. If payments on the Issuer's assets were to be avoidable, whether as fraudulent conveyances or preferences, such payments could be recaptured, either from the initial recipient, such as the Issuer, or from subsequent transferees of such payments, such as the holders of the Issuer's securities.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE OR CONCLUSIVE DISCUSSION OF THE RISKS RELATED TO AN INVESTMENT IN THE Preferred Shares. EACH POTENTIAL INVESTOR SHOULD READ THE FINAL OFFERING MEMORANDUM OF THE ISSUER IN ITS ENTIRETY AND IS URGED TO CONSULT ITS PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE Preferred Shares.

(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.