

Risk Factors¹ (continued)



An investment in Preferred Shares involves a high degree of risk, including possible loss of Preferred Shares holder's investment, and is suitable only for sophisticated investors who can bear such losses. The value of the Preferred Shares and their derived income may fall or rise. Any forecasts provided herein are based upon the Issuer's and the Portfolio Advisor's opinion of the market at this date and are subject to change dependent on the market. Past performance or any prediction, projection or forecast on the economy or markets is not indicative of future performance. The Portfolio Advisor's team develops target performance range information by reference to the historical performance of assets suitable for an investment by the Issuer, analyzed in the context of the investment environment(s) that the Portfolio Advisor expects may be relevant to the investment program of the Issuer. It is also assumed that the Portfolio Advisor will be in a position to continue to identify and analyze target investments in view of information available to it at the time of the investment decision pertaining to, amongst other things, asset quality, sponsor credit, term of loan, interest rate, security, debt service coverage ratio, loan-to-value ratio, cash flow analysis, loan structure and other related information that the Portfolio Advisor deems relevant. In developing target performance information, the Portfolio Advisor uses historical information related to the performance of investments that would meet the specified criteria for an investment by the Portfolio Advisor, adjusted to reflect any modified assumptions, such as capital markets conditions, capital flows and liquidity, relating to the investment environment that the Portfolio Advisor expects for the Issuer.

Any forecasts or opinions provided are based upon the Portfolio Advisor's opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Information herein is subject to significant uncertainty. Market conditions are unprecedented, which exacerbates the uncertainty that is inherent in any discussion of future events. Although the Portfolio Advisor believes that the assumptions made in connection with the preparation of the analysis herein have been made in good faith and are reasonable, no representation or warranty is made as to whether any of the events set forth herein will occur. Any target returns provided herein are an objective only and are not a forecast, projection or prediction of the Preferred Shares, future performance or actual profit or cash available for distribution. Neither the Portfolio Advisor nor the Issuer can provide no assurance that any target returns will be achieved. Prospective investors in the Preferred Shares should not place any reliance on the target returns in deciding whether to invest in the Preferred Shares.

As noted in some of the charts and tables provided herein, performance figures do not reflect the deduction of fees and expenses charged or incurred by the strategy; such figures would be lower had such fees and expenses been reflected. For example, if the strategy appreciated by 10% a year for five years, the total annualized return for five years prior to deducting fees at the end of the five-year period would be 10%. If total fees were 0.10% for each of the five years, the total annualized return of the strategy for 5 years at the end of the five-year period would be 9.89%. The adviser's fees are described in Part II of the adviser's Form ADV or as part of the Private Placement Memorandum and the historical returns achieved by the strategy are not a prediction of future performance. There can be no assurance that these or comparable returns will be achieved or that the strategy's performance objective will be achieved.

Deutsche Asset Management represents the asset management activities conducted by Deutsche Bank AG or any of its subsidiaries.

(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.