

each of the foregoing. Holders of Preferred Shares will not be secured parties under the Indenture.

The Collateral Obligations will consist primarily of senior secured floating rate leveraged loans made to corporate and other business entities ("Leveraged Loans") of below investment grade credit quality. See "Risk Factors."

The Issuer may lend Collateral Obligations to Securities Lending Counterparties that satisfy the requirements described herein. See "Risk Factors" and "Security for the Notes — Securities Lending."

Ratings.....

It is a condition to the issuance of the Notes that the Class A-1 Notes be rated "Aaa(sf)" by Moody's and "AAA(sf)" by S&P, that the Class A-2 Notes be rated at least "AA(sf)" by S&P, that the Class B Notes be rated at least "A(sf)" by S&P, that the Class C Notes be rated at least "BBB(sf)" by S&P and that the Class D Notes be rated at least "BB(sf)" by S&P. The Subordinated Securities will not be rated.

In connection with the Effective Date, the Investment Manager (on behalf of the Issuer) will request Rating Agency Confirmation from S&P and, unless the Effective Date Moody's Condition is satisfied, Moody's.

Governing Law.....

The Notes, the Fiscal Agency Agreement and the Indenture will be governed by, and construed in accordance with, the laws of the State of New York. The terms and conditions of the Preferred Shares will be governed by the laws of the Cayman Islands.

Offer and Transfer Restrictions

The Securities have not been and will not be registered under the Securities Act, and none of the Issuer, the Co-Issuer or the pool of Collateral is or will be registered under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7) thereof. Accordingly, such Securities may not be offered or sold within the United States to, or for the account or benefit of, "U.S. persons" (as such terms are defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the Investment Company Act. The Securities may only be offered or sold to (A) Qualified Institutional Buyers that are also Qualified Purchasers and, in the case of the Subordinated Securities, Accredited Investors that are also (i) Qualified Purchasers or (ii) in the case of Subordinated Securities, Knowledgeable Employees in reliance on an exemption under the Securities Act or (B) non-U.S. persons in accordance with the requirements of Regulation S and (C) in accordance with any other applicable law.

Transfer of the Securities is subject to certain restrictions. Each purchaser (including transferees) will be required to make (or will be deemed to have made) certain representations and agreements. For a description of such representations and agreements and restrictions on resale or transfer of interests in the Securities, see "Transfer and Exchange" and "ERISA Considerations."

Listing and Trading

Application has been made to the Central Bank under the Prospectus Directive, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The Indenture does