

RISKS RELATING TO THE PREFERRED SHARES

Limited Liquidity and Restrictions on Transfer

There is no established secondary market for the Preferred Shares, and it is not expected that any secondary market for any of the Preferred Shares will develop, or if a secondary market does develop, that it will provide the Preferred Shareholders with liquidity of investment or will continue for the life of the Preferred Shares. None of the Portfolio Advisor, the Placement Agents, Deutsche Bank or any of their respective affiliates is under any obligation to make a market for the Preferred Shares. The Preferred Shares are designed for long-term investors and should not be considered a means for short-term trading. Consequently, an Investor must be prepared to hold its Preferred Shares for an indefinite period of time. The Preferred Shares will not be registered under the Securities Act or any state securities laws and are subject to transfer restrictions related thereto. In addition, no Transfer of the Preferred Shares may be affected if, among other things, it would require either the Issuer or the pool of the Assets of the Issuer to register under, or otherwise be subject to the provisions of, the Investment Company Act or any similar legislation or regulatory action. Further, any Transfer of Preferred Shares must include a transfer of the proportionate amount of any unfunded Capital Commitment pursuant to the PS Purchase Agreement. As a result, the Preferred Shares are subject to certain transfer restrictions and can only be Transferred to certain transferees as described under Section 11, "Summary of Principal Terms—Preferred Shares—Purchase Restrictions" and "Summary of Principal Terms—Additional Matters—Tax Treatment". In addition, each Preferred Shareholder has the right under the PS Purchase Agreement to request certain information relating to the Issuer and its Assets and to inspect the Issuer's book and records. Such information obtained by a Preferred Shareholder may contain or include information not provided by the Issuer to its security holders generally and that may be material to the performance of the Issuer's Preferred Shares, and that each Preferred Shareholder receiving such information will be or may be prohibited from engaging in purchases or sales of any securities of the Issuer by reason of having possession of such information. The Issuer may, in the future, impose additional transfer restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Preferred Shares may further limit their liquidity.

Limited Recourse

The Preferred Shares represent interests solely in the Issuer and not in any other person or entity, including (without limitation) Deutsche Bank, the Portfolio Advisor, the Portfolio Administrator, the Placement Agents, any Hedge Counterparty or the Security Party or any of their respective affiliates. Distributions to Preferred Shareholders will be made from amounts received on the Issuer's Assets solely after all other payments have been made pursuant to the Priority of Payments. See Section 11, "Summary of Principal Terms—Preferred Shares—Distributions". There can be no assurance that the distributions on the Collateral Obligations and other Assets will be sufficient to make distributions to Preferred Shareholders after making payments on the Facility and on other obligations of the Issuer that rank senior to the Preferred Shares. If distributions on the Issuer's Assets are insufficient to make distributions on the Preferred Shares, no other Assets will be available to the Issuer to make such distributions.

Junior Status of Preferred Shares

The Preferred Shares will be subordinate and junior to the applicable Facility and any other Issuer obligations. To the extent that any losses are suffered by the Issuer, such losses will be borne in the first instance by Preferred Shareholders, then by the holders of the applicable Facility. None of the Portfolio Advisor, the Placement Agents, Deutsche Bank, the Security Party, any of their affiliates or any other person will have any obligation to make payments on the Preferred Shares. While a Facility is outstanding, Preferred Shareholders will generally not be entitled to exercise any remedies under such Facility. If an Event of Default occurs and is continuing under the applicable Facility, the holders of the Facility will have rights to effect a wide range of remedies, including acceleration of the Facility and liquidation of all or part of the Assets. In such circumstances, the holders of the Facility may also refrain from accelerating or exercising any remedies, in which case the Portfolio Advisor could continue to direct dispositions and purchases of Collateral Obligations to the extent permitted under the applicable Facility documentation and payments on a Facility would continue to be made in accordance with the Priority