

affiliations. The Portfolio Advisor and its affiliates may also have ongoing relationships with, render services to or engage in transactions with other issuers of collateralized debt obligations or structured vehicles that invest in assets of a nature similar to those of the Issuer, and with companies whose securities or loan interests form part of the Issuer's Portfolio, and may own equity or debt securities or loan interests issued by issuers of and other Obligor on Collateral Obligations. As a result, officers at RREEF that will be advising the Issuer may possess information relating to issuers of Collateral Obligations that is not known to the individuals at the Portfolio Advisor responsible for monitoring the Collateral Obligations and performing the other obligations of the Portfolio Advisor under the Portfolio Advisory Agreement. See "—Material Non-Public Information."

The Portfolio Advisor and its affiliates, including Deutsche Bank, and their respective clients may invest, on behalf of themselves and their clients, in securities or loan interests that would be appropriate as Collateral Obligations, as well as in securities or loan interests that are senior to, or have interests different from or adverse to, securities or loan interests that are acquired by the Issuer, and they have no duty in making such investments to act in a way that is more favorable to the Issuer or the Preferred Shareholders or to consider their interests. The Portfolio Advisor may on behalf of the Issuer make an investment in the infrastructure loan or security of an issuer or Obligor in which another account, client or affiliate of the Portfolio Advisor (including Deutsche Bank and its clients) is already invested or has co-invested. In connection with such investments, the Issuer and such entities may have conflicting interests and investment objectives. Conflicts may also arise in cases where the Issuer may make an investment, the proceeds of which are used to liquidate an investment of Deutsche Bank.

DDI and DBSI<sup>46</sup>, affiliates of the Portfolio Advisor, have been appointed by the Issuer as its non-exclusive Placement Agents in connection with the private offer and sale of Preferred Shares on behalf of the Issuer. Pursuant to the Placement Agreement, each Placement Agent is authorized to offer to sell, and solicit offers to purchase, Preferred Shares on behalf of the Issuer. Each Placement Agent may receive compensation from the Portfolio Advisor in respect of the services rendered by it in such amount or amounts as may be mutually agreed between the Portfolio Advisor and such Placement Agent and set forth in the Placement Agreement. Neither Placement Agent is obligated to provide any financing or advisory or other services to the Issuer, and each Placement Agent is authorized to perform its services as a Placement Agent directly or through any one or more of its affiliates. Each Placement Agent may engage third parties or affiliates to provide certain services (each a "Placement Agent Service Provider"), including offering and selling Preferred Shares on behalf of the Issuer or referring potential investors to the Placement Agent. A Placement Agent Service Provider may receive compensation from the Placement Agent in respect of the services rendered by it in such amount or amounts as may be mutually agreed between the Placement Agent and such Placement Agent Service Provider. Each Placement Agent or its affiliates may from time to time hold Securities for investment, trading or other purposes.

#### Allocation of Investment Opportunities and Co-Investment with Affiliates of the Portfolio Advisor

The Portfolio Advisor intends to continue to, and affiliates of the Portfolio Advisor (including Deutsche Bank) and their respective affiliates may, sponsor, manage or advise other portfolios, clients or accounts (whether currently in existence or established in the future) during the term of the Issuer. The investment objectives of such entities may be similar to those of

<sup>46</sup> Required Disclosure regarding DBSI:

*Research-Related Settlement:* On August 26, 2004, in connection with the 2002 industry-wide governmental and regulatory investigations into research and analysts practices, DBSI reached a settlement agreement with the Securities and Exchange Commission, the National Association of Securities Dealers, the New York Stock Exchange and the New York Attorney General, and with other state regulators arising from an investigation of research analyst independence. Under the terms of the settlement, DBSI agreed to pay \$87.5 million.

*Auction Rate Securities Settlement:* On June 3, 2009, DBSI settled proceedings with the Securities Exchange Commission, the New Jersey Department of Securities and New York Attorney General in connection with various claims under the federal securities laws and state common law arising out of the sale of auction rate preferred securities and auction rate securities (together, "ARS"). Under the terms of the settlements, DBSI was required to, among other things, offer to buy back ARS purchased by certain customers from DBSI, reimburse certain customers who took out loans secured by ARS and compensate eligible customers who sold their ARS below par value. In connection with the settlements, a number of state securities commissions issued final orders against DBSI.