

the Issuer. Accordingly, the Issuer may be subject to certain conflicts of interest in the allocation of potential investments by the Portfolio Advisor arising out of such relationships which may result in suitable investments meeting the Investment Guidelines and the Investment Criteria not being allocated to the Issuer. While the Portfolio Advisor seeks to manage potential conflicts of interest in good faith, the investment strategies employed by the Portfolio Advisor in managing its other clients or accounts could conflict with the strategies employed by the Portfolio Advisor in managing the Issuer's Portfolio. The Portfolio Advisor may seek simultaneously to purchase investments for the Issuer, itself and similar entities or other investment accounts for which it serves as portfolio advisor. If the Portfolio Advisor is presented with investment opportunities that fall within the investment objectives of the Issuer and other investment funds and accounts managed by the Portfolio Advisor, the Portfolio Advisor expects to allocate such opportunities among the Issuer and such other funds and accounts in accordance with its allocation and co-investment policies and procedures (copies of which are available to Investors upon written request to RREEF), and on a basis that the Portfolio Advisor determines in good faith is appropriate taking into consideration such factors as the respective duties owed to the Issuer and such other funds and accounts, the investment objectives of the Issuer and such other funds and accounts, the capital available to the Issuer and such other funds and accounts, any investment restrictions, the sourcing and size of the transaction, the amount of potential follow-on investing that may be required for such investment and the status of other Assets of the Issuer, as well as any other considerations deemed relevant by the Portfolio Advisor in good faith and consistent with its internal procedures and policies.

None of the Portfolio Advisor or any of its affiliates is under any obligation to offer investment opportunities of which it becomes aware to the Issuer, or to account to the Issuer for (or share with the Issuer or inform the Issuer of) any such transaction or any benefit received by it, or to inform the Issuer of any investments before offering any investments to other funds or accounts that the Portfolio Advisor or any of its affiliates manages or advises, or engaging in any investments for itself or for others. Affirmative obligations may exist, or may arise in the future, whereby the Portfolio Advisor or any of its affiliates are obligated to offer certain investments to funds or accounts that they manage or advise before or without the Portfolio Advisor offering those investments to the Issuer. The Portfolio Advisor may make investments on behalf of the Issuer in securities or other assets that it has declined to invest in for its own account, the account of any of its affiliates or the account of its other clients. The Portfolio Advisor will endeavor to resolve conflicts with respect to investment opportunities in a manner that it deems equitable to the extent possible under the prevailing facts and circumstances and in accordance with applicable law.

Affiliated Service Providers

The Issuer or the Portfolio Advisor may utilize Deutsche Bank to execute a portion of the Issuer's portfolio transactions or retain Deutsche Bank to provide financial advisory, debt structuring, and other investment banking services or trading activities or other administrative services of the types typically provided by third parties. Deutsche Bank may receive commissions and remunerations in connection with such transactions in addition to investment banking or other fees from Obligor on Collateral Obligations acquired by the Issuer. The Issuer will utilize Deutsche Bank only where its commission charges are reasonable as compared with those charged by similar firms for similar transactions. However, such commission rates may not be the lowest commission rates available.

The Issuer may enter into transactions in loans, securities, derivative instruments or other investments in which Deutsche Bank serves as the counterparty, principal or agent. Deutsche Bank may, from time to time, act as principal for its own account in connection with investment transactions by the Issuer, including selling securities as principal to, and buying securities as principal from, the Issuer. Deutsche Bank and/or one or more of its affiliates with acceptable credit support arrangements may act as counterparty with respect to all or some of the Hedge Agreements, which may create certain conflicts of interest. See Section 12, "Certain Risk Factors—Risks Relating to the Preferred Shares—Risks of Hedge Agreements".