

Subject: Rated Infrastructure Notes (RIN) II  
From: Vahe Stepanian <[REDACTED]>  
Date: Thu, 22 Mar 2018 14:30:50 -0400  
To: "Paul Barrett ([REDACTED])" <[REDACTED]>  
Cc: Stewart Oldfield <[REDACTED]>, Martin Zeman <[REDACTED]>  
Bcc: [REDACTED],

Paul-

Hope all is well. I'm reaching out because we have begun raising capital for Rated Infrastructure Notes (RIN). RIN is a CLO that will invest in a diversified portfolio of private infrastructure loans and will be managed by our colleagues in DWS (formerly Deutsche Asset Management).

This is the second RIN raise we've worked on with our family office client base and my group is focused on the equity tranche. RIN I has been a success thus far: we raised ~\$67.50mm of RIN equity, which has delivered a cash on cash net yield since inception of 15.8%. RIN II will target a 12-15% net IRR for the equity tranche.

A few additional high level bullets:

- RIN I has deployed \$450mm to date across 35+ primary and secondary loans in the U.S.
- Infrastructure loans exhibit a lower default rate and higher recovery rate than non-infrastructure broadly syndicated loans: 10-yr cumulative default rates of 8.0% for Ba infrastructure assets vs. 18.4% for Ba non-financial corporates
- There is a growing long term need for infrastructure investment: total shortfall in U.S. infrastructure funding over the next 10 years is estimated to be \$1.4 trillion (i.e. \$140 billion per annum)
- The DWS platform has a 23-year track record of investing and managing infrastructure equity and debt investments

Attached you can find a teaser and a longer presentation on the opportunity.

Let us know if this is of interest and we can tee up a call directly with the RIN Team.

Thank you,

Vahe

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Vahe Stepanian

Key Client Partners

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