

Risk Factors

* An investment in Insurance Linked Securities involves potentially significant risks for an investor. In summary, these risks include (but are not limited to):

- Investors may lose all or a portion of their investment in Insurance Linked Securities if a natural catastrophe or other event triggers a payment by the issuer of the Insurance Linked Securities under the underlying risk-transfer agreement that the Insurance Linked Securities relate to.
- The maturity of Insurance Linked Securities may be extended without the prior consent of the investor.
- The Insurance Linked Securities may be redeemed before their maturity date (including before any extension of such maturity date by the issuer).
- If the Insurance Linked Securities are redeemed before maturity, the interest rate payable under the Insurance Linked Securities will be reduced.
- Investors have limited recourse to assets of the issuer of the Insurance Linked Securities and no recourse to assets of the counterparties to the underlying risk-transfer agreements to which the Insurance Linked Securities relate.
- If the issuer of the Insurance Linked Securities becomes insolvent, investors may lose some or all of their investment.
- Investors may be required to consolidate the issuer for accounting purposes under certain circumstances.
- An investment in the Insurance Linked Securities may have adverse tax consequences for investors.
- Any claim you have against the issuer in the event of the issuer's insolvency will rank below any claim a counterparty to the underlying risk-transfer agreements, to which the Insurance Linked Securities relate, has against the issuer.
- Enforcement of the security interest granted to a Trustee for the benefit of the investors may be limited.
- The Insurance Linked Securities may not have a secondary market or the secondary market for the Insurance Linked Securities may have limited liquidity; the market price of the Insurance Linked Securities in the secondary market may be highly volatile.
- The Rating Agenc(y)(ies) (if any) may change any rating assigned to the Insurance Linked Securities. Any credit rating given in respect of the Insurance Linked Securities may not reflect the potential impact of all risks related to the Insurance Linked Securities. A credit rating is not a recommendation to buy, sell or hold the Insurance Linked Securities and may be revised or withdrawn by the rating agency at any time.

The risk factors relating to an investment in Insurance Linked Securities are set out in detail in the offering materials for the relevant Insurance Linked Securities.

Before entering into any financial transaction, you should ensure that you fully understand the terms, have evaluated the risks and determined that the transaction is appropriate for you in all respects.