

### **Cayman Islands Taxation**

The Master Fund has been advised by its Cayman Islands counsel, Ogier, that neither the Partnership nor the Master Fund will be subject to any income, withholding, capital gains or other taxes in the Cayman Islands. Further, Partners will not be subject to any income, withholding, capital gains, or other taxes in the Cayman Islands with respect to their interest in the Partnership nor will they be subject to any estate duty or inheritance taxes in the Cayman Islands.

### **General**

The advice from Seward & Kissel LLP on Federal, New York State and New York City tax matters is based on the assumption that the Partnership will be organized and operated in the manner contemplated by the General Partner and under present provisions of the laws and regulations issued thereunder and the cases and rulings interpreting such laws and regulations. There can be no assurance that the positions the Partnership or the Master Fund takes on its tax returns will be accepted by the IRS or the New York taxing authorities.

As promptly as practicable after the end of each fiscal year, the Partnership will send to each Partner a report indicating the amounts representing such Partner's respective share of net long-term capital gain or loss, net short-term capital gain or loss, operating profit or loss, and other appropriate items of income and deduction for purposes of reporting such amounts for Federal income tax purposes.

The tax consequences of an investment in the Partnership may vary depending upon the particular circumstances of each prospective Limited Partner. Accordingly, each prospective Limited Partner should consult such Partner's own tax advisers with respect to the effect of an investment in the Partnership on his or her personal tax situation and, in particular, the state and local tax consequences to him or her of an investment in the Partnership.

Tax-exempt entities should review with their tax advisers the discussion above regarding unrelated business taxable income and debt-financed income and any tax and/or filing obligation they may have with respect to unrelated business taxable income. Tax-exempt entities should also consult their tax advisers with regard to the unrelated business taxable income issues that may arise upon the disposition of their interest in the Partnership. In a private ruling, the IRS has taken the position that a portion of the gain realized from the sale (e.g., withdrawal) of a partnership interest by a tax-exempt entity is debt-financed income when the partnership uses borrowed funds to purchase property even though the tax-exempt entity did not use borrowed funds to purchase its partnership interest.

A Limited Partner (and each employee, representative, or other agent of the Limited Partner) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including opinions or other tax analyses) that are provided to the Limited Partner relating to such tax treatment and tax structure.

### **Foreign Investors**

Special tax considerations apply to Limited Partners that are nonresident alien individuals or foreign corporations and that do not hold their interest in the Partnership in connection with the conduct of a trade or business within the United States (collectively, "Foreign Partners"). A Foreign Partner generally will not be deemed to be engaged in a trade or business in the United States solely as a result of his investment in the Partnership if the activities of the Partnership and the Master Fund consist solely of trading stocks and securities for its own account. The Foreign Partner generally would be subject to a 30% withholding tax on his share of the Partnership's United States source dividend income and certain United States source interest income. The Partnership would be required to withhold such tax with respect to the Foreign Partner's share of such income each year whether or not any income is paid out to the Foreign Partner. Special rules apply with respect to investors that are foreign partnerships or foreign trusts.