
Global taxes

The Manager may make certain decisions to maximize pre-tax returns that result in tax-exempt Investors incurring greater tax costs than might otherwise be the case. For example, in some cases, the Manager may forego certain actions with regard to acquisition, financing, management and disposition of investments that would reduce taxes because such actions would reduce overall pre-tax returns to all the Investors.

Investments and holding structures will be considered on their merits by the Manager but without regard to the taxation, legal or other circumstances of the Investors.

Change in tax law

There may be changes in the tax laws or interpretations of tax laws in jurisdictions in which the Fund or any of its subsidiaries operates, is managed, is advised, is promoted or invests, or in which Investors are resident, that are adverse to the Fund, its subsidiaries, or the Investors. Changes to taxation treaties or interpretations of taxation treaties between one or more such jurisdictions and the countries through which the Fund or any of its subsidiaries holds investments or in which an Investor is resident may adversely affect the Fund's ability to efficiently realize income or capital gains. Consequently, it is possible that the Fund or its subsidiaries may face unfavorable tax treatment in such jurisdictions that may materially adversely affect the value of the Fund's investments.

Tax treatment

There can be no assurance that the structure of the Fund or of any investments will be tax-efficient for any particular Investor. Investors are urged to consult their own tax advisers with reference to their specific tax situations.

Phantom income

There can be no assurance that the Fund will have sufficient cash flow to permit the Fund to make distributions to Investors in amounts necessary to enable them to pay all tax liabilities resulting from their ownership of Interests. See also Section 9: *Certain Legal, ERISA and Tax Considerations*.

Risks from changes in the taxation of carried interest

The ability of the Manager to achieve the investment objectives of the Fund depends, to a substantial degree, on the ability of the Manager and its affiliates to retain and motivate its investment professionals and other key personnel, and to recruit talented new personnel. The ability of the Manager and its affiliates to recruit, retain and motivate their professionals is dependent on their ability to offer highly attractive incentive opportunities. Legislation has recently been enacted in the U.S. which treats certain capital gain income that is recognized by an investment partnership and allocable to a partner affiliated with the sponsor of the partnership (i.e., carried interest) as short-term capital gain generally taxed at ordinary rates to such partner for U.S. federal income tax purposes. It is currently unclear the impact this legislation will have on the Manager and its affiliates or any professionals of such organizations, however, it is possible this legislation (or if additional similar legislation were enacted, such other legislation) would materially increase their tax liability with respect to their entitlement to carried interest. This may adversely affect the Manager's and its affiliates' ability to attract and retain certain investment professionals, which may have an adverse effect on their ability to achieve the investment objectives of the Fund.

Corporate offense of failure to prevent the facilitation of tax evasion

The UK Criminal Finances Act 2017 introduced, with effect from September 30, 2017, a corporate offence of failure to prevent the criminal facilitation of tax evasion. The offence can be committed by bodies corporate and partnerships, wherever incorporated or formed and could therefore impact the Fund and its investments. The offence is committed when an associated person of the body corporate or partnership commits criminal facilitation of tax evasion when acting in the capacity of an associated person. The offence is wide in scope and catches facilitation of foreign tax evasion as