

RISK FACTORS

Investors in the Offshore Feeder Fund will be investing in the Onshore Feeder Fund indirectly, and therefore, all references in this Section to “Investors” or “Limited Partners” should be understood to apply both to the Investors in the Onshore Feeder Fund and the investors in the Offshore Feeder Fund, and references to “Interests” should be understood to apply both to limited partnership interests in the Onshore Feeder Fund and limited partnership interests in the Offshore Feeder Fund, in each case unless the context indicates otherwise. Consequently, all of the risk factors set forth herein should be understood to apply to the potential investments in the Offshore Feeder Fund as indirect investments in the Onshore Feeder Fund.

All private equity investments involve a risk of loss of capital. No assurances can be given that the Master Fund or the Feeder Funds will achieve their investment objectives or that Limited Partners will not suffer loss. An investment in a Feeder Fund is highly speculative and involves certain risks and conflicts of interest, which prospective Investors should consider carefully before subscribing. The following discusses certain risks and is not exhaustive and other risks and conflicts not discussed below may arise in connection with the management and operation of the Feeder Funds.

The Onshore Feeder Fund is an investment vehicle being formed to facilitate the investment of certain categories of investors into the Master Fund. The Onshore Feeder Fund’s sole objective is to invest in the Master Fund and, other than such investment, the Onshore Feeder Fund is not expected to have any material operations. Substantially all of the capital contributions to the Onshore Feeder Fund will be contributed by the Onshore Feeder Fund to the Master Fund, and the Limited Partners will receive an indirect interest in the Master Fund. For the avoidance of doubt, references to capital calls by the Master Fund and capital contributions by the Onshore Feeder Fund to the Master Fund will include any amounts required to be contributed, funded or advanced to the Master Fund, as described in the Master Fund Offering Memorandum, attached hereto as Appendix A.

Limited Partners will not have any rights, including any direct voting rights, in the Master Fund, or the ability to exercise any of the Onshore Feeder Fund’s rights in the Master Fund or assert claims directly against the Master Fund. In addition, Investors investing in a Feeder Fund rather than directly through the Master Fund will be subject to an additional layer of expenses.

In addition, because the Onshore Feeder Fund will hold an interest in the Master Fund, the Feeder Funds will be subject to all risks and conflicts inherent in such an investment. There can be no assurance that the Master Fund will realize its rate of return objectives, will realize similar returns to past funds or investments sponsored by the Master Fund Manager or its affiliates or will return any investor capital. The rate of return, if any, realized by an investor in the Feeder Funds will be less than the rate of return, if any, realized by a direct investor of the Master Fund as a result of the costs and expenses of organizing and operating the Feeder Funds, including the Management Fees payable by the