

affiliates on behalf of the Fund) and the IRS. An FFI Agreement would require the Fund (or the Manager or one of its affiliates on behalf of the Fund) to report to the IRS information about its US Investors and certain US persons that indirectly hold an interest in the Fund through a non-US Investor, and to comply with other reporting, verification, due diligence and other procedures established by the IRS, including a requirement to seek waivers of non-US laws that would prevent the reporting of such information. The IRS may terminate the FFI Agreement if the IRS notifies the Fund that it is out of compliance with the FFI Agreement and the Fund does not remediate the compliance failure. Under the Fund Partnership Agreement, an Investor will be required to provide such information and comply with such procedures as required for the Fund to comply with an FFI Agreement, including in the case of a non-US Investor, to provide information regarding certain US direct and indirect owners of the Investor. The failure of an Investor to comply with these requirements may also result in adverse consequences applying to such Investor pursuant to the Fund Partnership Agreement. Although it is expected that an application to enter into an FFI Agreement will be submitted to the IRS on behalf of the Fund, no assurance can be given that the Fund will be able to satisfy the conditions for entering into and complying with an FFI Agreement (for example, if Investors do not provide the required information).

Even if the Fund is subject to an FFI Agreement, an Investor's share of withholdable payments (whether or not distributed) and distributions to an Investor that are treated as "foreign passthru payments" generally will be subject to a 30% withholding tax (a) if the Investor fails to provide information or take other actions required for the Fund to comply with the FFI Agreement including, in the case of a non-US Investor, providing information regarding certain US direct and indirect owners of the Investor (and, in certain circumstances, obtaining waivers of non-US law to permit such reporting), or (b) if the Investor is an FFI, unless the Investor (i) is subject to an FFI Agreement, (ii) establishes that an exemption applies or (iii) is required to comply with FATCA under an applicable IGA.

An Investor or the Fund may be able to obtain a credit for or refund of any amounts withheld, depending on the Investor's and the Fund's particular situations. FATCA may also apply to certain non-US entities held by or affiliated with the Fund if they receive withholdable payments or passthru payments. Although the application of FATCA to a sale or other disposition of an interest in a partnership is unclear, it is possible that the gross proceeds of the sale or other disposition by an Investor of an Interest will be subject to tax under FATCA.

The above discussion of FATCA is based in part on recently issued United States Treasury Regulations, which are subject to uncertain interpretation and reserve on certain aspects of the FATCA rules that may be relevant to the Fund (such as, for example, the definition of "foreign passthru payment"). Similar FATCA considerations would generally apply to any non-US Fund Secondary in which the Fund invests.

Certain US state and local income tax considerations

The foregoing discussion does not address the US state and local tax consequences of an investment in the Fund. Investors may be subject to US state and local taxation, and tax return filing requirements, in the jurisdictions of the Fund's activities or investments, particularly in the case of investments in Operating Partnerships. Investors may not receive the relevant tax information prior to when their tax return reporting obligations become due and may need to file for extensions. Investors are urged to consult their own tax advisers regarding US state and local tax matters.

Certain UK tax considerations

The following is a discussion of certain UK taxation considerations relating to an investment in the Fund and does not purport to address all of the UK taxation considerations that may be applicable to any particular Investor. It is based on laws, regulations and other authorities in effect as of the date of this Memorandum, all of which are subject to change, possibly with retroactive effect. The UK taxation of partnerships and partners is extremely complex, involving, among other things, significant issues as to the character, timing of realisation and sourcing of gains and losses. Investors should not construe the contents of this Memorandum as tax advice, and each Investor is urged to conduct its own due diligence, and consult with its professional advisers, with respect to the tax consequences of its investment in the Fund.

Taxation of the fund. The Fund will be established as an English limited partnership to make private equity and equity related investments. The Fund has been structured and is intended to be operated so that it is treated as an investment partnership and not as carrying on a trade for UK tax purposes. These characteristics are important to the UK tax treatment of the Investors and the Fund. If the Fund conducts business such that it ceases to be one of making