

investments (or if any transaction were to be characterised as a trading rather than as an investment transaction), the tax treatment outlined here would not necessarily apply.

The Fund should be treated for UK tax purposes as a partnership and the following summary is based on that assumption. HM Revenue & Customs will not treat the Fund as a separate taxable entity for UK income and capital gains tax purposes. Instead, the income and capital gains or losses of the Fund will be treated as those of the Investors as and when they arise. For this purpose, HM Revenue & Customs generally regards each Investor as owning a fractional share of each of the Fund's underlying assets in a way which reflects the Investor's profit-sharing ratio. Where a Fund Secondary Investment or Direct Secondary Investment is itself treated as tax transparent for UK tax purposes (as in the case of a partnership), HM Revenue & Customs will generally look through that investment to its underlying assets.

Each Investor will be solely responsible for paying the tax due on its own share of the Fund's income and gains. Investors will be required to include their share of such income and gains in their own tax returns. The Fund may be required to complete and file a partnership return to aid the assessment of the Investors. Any Investor may be required to provide such information as may reasonably be required to facilitate the assessment to income tax or corporation tax of any Investor liable to be so assessed.

Investors who are not resident in the UK and who hold their Interest as part of a trade (*e.g.*, financial traders, such as banks), may be treated as carrying on that part of that trade in the UK through a UK representative, which can be assessed to UK tax on the profits of such Investor. In those circumstances, the General Partner will be entitled to retain an amount equal to the Investor's liability to UK corporation tax or income tax and to submit such amounts to HM Revenue & Customs.

It is likely that the Fund will be required to lodge an annual partnership tax return with HM Revenue & Customs although no tax should be payable by the Fund itself on any income or gain reported in such tax return. In order to lodge a tax return correctly and validly, HM Revenue & Customs may require the Fund to disclose the identity of each Investor and may also require the Fund to include in its tax return a unique taxpayer reference ("**UTR**") number for each Investor. Prospective investors should, therefore, be aware that an investment in the Fund may result in them being required to (a) obtain a UTR from HM Revenue & Customs or (b) provide the General Partner with the authority to obtain such a UTR for them on their behalf, and that, in either of these cases, the Fund may be required to disclose their identity and include their UTR in its tax returns.

Taxation of UK resident investors

Income. Income arising directly to the Fund will be treated for UK tax purposes as income arising to each Investor in the proportions in which that income is shared by the Investors in accordance with the provisions of the Fund Partnership Agreement. UK resident Investors will in general be chargeable to UK tax on the gross amount of their share of that income. Corporate partners may be able to obtain relief for corporation tax purposes for their share of certain of the management expenses of the Fund.

UK resident Investors should generally be entitled to a tax credit of one-ninth of net dividends paid by UK and (in certain cases) non-UK companies and received directly or indirectly by the Fund in respect of investments. However, no UK resident Investor will be able to obtain a repayment of the tax credit in respect of such dividends.

UK resident Investors should generally be entitled to a tax credit of 20% for any income tax deducted at source from interest income arising in the UK (*e.g.*, debenture interest) received directly or indirectly by the Fund in respect of investments.

UK resident Investors may be able to claim a credit against their UK tax liability for foreign tax paid on their share of income from investments, or they may be able to reclaim all or part of any such foreign tax deducted at source if the foreign tax arises in a jurisdiction with which the UK has concluded an appropriate double tax treaty.

Under the European Union Council Directive 2003/48/EC on the Taxation of Savings Income each European Union member state is required to provide to the tax authorities of another European Union member state details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other member state. However, for a transitional period, Austria, Luxembourg and certain associated and dependent territories of European Union member states may instead apply a withholding system in