

items of Master Fund income, gain, loss, deduction and credit for the taxable year of the Master Fund ending within or with the taxable year of such Investor, regardless of whether such Investor has received or will receive corresponding distributions from the Onshore Feeder Fund.

Thus, an Investor's income tax liability in a particular year may exceed the amount of cash actually received from the Onshore Feeder Fund by the Investor. Each Investor is required to report separately on its income tax return its distributive share of the Onshore Feeder Fund's net long-term capital gain or loss, net short-term capital gain or loss and all other items of ordinary income or loss.

U.S. Tax-Exempt Investors (as defined herein) should be aware that certain investments of the Master Fund may cause them to have "unrelated business taxable income," as defined under sections 512 and 514 of the Code ("UBTI"), which is subject to U.S. federal income taxation and may be subject to state and local taxation as well. See discussion below under "*Tax-Exempt Investors.*"

**Information Reporting.** Because the Onshore Feeder Fund will derive its income from its investment in the Master Fund, which is a pass through entity for U.S. federal income tax purposes, the Onshore Feeder Fund's ability to report information regarding items of income, gain, loss, deduction and credit will depend upon the receipt of information regarding such items from the Master Fund, which will in turn depend on the Master Fund's receipt of underlying information from the investment funds in which the Master Fund invests (the "**Investment Funds**"). As a result, the Onshore Feeder Fund does not expect to be able to deliver Schedules K-1 to Limited Partners prior to April 15 of each year and expects to deliver Schedules K-1 to Limited Partners in respect of a particular year in September of the following year. Further, the Master Fund expects to deliver Schedules K-1 to the Onshore Feeder Fund in September of each year. If the Onshore Feeder Fund does not receive all of the required information in a timely manner, it may need to rely on estimates in preparing its tax return and any schedules thereto (including Schedules K-1). Accordingly, Limited Partners will be required to obtain extensions for filing their federal, state and local income tax returns and such filings may be based on estimates. The Onshore Feeder Fund will provide Investors with estimated annual U.S. federal income tax information prior to April 15, assuming the Feeder Fund is able to obtain such information.

In order to avoid the imposition of U.S. withholding tax on U.S. source income (if any) and any backup withholding requirements, each U.S. Holder will be required to submit a valid IRS Form W-9 to the Onshore Feeder Fund, which will have to be updated promptly upon learning that any previously provided form has become obsolete or incorrect.

**Allocation of Onshore Feeder Fund Profits and Losses.** For U.S. federal income tax purposes, an Investor's allocable share of items of Onshore Feeder Fund income, gain, loss, deduction and credit will be determined as provided by the Onshore Feeder LP Agreement if such allocations either have "substantial economic effect" or are determined to be in accordance with the Investor's Interest. Pursuant to the Onshore Feeder LP Agreement, the Onshore Feeder Fund intends to maintain Investors' capital accounts in accordance with section 704 of the Code and U.S. Treasury Department regulations section